

DJK Report 2024

Philosophy

Mission

Connecting People, Connecting Technology and Enriching the World.

Vision

Next-generation engineering trading firm

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

Value

TRUST

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

GROWTH

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

CONTRIBUTION

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

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Editorial Policy

The DJK Report is created to provide stakeholders with a deeper understanding of the DJK Group's medium- and long-term value creation. The 2024 edition of the report introduces the Group's DX strategy and examples of initiatives, focuses on human resources, a crucial form of our capital, and features input from employees active in the Group. We hope that this report assists all our stakeholders to gain a better understanding of DJK.

Reference Guidelines

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

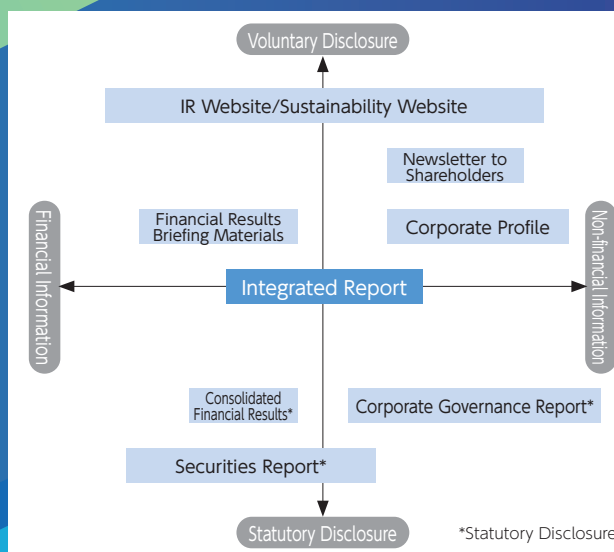
Applicable Period

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

Applicable Organizations

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

Tool Map



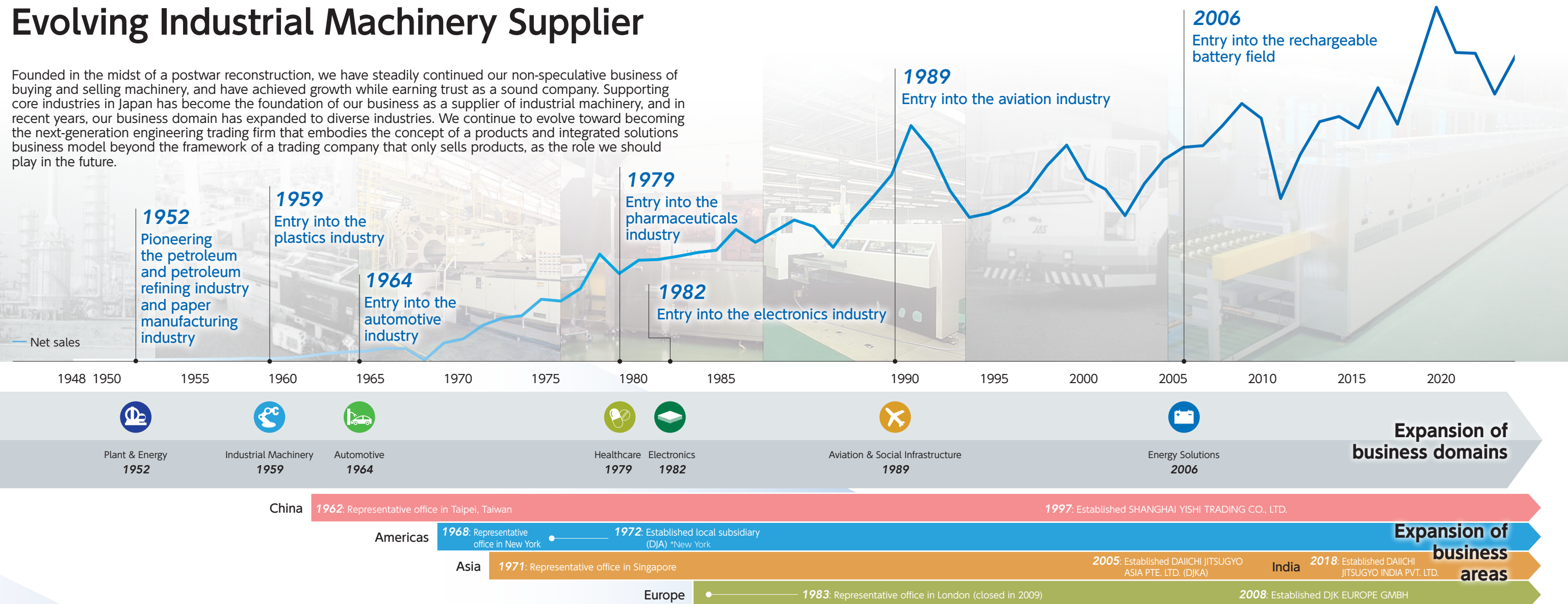
Disclaimer regarding forward-looking statements

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

Our History of Value Creation

Evolving Industrial Machinery Supplier

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



Establishment (1948)–

1970–

1990–

2010–

2020–

Engaged in core industries to build our business foundation

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

03 DAIICHI JITSUGYO CO., LTD.

Establishing a service system and accelerating industry expansion

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

Expanding new business models to meet customer needs

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

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

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

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

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

DJK Keywords

Many Years of Experience as an Industrial Machinery Supplier

SINCE 1948 Foundation **76** years

Sustainable Growth and Trust

> See pp.75-76 for details

Consolidated net sales

¥**187,790** million

Proportion of net sales from overseas

48.2%
(Based on delivery destination)

Consolidated operating income

¥**9,090** million

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

A- (Stable)

Capital Supporting Growth

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

Human and intellectual capital

- Diverse human resources supporting our growth strategy

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

Organizational capital

- Extensive network

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

35 in 17 countries

- Manufacturing and service subsidiaries

2 manufacturing subsidiaries

2 service subsidiaries

- A dedicated organization to strengthen our engineering functions

> See p.15 for details

Social and relationship capital

- Trust gained over many years
- Strong partnership

Customers

Approx. **3,900**

Suppliers

Approx. **4,700**

Financial capital

- Stable financial base

Total assets

¥**193.8** billion

Shareholders' equity

¥**73.3** billion

Shareholders' equity ratio

37.8%

Products and Integrated Solutions Business Model

In order to provide optimal solutions, we not only sell equipment (products), but also expand our business to include services (solutions), such as technical support for product manufacturing and engineering that requires expertise, in order to increase added value.



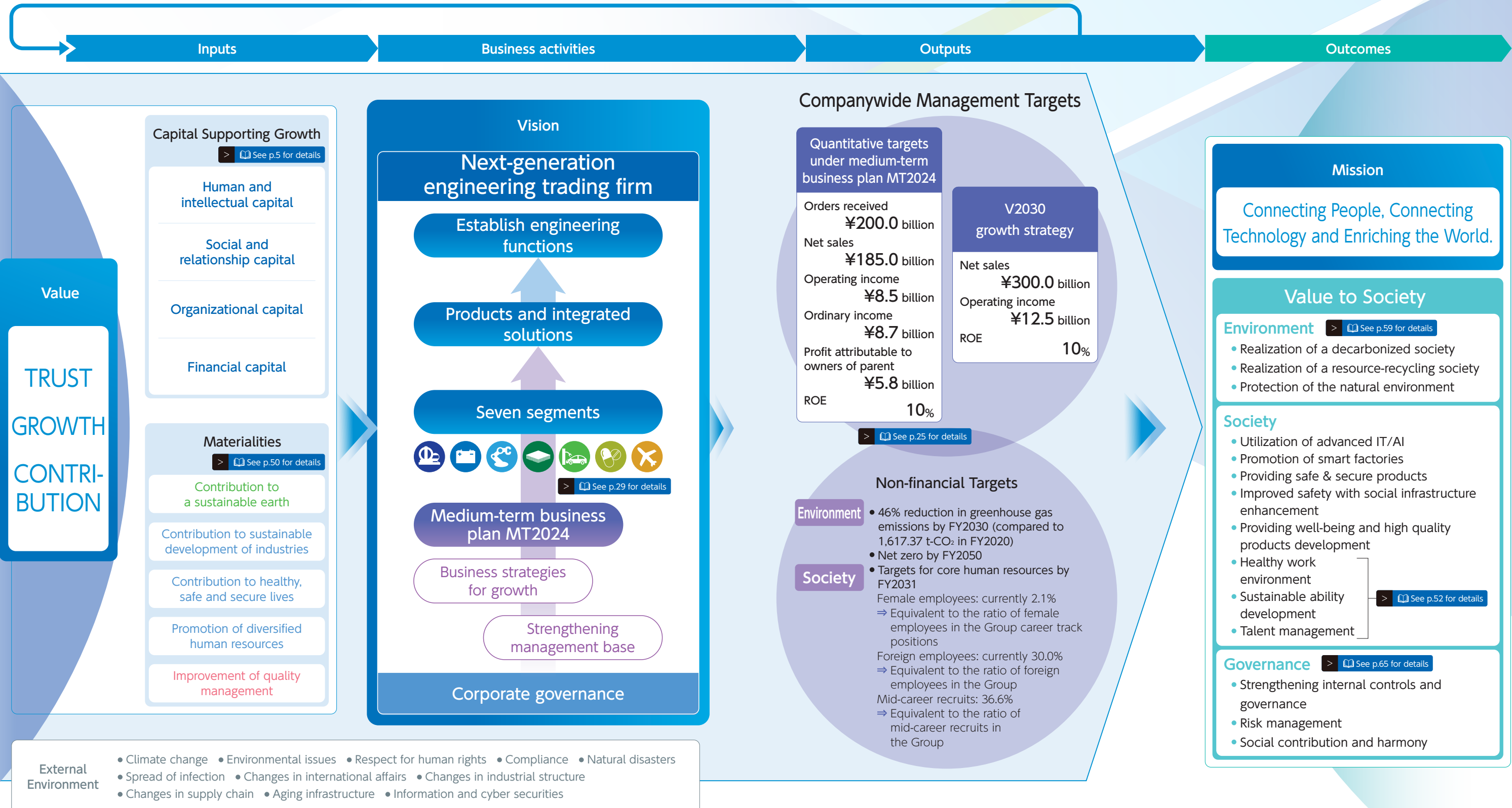
Products and Integrated Solutions Business Model



Value Creation Process

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

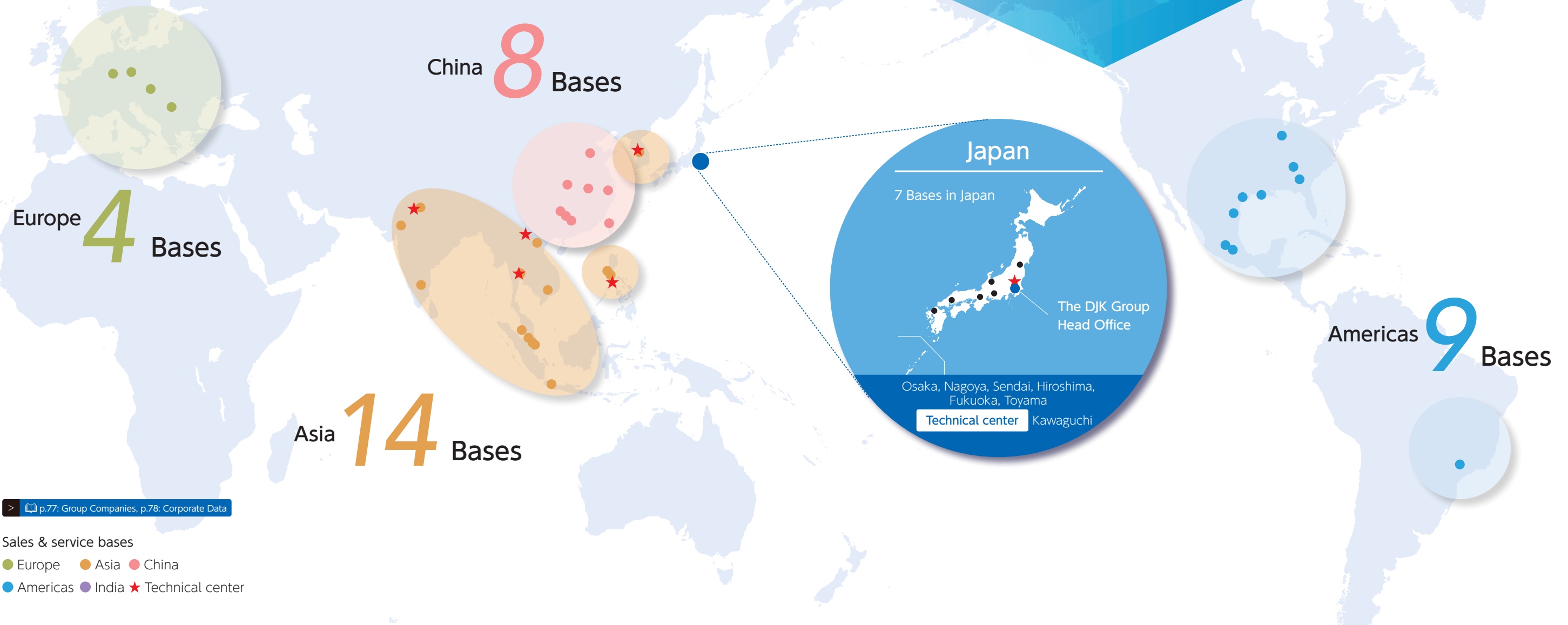
Our goal is to “Connect People, Connect Technology and Enrich the World” by creating environmental and social value through the provision of proposals that make use of advanced technology and services to meet diversifying needs.



We are pursuing our global strategy through our global four-region network. In July 2023, we opened two bases in the United States (the Kentucky Office and the Austin Office). We have established a sales structure that enables us to provide comprehensive support for companies engaged in business overseas and respond swiftly to all our customers' local needs through our network of 35 overseas bases (as of September 30, 2024).

Number of Overseas Bases

35



Europe

Frankfurt
Prague
Budapest
Sofia

Asia

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

Technical center Bangkok, Hanoi, Laguna, Seoul

India

New Delhi, Bangalore, Ahmedabad

Technical center New Delhi

China

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

Americas

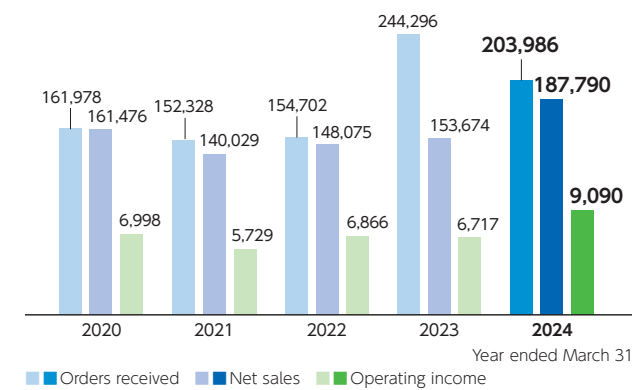
Chicago, Houston, Austin
Knoxville, Kentucky
Queretaro, Monterrey, Leon
Sao Paulo

> See p.45 for details

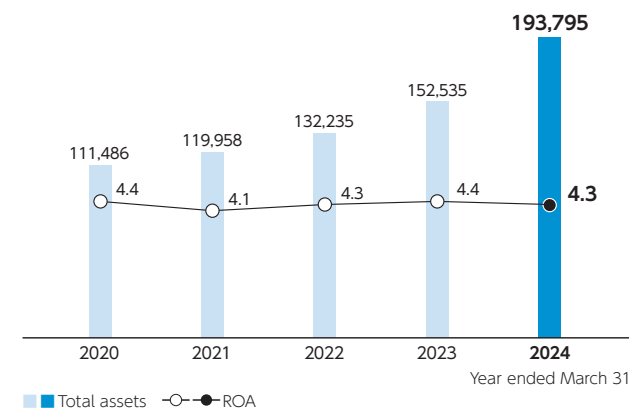
Financial and Non-financial Highlights

Consolidated Financial Highlights

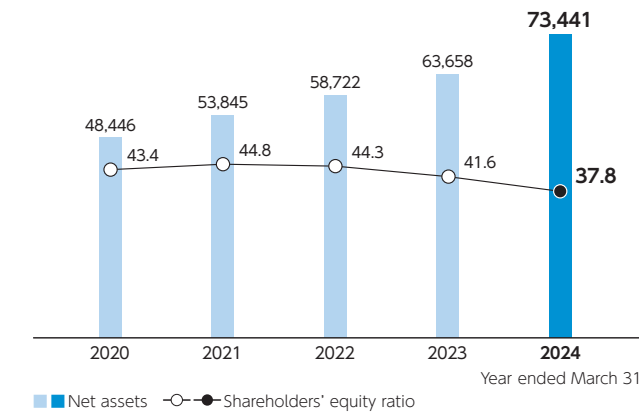
Orders received / Net sales / Operating income
(Millions of yen)



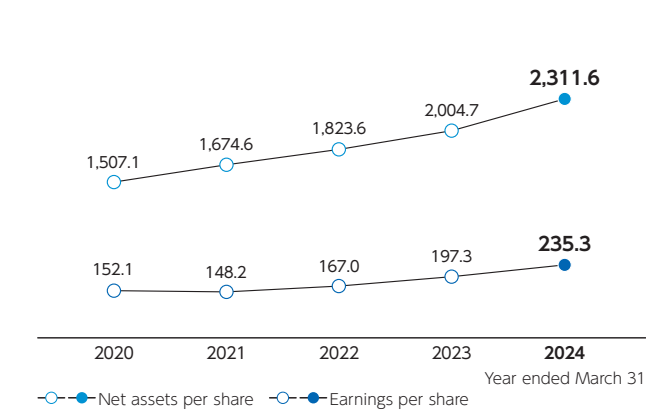
Total assets (Millions of yen) / ROA^{*1} (%)



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

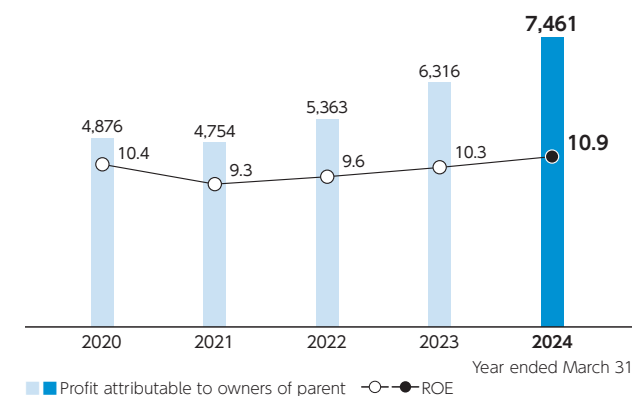


Net assets per share / Earnings per share (yen)



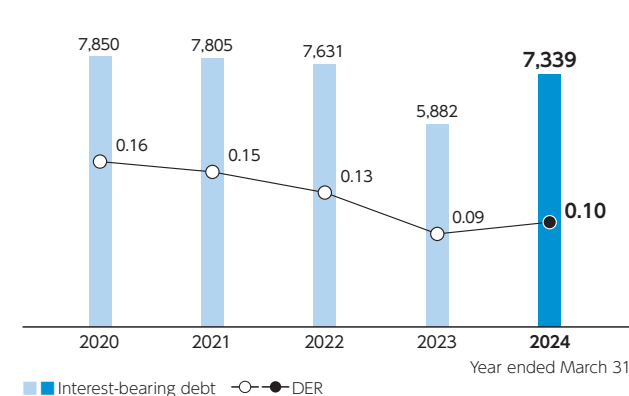
*The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. The figures shown indicate adjusted figures for previous years.

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

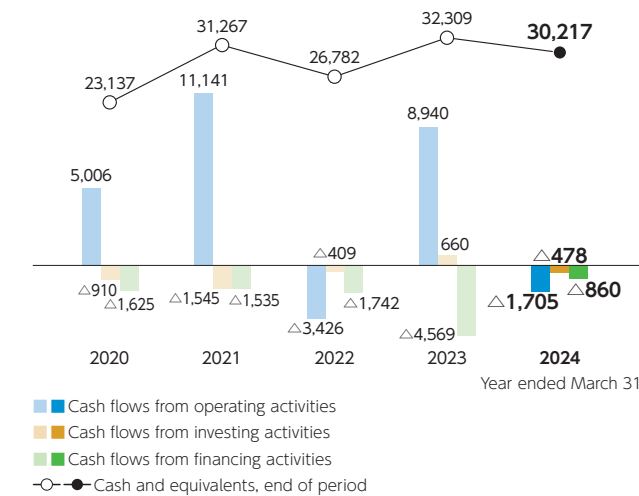


*1 ROA (Return On Assets) *2 ROE (Return On Equity) *3 DER (Debt to Equity Ratio)

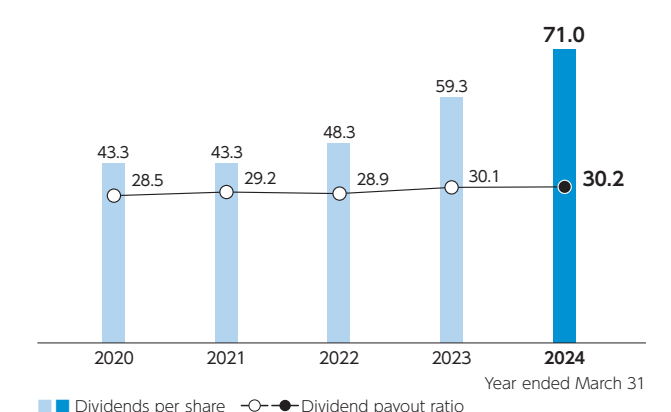
Interest-bearing debt (Millions of yen) / DER^{*3} (times)



Cash flows (Millions of yen)



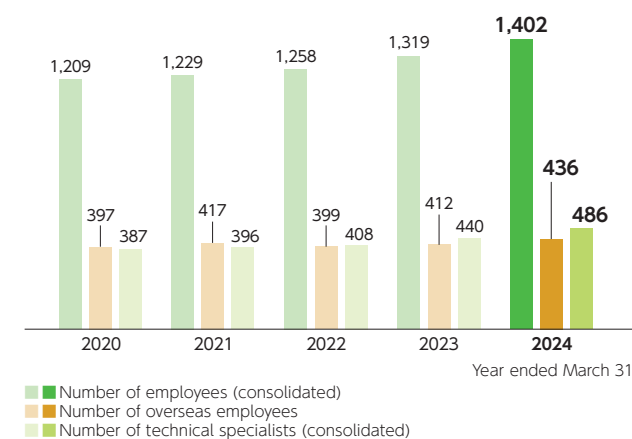
Dividends per share (yen) / Dividend payout ratio (%)



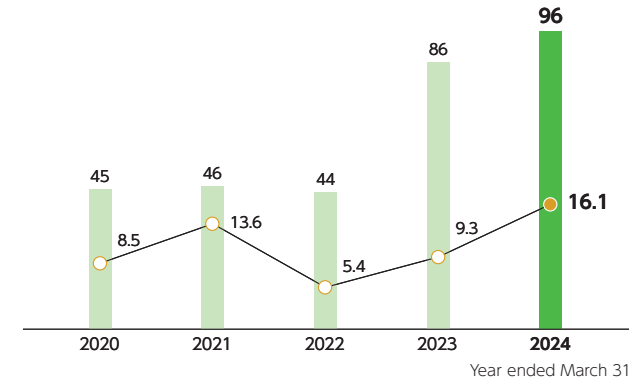
*The Company conducted a 3-for-1 stock split of common shares on October 1, 2023. The figures shown indicate adjusted figures for previous years.

Non-financial Highlights

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

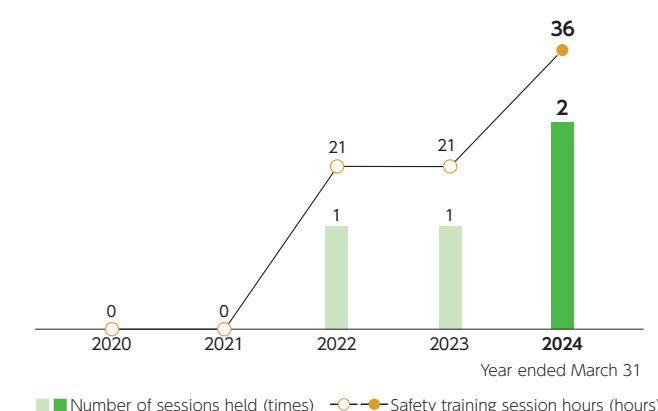


Education and training expenses^{*4} (¥1,000/person) /
Education and training hours^{*4} (hours/person) (non-consolidated)

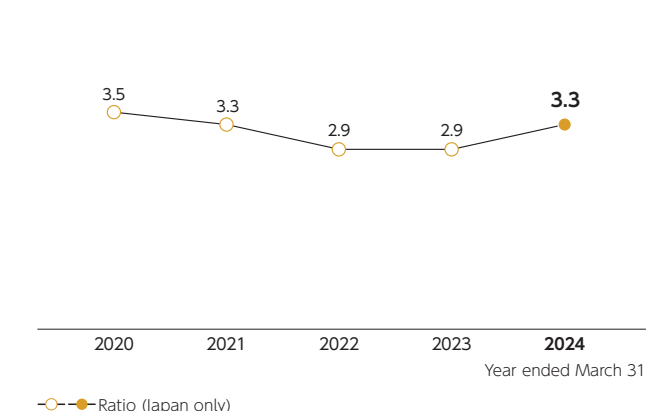


*4 Education and training expenses and education and training hours are limited to those organized by the Personnel Department, but other education and training programs are also provided by each organization.

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



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



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

A Message from the President & CEO

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

A Message from the President & CEO

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

Roundtable Discussion between the President and Outside Directors

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

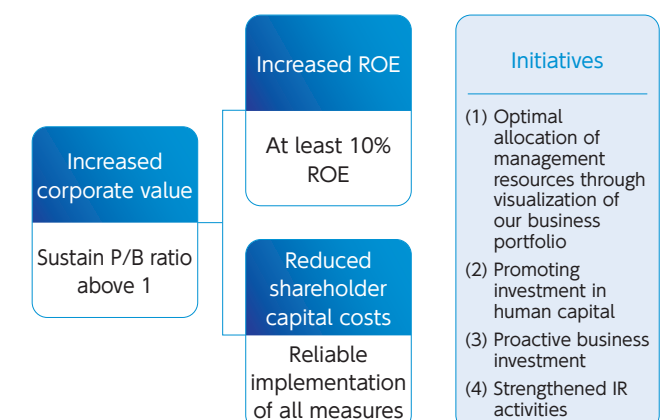
those who perform machinery maintenance. We hire personnel who can make an immediate contribution and they take an active role on site. In addition to active recruitment, we also focus on retaining our employees through measures such as the revision of our personnel evaluation system in 2023 and the 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

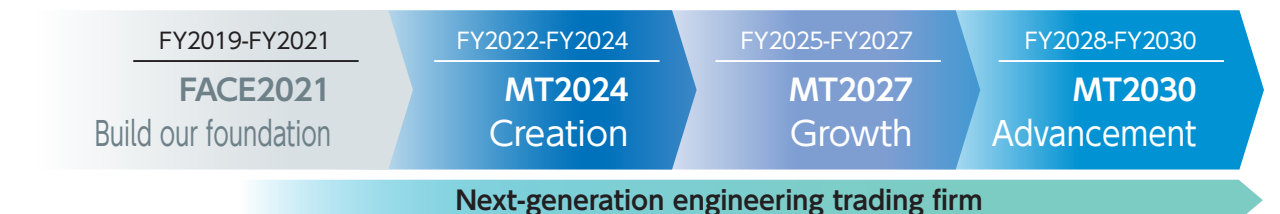
Aggressive investments	● Investments toward business expansion, strengthening, and creation, as well as solutions to social issues
Management focus on long-term value, in addition to short-term profit	● Build management base, for medium- to long-term profitability by improving capital efficiency
Contributing 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.



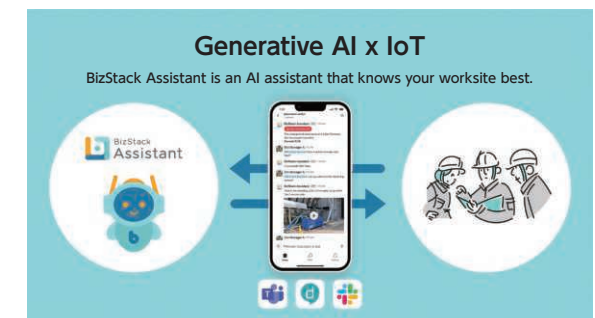
Initiatives in the Electronics Business

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 CO₂ 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

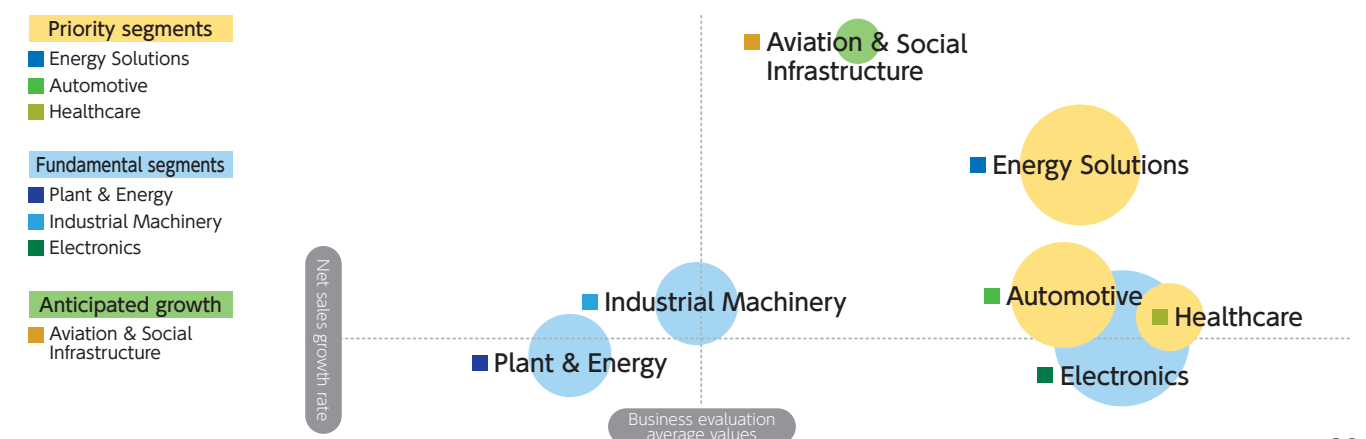
	 Plant & Energy Business	 Energy Solutions Business	 Industrial Machinery Business	 Electronics Business	 Automotive Business	 Healthcare Business	 Aviation & Social Infrastructure Business
Business fields	<ul style="list-style-type: none"> Resources / petroleum / chemicals Papermaking / steelmaking Decarbonization Digital transformation (DX) 	<ul style="list-style-type: none"> Lithium-ion batteries Fuel cells Recycling Next-generation batteries 	<ul style="list-style-type: none"> Home appliances / office automation Food packaging Medical equipment Housing equipment Distribution materials Agriculture (strawberry cultivation seedlings) 	<ul style="list-style-type: none"> Surface mount technology (SMT) Microelectronics Logistics automation solutions, LOGITO 	<ul style="list-style-type: none"> Interior and exterior parts Powertrain Car electronics / ADAS 	<ul style="list-style-type: none"> Pharmaceuticals Cosmetics Food 	<ul style="list-style-type: none"> Aviation Airports Defense and disaster preparedness Customer support (CS)
Major products	<ul style="list-style-type: none"> Petroleum refinery, chemical, petrochemical and other plant equipment Oil, gas, and geothermal production facilities, well drilling equipment and drilling rig packages Power generation infrastructure and renewable energy-related equipment AI / IoT-related equipment Environmental protection facilities, analysis and measurement equipment, and safety monitoring equipment 	<ul style="list-style-type: none"> Battery materials production equipment Cell electrode manufacturing equipment Cell / module assembly equipment and charge, discharge inspection equipment Powder processing equipment Fuel cell manufacturing equipment Battery recycling equipment 	<ul style="list-style-type: none"> Injection molding machines Extrusion machines Vacuum thermoforming machines Die-casting machines Metal-processing machines Ceramics processing machines Automated assembly equipment Material-handling robot systems Coating / surface decoration equipment 3D printing systems for plastic and sand molds Filling and packaging equipment Strawberry seedlings (growing seedlings) 	<ul style="list-style-type: none"> Electronic component mounting-related systems (SMT) SMT peripheral inspection equipment Post-process automation equipment Semiconductor device-related systems Display-related systems Coating and dispensing equipment Laser marking equipment (CO₂, YAG laser, blue laser) Inspection equipment (visual, X-ray, characteristic) IoT / software Logistics automation solutions, LOGITO 	<ul style="list-style-type: none"> Molding machines Metal-processing machines / plastic-processing machines Coating / surface decoration equipment Automated assembly equipment Inspection equipment Module support equipment IoT-related equipment and devices 	<ul style="list-style-type: none"> Tablet visual inspection systems Tablet ink-jet printing and inspection systems Capsule visual inspection systems Blister lines Sachet packaging lines Other packaging lines Vial filling lines Syringe filling lines Powder filling lines Tablet pressing machines Automatic cell culture systems 	<ul style="list-style-type: none"> Ground support equipment for aircraft Ground support equipment for airports Equipment used in airports Specialized vehicles for disaster relief Equipment to reduce workforce and workload

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

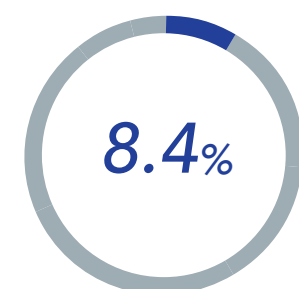
Materials

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.

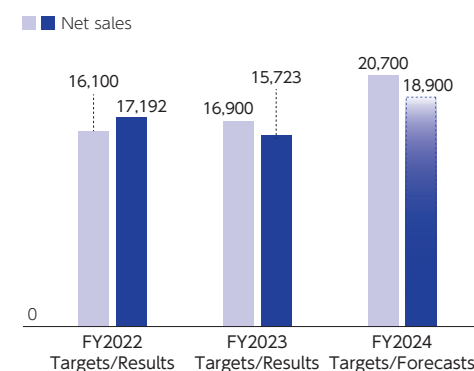
Decarbonization

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

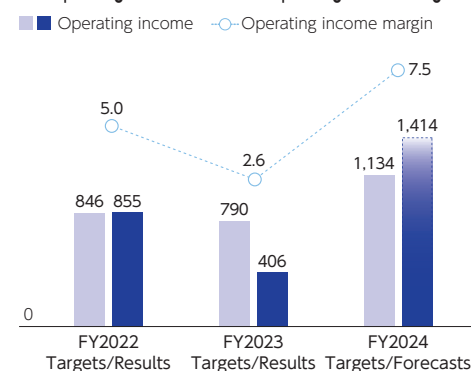
Net sales composition



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) CO₂ 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"> • Ongoing efforts in geo-thermal development and binary power generation business using waste heat • Developing low-carbon projects in Asian markets using the JCM system 	<ul style="list-style-type: none"> • Energy transition initiatives for decarbonization • Active proposals for smart security and DX (AI & IoT) 	<ul style="list-style-type: none"> • Participation in new products, new processes, and automation themes in the laboratory through proactive approach to the R&D department • Developing foreign companies' customers targeting Asian markets 	<ul style="list-style-type: none"> • Proactive and bold approach to the biomass fuel business • Accelerating initiatives for bioethanol and SAF businesses 	<ul style="list-style-type: none"> • Developing demand for low-carbon ammonia and taking on the challenge of green ammonia • Expansion of development of own renewable energy sources and development of rare metal-free storage batteries



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

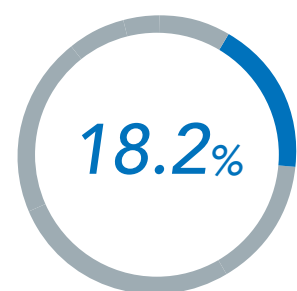
Executive Officer, General Manager,
Energy Solutions Business Division

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

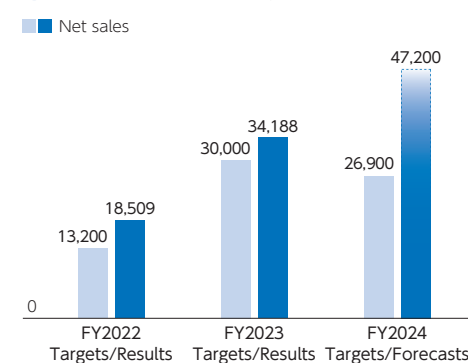
Business Overview

- 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.

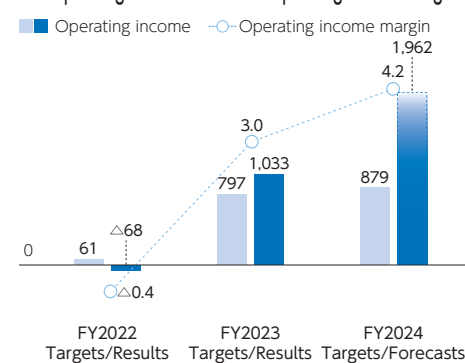
Net sales composition



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.

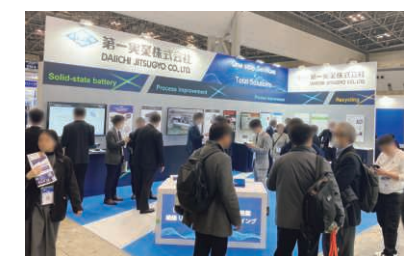


(3) Participating in domestic and international battery exhibitions

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



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

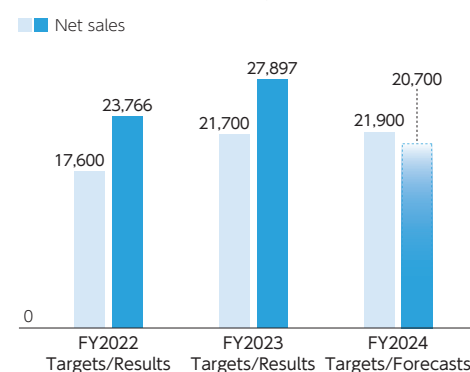
Active participation in exhibitions led to increased business negotiations. Enhance sales, service, and supply systems going forward.

New business

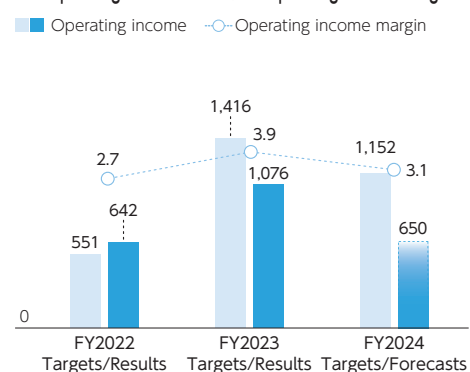
Lineup of eco-friendly plastics, materials, and related equipment gradually expanding.

Net sales composition

Net sales (Millions of yen)



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

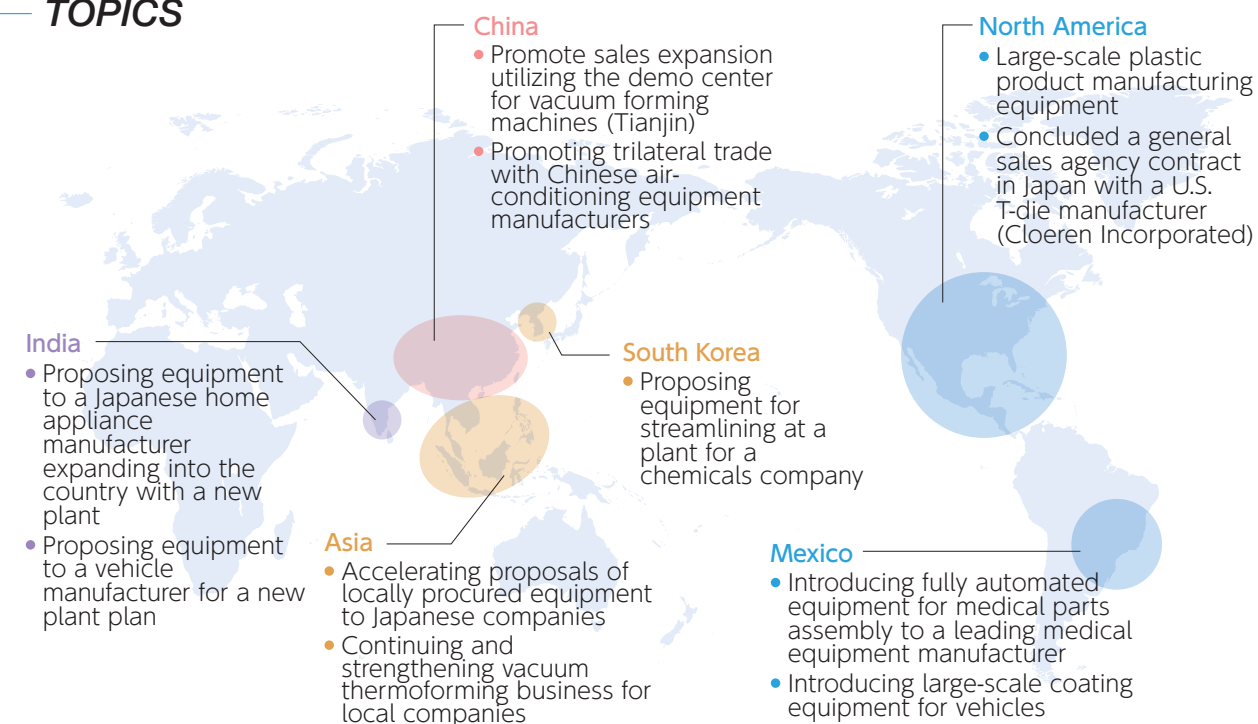


14.9%

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



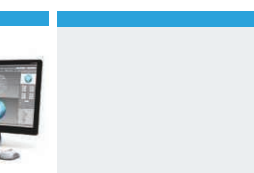
Strawberry seedlings

- 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

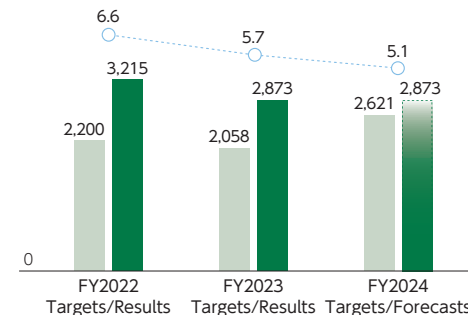
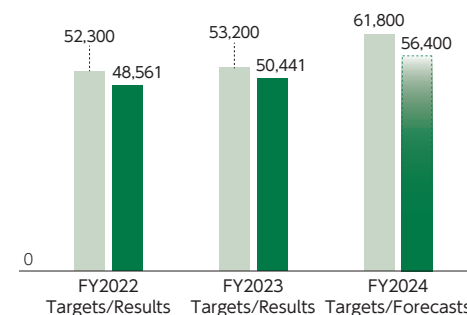
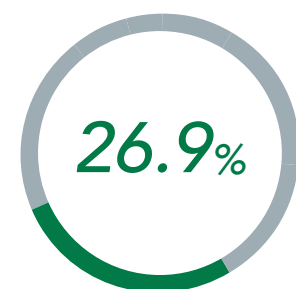
Net sales composition

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



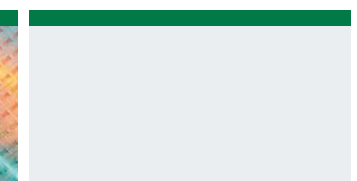
LOGITO

- 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 CO₂ 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 CO₂ 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

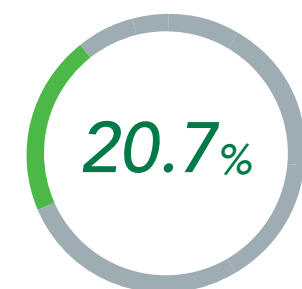
Driver area

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

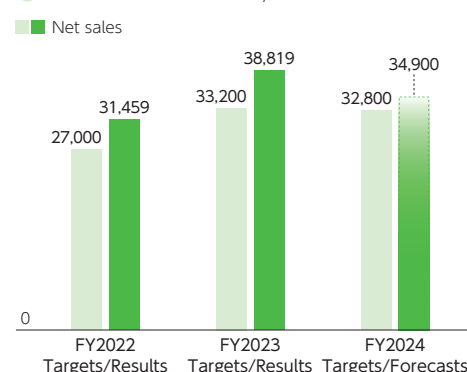
Device area

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

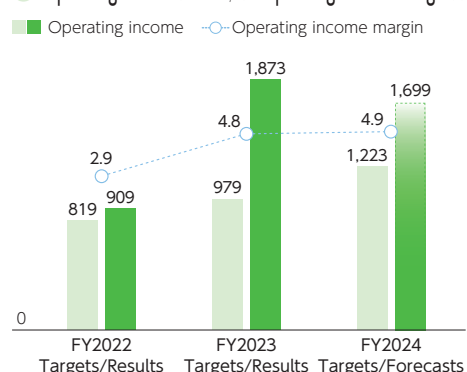
Net sales composition



Net sales (Millions of yen)



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

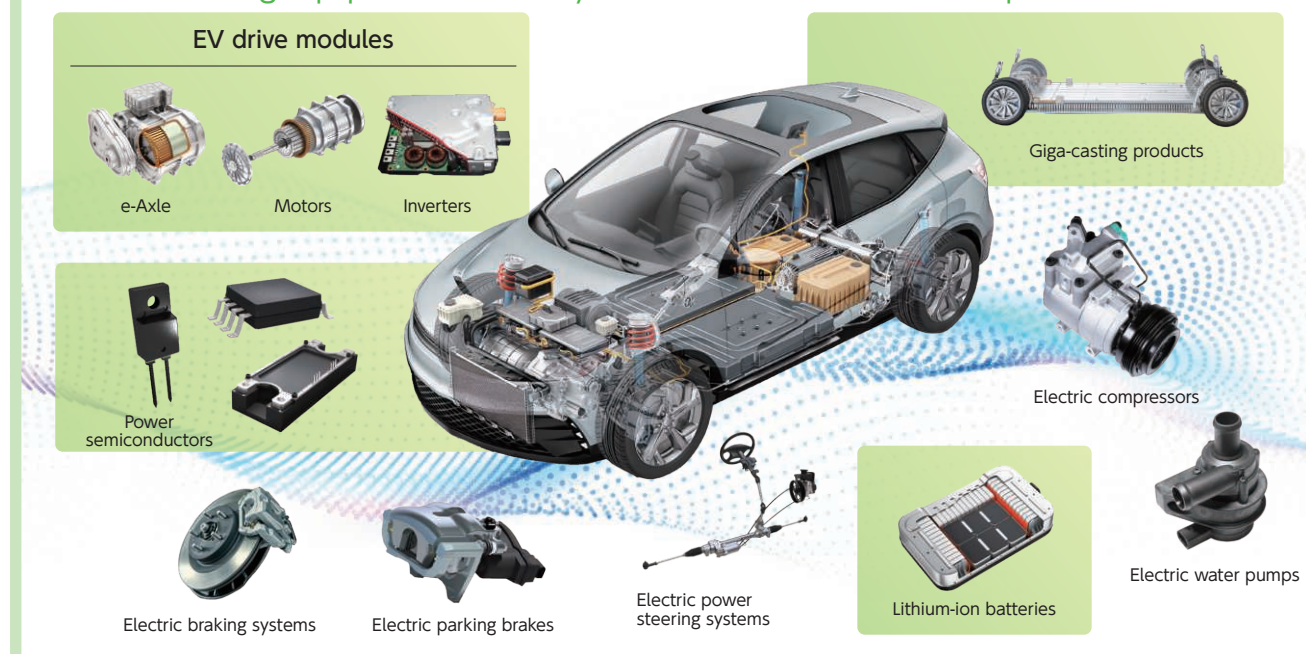


Strengths

- 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



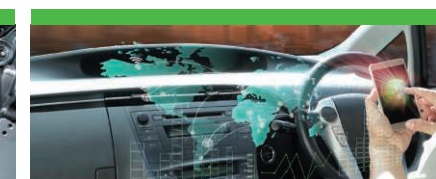
Vehicle body area

- 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

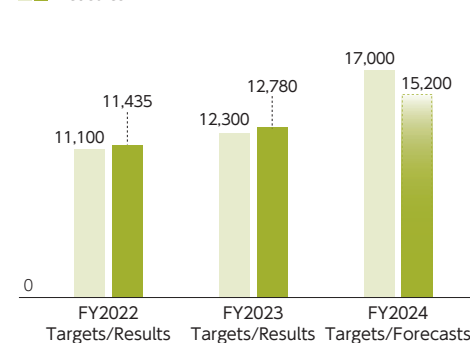
Business Overview

- 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.

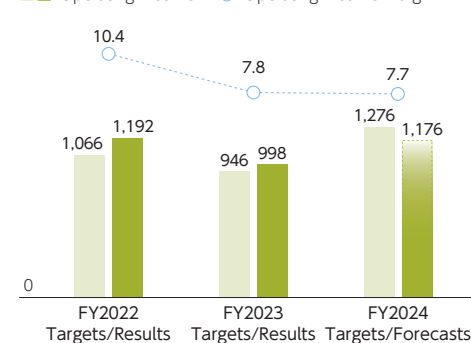
Net sales composition



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

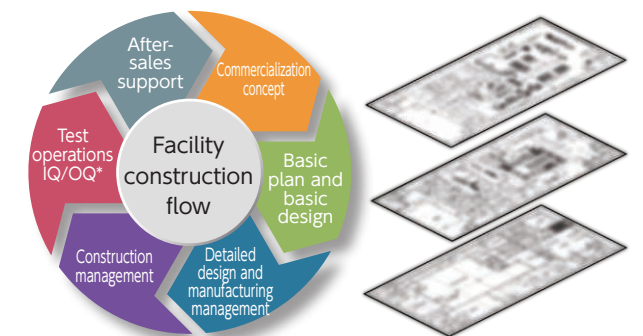
In recent years, we have focused on production line engineering aimed at receiving orders on a production line basis, and have built up a steady track record.

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

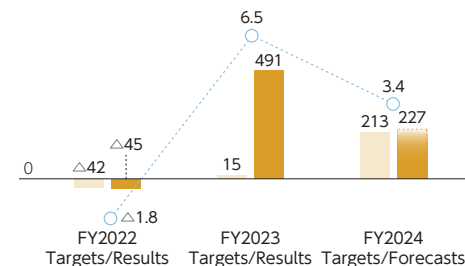
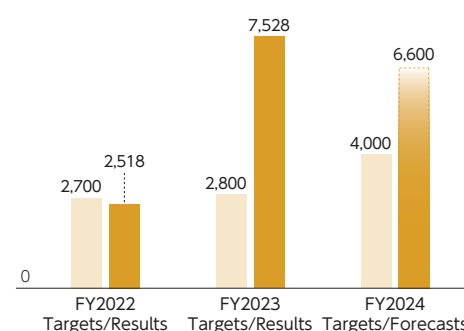
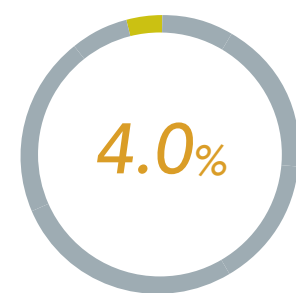
Net sales composition

Net sales (Millions of yen)

Net sales

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

Operating income — Operating income margin

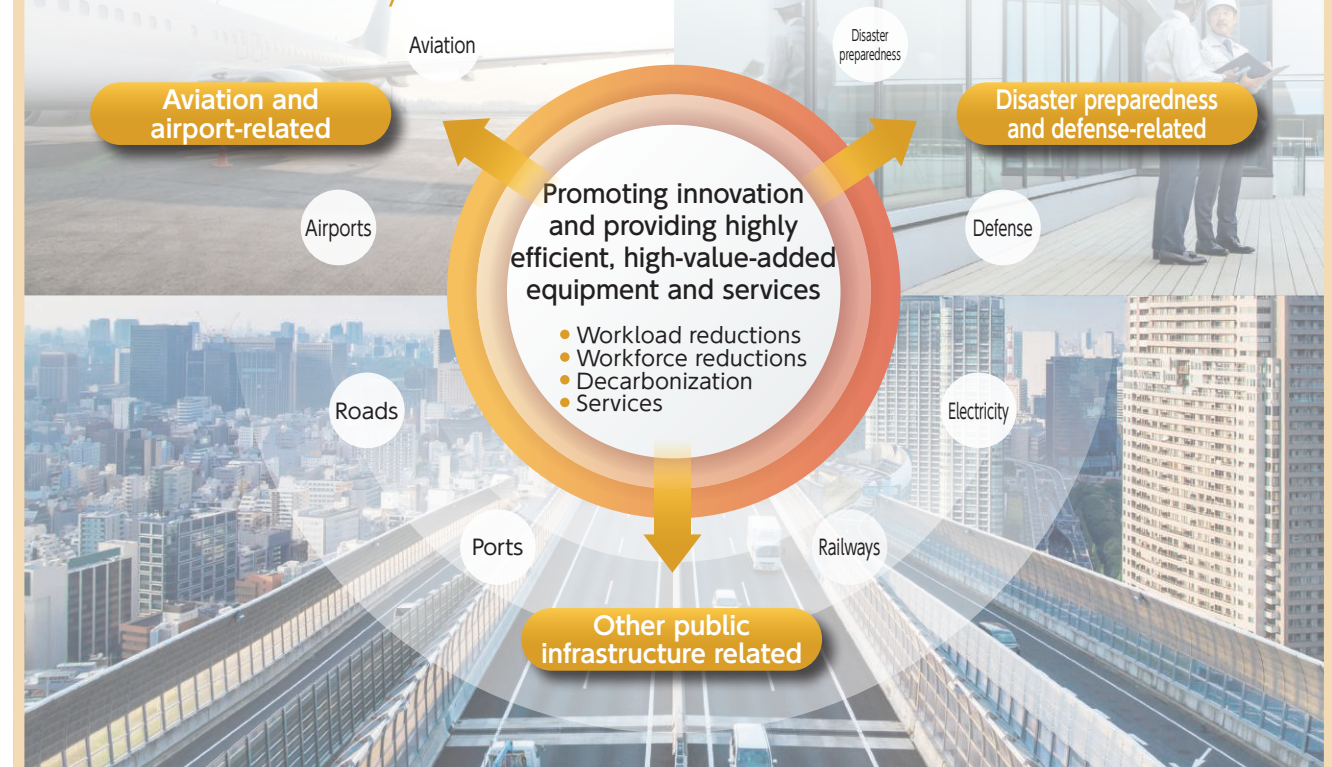


Strengths

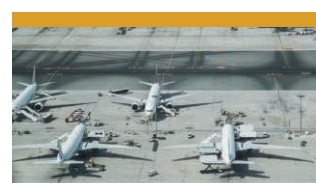
- High recognition in the aviation industry and strong customer base
- Strong business partners and their networks
- Extensive track record for delivery in government projects
- Knowledge accumulated through many years of experience by our in-house service department

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



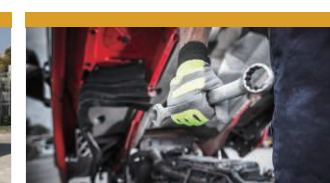
Airports and aviation

- 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



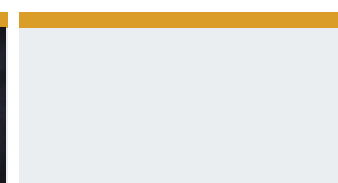
Disaster preparedness

- 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

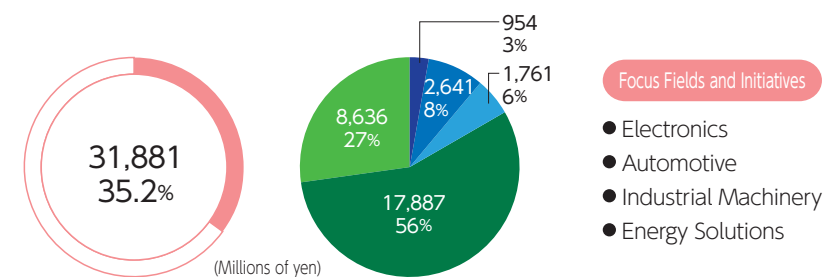
Summary of FY2023

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.)

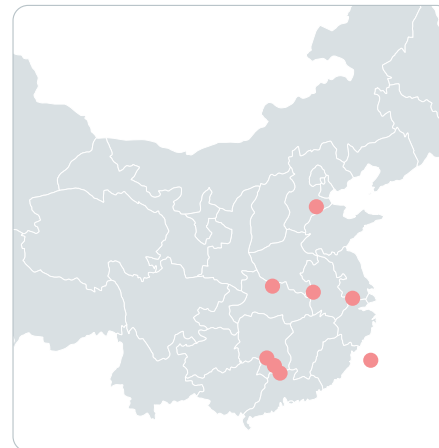
Focus Fields and Initiatives

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

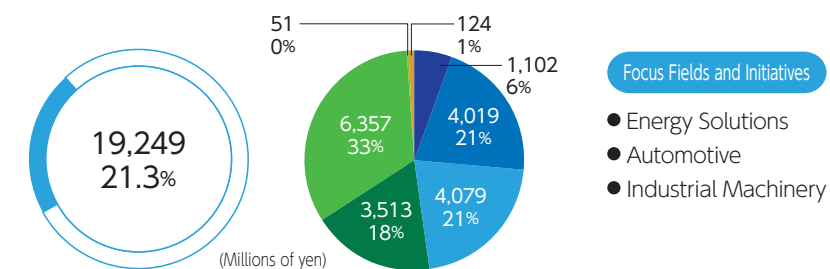
Summary of FY2023

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

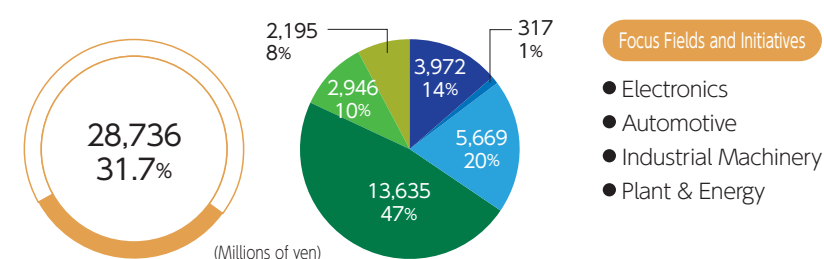
Summary of FY2023

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.)

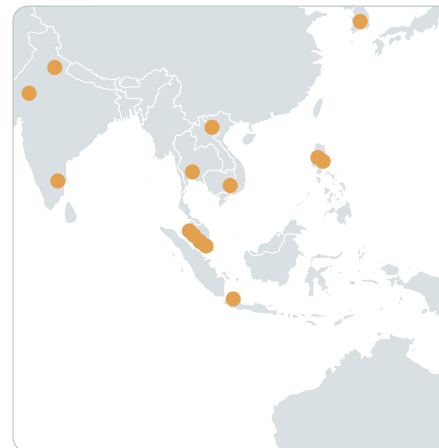
Focus Fields and Initiatives

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

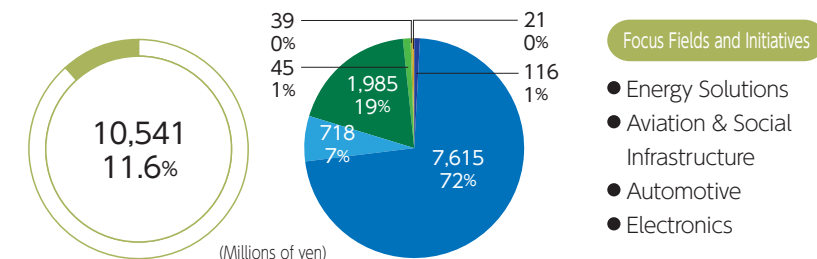
Summary of FY2023

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



A Message from the CSuO

We aim to realize management that provides high social and economic value through the balanced allocation of management resources.

Yuji Funawatari Director, Senior Managing Executive Officer & CSuO

Toward achieving our vision

Our V2030 growth strategy calls for contributing to various stakeholders: customers, employees, suppliers, communities, and shareholders, and our basic strategy is to achieve a sustainable society by addressing our materialities. In light of this, our medium-term business plan MT2024 aims to continuously create social value and economic value based on our philosophy and Basic Philosophy on Sustainability.

In order to bring this plan to fruition, I took on the role of CSuO in April 2023 and simultaneously established the Corporate Sustainability Department. We are accelerating our initiatives by creating a promotion system centered on the Sustainability Promotion Committee (current Sustainability Committee), which was established in 2022.

The sustainable creation of social value and economic value sounds like a good thing, but it is difficult to put into practice. However, if we are to continuously increase our corporate value, even in such a rapidly changing business environment, it is important that we take on those challenges and become a company that is recognized by society for its *raison d'être* and is needed by society.

Getting closer to achieving our vision takes more than management simply asserting its message. On the front line of sales, we need to openly and honestly reexamine our current business, leverage our strengths, understand customer needs, and continue to think about how we can create both social value and economic value. With this in mind,

we not only communicated information but also proactively held in-house trainings and small meetings and also exchanged opinions with expatriate staff and non-Japanese employees.

I believe we are already seeing the results of this. I find it reassuring that young and mid-level personnel are proactively proposing projects that take into consideration sustainability and relationships with stakeholders. These proposals are under consideration by the Investment Management Reviewing Committee, taking sustainability considerations into account.

Corporate value

Lately, I have been hearing the phrase “corporate value” frequently within the Company. However, when I looked closely at the meaning, I was concerned that it varied considerably depending on the person and the context. With this in mind, the Sustainability Committee held a discussion on the theme of corporate value for the Company.

To realize the Group’s philosophy of “Connecting People, Connecting Technology and Enriching the World,” we must manage our business in a way that is inclusive not only of our shareholders and investors, but also of our employees, business partners, the global environment, and local communities. What is expected of us depends on their respective standpoints.

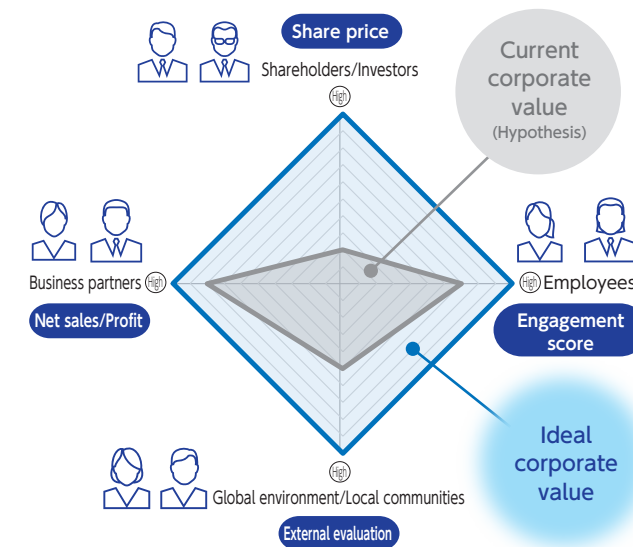
Firstly, our corporate value to our shareholders and investors is reflected in our share price.

For employees, corporate value is not only about

salary, but it is also about “job satisfaction” and “ease of working,” which include a sense of growth, and these are reflected in engagement scores. Our corporate value to our business partners is determined by how well we can solve customers’ issues; in other words, how much added value we can provide, which is reflected in our net sales and profit. Corporate value for the global environment and local communities is about how much we can contribute to solving social issues and enriching future generations, and this is reflected in various ESG-related indicators as well as ratings by external organizations such as CDP. The Sustainability Committee believes that maximizing the overall value for each stakeholder; that is to say, maximizing the area in the diagram below, will increase our corporate value.

The interests of these stakeholders are closely interrelated.

Approach to Corporate Value



The Group’s philosophy holds out “Enriching the World” as part of its mission and we believe that allocating limited management resources in a balanced way in line with this philosophy will enable us to achieve management that is both socially and economically valuable.

Based on this thinking, we will also reexamine our non-financial targets.

Materialities

In accordance with the establishment of our philosophy, we have identified five materialities. In particular, we are strengthening efforts with regard to our “contribution to a sustainable earth” as we believe that customer needs that are conscious of climate change are increasing year by year.

In FY2023, we conducted an analysis and issued a

report based on the TCFD recommendations, regarding the Plant & Energy Business, which is considered to be relatively susceptible to the effects of climate change. The process of setting up multiple scenarios and considering how each scenario would affect the Company’s business activities and how much financial impact it would have was a fresh perspective, and I feel that being able to incorporate this way of thinking into the Company’s management decisions was an important by-product.

In addition, we are promoting our efforts on climate change issues not limited to TCFD through our environmental management system (EMS). Each business unit and area selects the environmentally-friendly products that it will handle within its own organization, and runs the PDCA cycle using the sales performance of those products as KPIs. This fiscal year, the Company plans to further strengthen its efforts, including by streamlining its management methods.

We recognize that “improvement of quality management” is the foundation of our corporate value, and regard this as important. This fiscal year, we revised the DJK Group Code of Conduct to complement and further embody our philosophy. We believe that by ensuring that all Group employees intend to act in accordance with the code in their daily work, we will come closer to realizing our philosophy.

Regarding human capital, we renewed the scope of discussions by the Human Resources Development Committee in FY2023, and are aligning our management strategies with our human resources strategies and working to enhance employee job satisfaction and clarify career paths. In addition, with the aim of integrating general positions and career track positions, we have consolidated them as staff positions. Going forward, we will organize work content and compensation so that employees can choose the type of work that best suits their individual life plans. We will also improve treatment of management positions, and enhance career paths for technical positions. We already have many mid-career recruits holding important positions, and we are also working to promote non-Japanese employees to management positions at our overseas bases. We will work even harder going forward to promote women’s advancement as a breakthrough to ensure greater diversity and to build a stronger organization.

The Sustainability Committee recognizes that promoting women’s advancement is important to realize the Group’s philosophy and V2030 growth strategy, and began activities under the name “U&I Project” from the first half of this fiscal year

> [p.49 Sustainability](#)

Going forward, we will continue to take measures to enhance our corporate value without hesitation and meet the expectations of our shareholders, investors, and other stakeholders.



Sustainability

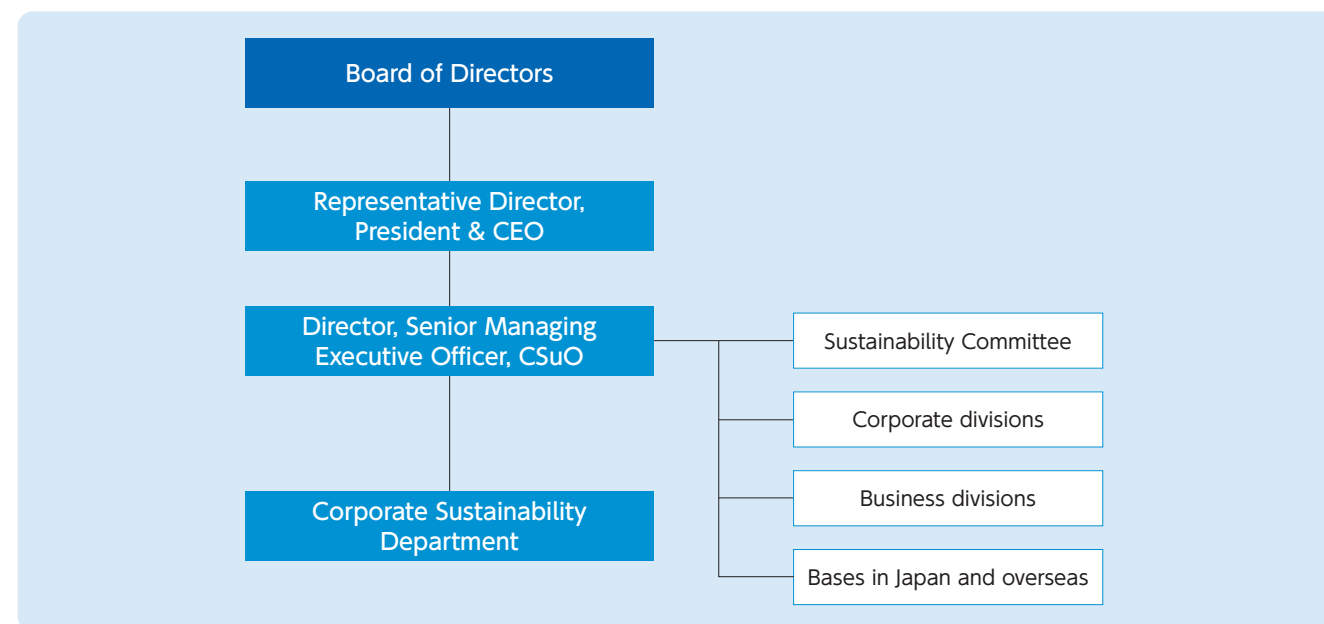
Sustainability

Basic Philosophy on Sustainability

The DJK Group has declared as part of its philosophy “Connecting People, Connecting Technology and Enriching the World,” and, as a trading firm that will lead the new era, is pursuing businesses that are responsive to various sites around the world. We will enhance corporate value by strengthening our management base and actively addressing key issues in the environment, society, and governance through our business activities. The DJK Group will pursue sustained and profitable growth while fulfilling its corporate social responsibilities and aim for advancement alongside our stakeholders.

Sustainability Promotion System

The Sustainability Promotion Committee (currently the Sustainability Committee) was established in April 2022 for the purpose of maintaining DJK’s sustainable growth. The committee deliberates on sustainability-related matters, including climate change. It is chaired by the Representative Director, President & CEO, and the Director, Senior Managing Executive Officer, Chief Sustainability Officer (CSuO) serves as the officer in charge. The committee meets twice a year, regularly monitors in-house initiatives, and engages in the deliberation and consideration of future initiatives. The contents of its deliberations are reported to the Board of Directors. The evaluation of sustainability initiatives incorporates opinions from the perspectives of outside directors. In April 2023, we established the Corporate Sustainability Department which, under the leadership of the CSuO, serves as the secretariat for the Sustainability Committee, accelerating sustainability initiatives across the entire Group.



Initiatives of the Sustainability Committee (Content of Discussions)

- Promotion of Women's Participation and Advancement [See p.51 for details](#)
- TCFD scenario analysis
- Promotion efforts using the environmental management system (EMS)
- Review of materialities
- Initiatives for an effective BCP
- Initiatives for the respect of human rights
- Matters related to risk management
- Enhancement of corporate value

Materialities

In considering the future of our Group on the occasion of establishing a new philosophy, our desire to actively contribute to the realization of a sustainable society not only through our own growth but also through our business activities was the underlying factor. Based on this belief, we have examined issues in terms of their significance, both for our stakeholders and for our Group, based on changes in the business environment and social trends related to sustainability, and identified materialities (important issues) to enable us to achieve a resolution of these issues.

Process to identify materialities

The following steps were taken to identify the materialities that we will focus on in order to maintain sustainable growth.

STEP
1

- We have identified a wide range of issues based on stakeholder perspectives and the business strategies of each segment in our Group, referring to international guidelines such as SDGs and ISO 26000, and categorized them in terms of environment (E), social and economic (S), and governance (G).

STEP
2

- The issues listed in STEP 1 were prioritized in order of importance using a matrix consisting of two axes: importance to stakeholders (vertical axis) and importance to the Group (horizontal axis).

STEP
3

- The Board of Managing Directors* and the Board of Directors exchanged opinions on the specified process, the proposed materialities and the proposed materiality matrix, and confirmed their appropriateness. Materialities identified are reviewed and approved by the Board of Directors.

*Current Management Committee

Materiality initiatives

For the Group, engaging in the identified materialities is a way to contribute to achieving the SDGs, promote economic and social development while also supporting a sustainable global environment, and fulfill DJK’s philosophy in a tangible manner.

To achieve the vision (targets) set for each materiality, the operation of our environmental management system (EMS) reflects the themes that each business division will focus on to address social issues through its businesses and the management base themes that support sustainable growth. We have launched a system to manage these themes in our plan of action. Going forward, we will promote these themes through our unique framework linked to each materiality.

Materialities	Targets	Strategies
Contribution to a sustainable earth	<ul style="list-style-type: none"> ● Realization of a decarbonized society ● Realization of a resource-recycling society ● Protection of the natural environment 	In addition to reducing our own GHG emissions, we will continue to contribute to the environment through our business by proactively expanding sales of eco-friendly products, including carbon-free products. Utilizing the Group’s engineering capabilities, we will propose one-stop solutions with high environmental value and added value.
Contribution to sustainable development of industries	<ul style="list-style-type: none"> ● Utilization of advanced IT/AI ● Promotion of smart factories ● Providing safe & secure products 	We will strengthen the sales expansion of products that contribute to solving social issues such as the decline in the working population and skill transfer from experienced engineers, and contribute to reforming business processes and improving quality and productivity through advanced technologies.
Contribution to healthy, safe and secure lives	<ul style="list-style-type: none"> ● Improved safety with social infrastructure enhancement ● Providing well-being and high quality products development 	Utilizing our global network, we will sell value-added healthcare-related products to countries around the world, while strengthening our handling of products, including specialized vehicles that are essential for the improvement of infrastructure that supports lifestyles, thereby contributing to safe and secure lives on both an inbound and outbound basis.
Promotion of diversified human resources	<ul style="list-style-type: none"> ● Healthy work environment ● Sustainable ability development ● Talent management 	As part of our human resources strategy to promote diversity, we will promote the recruitment of women, non-Japanese personnel, and people with experience. As the first step toward realizing diverse workstyles suited to different life stages, we will proactively work to improve the environment to enable the advancement of women, which will lead to the diversification of our core human resources.
Improvement of quality management	<ul style="list-style-type: none"> ● Strengthening internal controls and governance ● Risk management ● Social contribution and harmony 	We will work to strengthen the functions of the Board of Directors, including with regard to nomination and remuneration, and will incorporate medium-to long-term issues into management decisions through companywide committees such as the Risk Management Committee and the Sustainability Committee. We will formulate and implement a business portfolio strategy that takes capital efficiency into consideration.

Initiatives to Ensure Diversity

U&I Project: Enhancing corporate value through diversity



In July 2024, we launched the U&I Project with the aim of enhancing corporate value by enabling the active participation of all employees. The name of the project embodies the idea that “you and I will create this together.” As the first step toward realizing diversity, we are holding roundtable discussions focusing on the advancement of women. The Corporate Sustainability Department serves as the secretariat and meets approximately once a month with a female outside director and six female employees from various positions groups and life stages to classify the issues for each life stage and organize their importance. We will consider issues that are regarded as highly important from multiple perspectives, including by conducting surveys of all employees, and propose countermeasures that are appropriate for the Company’s actual circumstances. Through these initiatives, we aim to foster a culture of mutual understanding and respect.



CSR Initiatives

Various social contribution activities

When a large-scale natural disaster occurs in Japan or overseas, we make donations to disaster relief efforts in accordance with established guidelines, hoping for the speedy recovery and restoration of affected areas. From FY2023 to FY2024, we donated relief funds through the Japanese Red Cross Society for the Turkey-Syria Earthquake, the Noto Peninsula Earthquake, and the Eastern Taiwan Earthquake. In addition, to support medical activities following the Noto Peninsula Earthquake, we lent the area our double-sided widening multi-purpose trailers, free of charge.

Furthermore, between January and March each year, the Company donates strawberries produced at Daiichi Jitsugyo Berries Farm in Moroyama, Saitama to medical workers at a nearby university hospital. Furthermore, when we replace our emergency stockpiles of water and food, we donate them to food bank organizations.

We will continue to expand the contribution activities we can undertake in response to various social issues.



Information Disclosure (ESG-related)

The Company is working on enhancing our disclosure of sustainability-related information.

• The Group's ESG scores

	2023	
CDP (climate change)	C	Evaluation started in 2023
S&P Global	22	Evaluation started in 2023
Ecovadis	35/100	Evaluation started in 2023
Toyo Keizai CSR	743rd/1,714 companies	Evaluation started in 2022



• Initiatives we support



Task Force on Climate-related Financial Disclosures



National Movement for New and Prosperous Lifestyles toward Decarbonization



Human Resources

Human Resources

Approach to Human Resource Training

As we strive to achieve our V2030 growth strategy, we have established “a company full of good work partners” as our vision for human resources development. We have defined our image of these human resources as follows, and reflected this definition in various personnel-related measures.

- **RESILIENCE:** The mental flexibility to turn business experience into an opportunity for self-transformation
- **FAITH:** Respect for cooperation in work and the ability to build mutual trust
- **PROFESSION:** Contribution to all stakeholders

We will develop human resources who can connect people through their positive attitude, connect technology through their thorough knowledge, and enrich the world through their devoted actions.

Approach to Human Resource Training and the Enhancement of Internal Environments

- **Approach to Human Resource Training**
Develop human resources and build organizations possessing both the flexibility and strength to adapt to changes in the environment
- **Approach to the Enhancement of Internal Environments**
Aim to deepen and enhance recruitment, education and training, and internal systems, pivoting on high-level expertise, autonomy, diversity, health and productivity management

Specific Measures to Realize the Approach

- **Integrate general positions and career track positions**
 - Place particular emphasis on advancing women more than ever before, realize diverse working styles, and create a rewarding workplace environment
 - Change from a binary choice to a system that allows employees to make flexible choices about how they work depending on their life stage
- **Provide overtime pay to Manager and deputy general managers**
 - Reorganize the roles of middle management who act as on-site players and provide overtime pay
 - Improve the motivation of employees who drive on-site operations on the front line
- **Introduce 360° evaluations to division general manager trainings and promotion exams**
 - Ensure fair evaluations
 - Understand one's own characteristics and use them to make improvements
 - Build an organization that values dialogue
- **Improve the working and growth environment for engineers**
 - Implement skill maps to assign employees to appropriate jobs and develop them over the long term
 - Strengthen support measures for long-term overseas projects
- **Non-Japanese employees**
 - Currently implementing a personnel system modeled on the role-based level system at headquarters, and also emphasizing regionality
 - Education to instill governance, code of conduct, philosophy, etc.

Human Capital Management

We approach human resources development with a long-term perspective, aiming to invest in our human capital while also achieving the sustained enhancement of corporate value. We endeavor to impart to each of our employees the aspiration to be a businessperson who can think independently and involve those around them to bring ideas to reality.

Through human capital management, we will transform the growth of our employees into a growth engine for DJK by connecting it with the enhancement of our basic business strength and employee motivation for work. We will return these benefits to our stakeholders through higher corporate value.

- **Enhancing DJK's basic business strength**
For new employees, we will implement safety education from the training stage, covering the items necessary when delivering equipment, while for mid-career recruits, we will focus on the recruitment of personnel with advanced qualifications, thereby enhancing our expertise, to achieve our aim of being the next-generation engineering trading firm.
- **Boosting employee motivation for work and growth**
In its seven business domains, DJK does business across a wide range of markets and industries. Our customers and suppliers are highly diverse, and deepening our understanding of this diversity provides us with earning power. With the aim of promoting diversity, we are progressively creating environments to empower women and taking a more multi-faceted approach to our recruitment activities. We are promoting a higher proportion of women in core positions and the recruitment of foreign personnel and mid-career recruits.
- **Developing the management capabilities of potential senior managers**
We are promoting a more diverse range of practical experience for the purpose of developing potential senior managers. By systematically deploying personnel to DJK's affiliates in Japan and overseas, we are progressively developing human resources with management sense.

Expected Results	For NEWCOMER Learning business basics Sharing corporate philosophy and history	For MID-LEVEL Learning business applications Cultivating the autonomy of mid-level personnel	Next-generation engineering trading firm Strengthen high-level expertise → Improve profit margin	Diversity promotion → Intercultural understanding → Earning power in the global market	Improve employee engagement Promote employee health	Improve the risk management abilities of senior managers and potential senior managers Continually deepen quality management
Personnel Investment	Implement group training for recent recruits Raise motivation to learn through fee subsidies Pay support and allowances for the acquisition of public qualifications	Implement training by positions group for mid-level personnel Raise motivation to learn through fee subsidies Pay support and allowances for the acquisition of public qualifications	Diversify graduate and mid-career recruitment activities Enhance health and safety education for construction Pay support and allowances for the acquisition of public qualifications	Diversify graduate and mid-career recruitment activities Revise the salary system by positions group and level	Promote various work style reform measures Cover the expense of Group insurance premiums	Select promising mid-level personnel Create opportunities for personnel changes to achieve greater versatility
Specific Measures	DJK WAY basic education Common education: Group training by level Individual education: Implement subscription education	Education in line with career design Common education: Group training by positions group Individual education: Implement subscription education to improve skills	Strengthen recruitment of new science and engineering graduates Education for work supervisors and construction supervisors Expand the range of technical public qualifications eligible for support	Strengthen recruitment of women and foreign personnel Promote the use of the positions group switching system	Ensure an appropriate amount of overtime Promote the utilization of paid leave Employee engagement surveys	Experience in both business divisions and Administration & Accounting Division Create management opportunities at affiliated companies in Japan and overseas
Related Indicators / KPIs	Attendance rates for various group training sessions Attendance rates for subscription education	Attendance rates for various group training sessions Attendance rates for subscription education	Proportion of science graduates and mid-career recruits Participation rate in various education sessions	Proportion of women among core human resources Gender pay gap Proportion of foreigners among recruits	Overtime hours by division Paid leave utilization rate Results of engagement surveys	Manage the careers of potential senior managers based on a skill matrix
Business Strategies	Enhancing DJK's basic business strength			Boost employee motivation for work and growth		Ensuring long-term value-focused management
Financial Impact	Improve net sales growth rate and gross profit margin			Increase net sales and reduce SGA expenses		Improve invested capital efficiency
Capital Efficiency Indicators	Achieve scale expansion and improved profit margin					ROE of 10% or above

Human Resources Development Program

DJK's Human Resources Development Committee, composed of members elected from all the business divisions, the Engineering Division, and the Administrative division, meets four times each year. In addition, overseas human resources development committees, linked to four overseas areas of the Americas, Europe, Asia, and China, meet twice each year. The two Representative Directors also participate in committee meetings. Through the vigorous exchange of opinions with committee members, they have established a systematic human resources development program based on business strategies. In FY2023, in order to further align our business strategies with our human resources strategies, we identified the "As is - To be" gap for each business division and overseas area, and created a new medium- to long-term training program by dividing training into that which is common to the entire Company (Personnel Department) and that which is specific to each business division. In addition to this program, we have introduced e-learning with a wide range of content to support each individual's independent career development. Furthermore, we will enhance our systems, including by utilizing the self-assessment reporting system that has already been introduced and the new open job posting system that is scheduled to be introduced, to enable individuals to realize their career aspirations and to develop diverse human resources, thereby promoting innovation and steadily implementing our V2030 growth strategy.

M positions group	P positions group	T positions group	OJT			OFF-JT			Acquisition of qualifications	Foreign languages	Engineering
			On-site experience	Expand areas of specialization	Challenges and cross experience	Self-discipline	People skills	Ability to deal with issues			
Management					Secondment to Group companies			Management knowledge			
					Transfer to another division						
Division general managers	IL	TS			Secondment to overseas*		Empowerment*	Organization management*			
	SP	T1			Transfer outside division			In-house seminars/sharing videos			
Manager/ Deputy general managers	PR	T2	On-site experience	Target management*	Transfer within division		Training the next generation	Business knowledge e-learning	Qualification allowances and incentives	English language conversation	Risk management*
			Bosses and superiors		Secondment to business partner		Leadership	Training sessions within division*		English learning apps	Health and safety management
Staff positions group						New senior staff				English emails*	Auto CAD
						5th year					Mechanical basics/Electrical/Drawings
						3rd year					
						2nd year					
						1st year					
			OJT for new recruits								

*Measures common to national staff as well

Enhance corporate value through profitability and growth that exceed capital costs

Employee Engagement

// Purposes of engagement surveys

We have implemented an employee survey on engagement for the purposes of strengthening our human resources strategies (human capital investment, employee development and education, improving working environments, etc.) and promoting sustainability management.

// Outline of the survey results

Employees have a high level of engagement in their work, and are able to work proactively with a sense of worth.

As was the case with last year's survey, aspects such as enabling employees to exercise discretion and autonomy in performing their work, and relationships with superiors and subordinates received a highly positive evaluation.

Similarly to last year, aspects such as long working hours (unbalanced working hours) and the burden of work received a low evaluation.

Although employees are able to exercise discretion and autonomy in performing their work, we recognize that the high burden placed on individuals has been an ongoing issue since the previous year that requires companywide priority efforts to address.

Item	FY2022	FY2023
Engagement	—	3.82
Satisfaction rating	3.75	3.73
Work fulfillment	3.62	3.71
Organization / culture	3.31	3.36
Interpersonal relationships	3.59	3.46
Treatment / environment	3.28	3.43

// Response going forward

Since last year, we have been working to rectify the long working hours, including by reducing the number of meetings. Going forward, we will continue to reduce working hours by promoting appropriate personnel allocation (interdivisional transfers and strengthened recruitment) and the advancement of staff positions (formerly general positions).

In addition, we have changed the content of division general manager training to place a greater emphasis on dialogue. By accurately understanding the situation of subordinates and creating appropriate work assignments, our aim is for employees to realize their career goals, create a more balanced workload, and improve engagement, which will translate into increased productivity.

Key human resources-related indicators (non-consolidated)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of employees	508	524	558	591	623
Male	369	389	421	441	465
Female	139	135	137	150	158
Average length of service (years)	12.3	12.9	12.6	12.7	11.3
Male	13.0	13.7	12.9	13.4	11.6
Female	10.3	10.1	11.5	10.3	10.4
Paid leave utilization rate ^{*1} (%)	56.0	49.9	56.8	59.7	68
Number of employees taking childcare leave	9	8	10	15	10
Number of employees working shorter hours	3	7	6	12	14
Ratio of employees returning to work after childcare leave (%)	100	100	83.3	85.7	100
Number of employees taking nursing care leave	0	0	0	0	1
Job turnover rate (%)	6.0	2.7	3.9	4.3	4.0
Average training hours per employee ^{*2} (hours)	8.5	13.6	5.4	9.3	16.1

*1 Paid leave utilization rate = number of days of paid leave taken ÷ number of days of paid leave granted × 100

*2 Figures are limited to those organized by the Personnel Department, but other education and training programs are also provided by each organization.

Respect for Human Rights

We believe that engaging in business activities with respect for human rights throughout the supply chain — not only those of our own employees but also the employees of our suppliers — is the foundation on which we can realize our philosophy of Enriching the World. Based on this belief, we have recently established the DJK Group Human Rights Policy.

// DJK Group Human Rights Policy

Recognizing that respect for human rights is one of the essential elements of the DJK Group's global business activities, our policy is as set out below.

Basic Policy on Human Rights

● Prohibition of Discrimination

Under no circumstances shall the DJK Group discriminate on the basis of gender, ethnicity, place of birth, nationality, religion, ideology, age, physical disability, or other personal characteristics.

● Prohibition of Harassment

The DJK Group shall not tolerate any form of harassment, including power harassment and sexual harassment.

● Protection of Privacy

The DJK Group shall strictly manage the personal information of its officers and employees, and shall not use it for any purpose other than that for which it was originally intended.

● Workplace Safety

The DJK Group shall strive to maintain a safe and hygienic working environment and comply with all laws and regulations concerning occupational health and safety.

● Compliance with Labor-related Laws

The DJK Group shall comply with labor-related laws and endeavor to maintain a healthy working environment that is attractive and welcoming for all who work there. Management shall not impose any work that requires excessive labor or compel employees to work overtime.

● Elimination of Forced Labor and Child Labor

Under no circumstances shall the DJK Group tolerate forced labor or child labor.

● Freedom of Association and Right to Collective Bargaining

The DJK Group is committed to respecting the freedom of association and the right to collective bargaining in order to achieve an equitable working environment and to ensure both the well-being of employees and the sustainable growth of the DJK Group.

Initiatives for the Respect of Human Rights

> [See our website for details](#)

- (1) Scope of Application
- (2) International Norms and Compliance with Laws and Regulations
- (3) Implementation of Human Rights Due Diligence
- (4) Remedial Measures
- (5) Education and Raising Awareness
- (6) Dialogue with Stakeholders
- (7) Information Disclosure
- (8) Promotion System

Column



Paving the Way for PM Training as a Pioneer in Engineering Projects

Nobuyuki Nagasawa

Plant & Energy Division, Project Manager,
DAIICHI JITSUGYO (AMERICA), INC.

Since joining the Company in 1990, I have been consistently involved in the sales of plastic injection molding machines and associated equipment. But with the global financial crisis of 2008, I felt the limitations of buy-sell (product-only sales) and began working on projects based on local procurement and integration. Since then, I have been associated with numerous domestic and international engineering projects as a project manager (PM), and I am currently involved as a PM in overseas projects in Mexico and the United States.

Although I started working on projects, as someone whose background was in equipment sales, I had no way of knowing the procedures or having the knowledge needed to carry out a project, and at that time the Company's internal structure was not in place so everything was

done by trial and error, and I experienced many failures. However, with the establishment of the Engineering Division last year, we built an internal structure, standardized business execution procedures, and created a system that allows us to take on projects companywide.

In spite of this, training PMs who are in charge of project management remains a challenge across the Company.

Generally speaking, PMs are responsible for the entire planning, procurement, and execution of operations within a defined scope and time period. Specifically, they are required to promote the progress management, interactions, and tasks of various related parties in order to reduce the overall risk of failure, maximize profits, and minimize costs. When it comes to overseas projects, the additional barriers of language, culture, and regulations are an accelerant for diversity. If the Company is to envision a future with projects at its core, it is no exaggeration to say that PMs will have to lead the Company going forward. However, PMs require a wide range of knowledge, experience, and leadership, so training a PM takes time. Furthermore, if the Company is to demonstrate its *raison d'être* as the next-generation engineering trading firm, PMs will also need to have a challenging approach that takes into account the digital transformation of execution procedures, environmental measures, and the promotion of sustainability.

I will of course continue in my endeavors to improve my own knowledge of PM operations, but for the future of the Company, I would also like to have the cooperation of both internal and external experts, and share my own experience with others in order to help train the next generation of PMs.



Column

Realizing My Dream in Japan and Becoming a Bridge between DJK and Europe

Angela Sakic

Energy Solutions 2nd Department,
Energy Solutions Business Division



It was my dream to work and live in Japan since my childhood. I studied at a Japanese university for two years and after going back to Germany I decided that I would like to return to Japan to gain work experience.

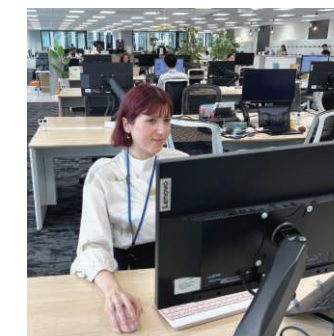
I joined DJK Europe in 2019 as a sales assistant and was promoted to a sales position due to my participation in a project for one of the leading companies in the chemical industry, where I built my foundation for three years and realized that I want to learn more about the Japanese manufacturers and their products to be able to enhance my abilities. During the project I had the pleasure of working with DJK Osaka's Energy Solutions overseas team. I noticed how similar Japanese work mores are to Germany's. Both countries are very diligent.

This experience motivated me even further to join the Energy Solutions Division in Japan.

After joining the team in Osaka from October 2023, I learned that there are many different aspects of being a salesperson on a global scale. We work with many nationalities and cultures, which can be challenging but also greatly rewarding, as I believe that a person can grow immensely in such an environment.

As my major in university was international relations and politics, I did not expect to develop

an interest in machines and chemical processes. In my short five years of working for DJK, I got a glimpse of how fast technological development can be; even more so after joining DJK



Osaka. One of my personal goals is to develop my technical understanding and contribute to our companies' goals to the best of my abilities.

One challenge I faced so far is the language barrier – as a European, Kanji can be rather difficult to get used to, even more so in a working environment with many technical terms. Receiving steady support and guidance from my team members made facing such challenges enjoyable. During meetings between overseas customers and Japanese manufacturers, I also realized that the way each culture expresses itself verbally can differ greatly, which can quickly lead to misunderstandings. I think that it is one of DJK's roles to work out these misunderstandings or avoid creating them in the first place. Identifying potential problems and risks in advance is a skill you can learn by working for DJK. Working for DJK Osaka I understood how important it is to be considerate of both our customers and manufacturers as both parties are the foundation for a successful project.

After nine months, I have the feeling that I am gradually getting used to work life in Japan. I am never afraid to share my view and everyone is very open with me. I am still lacking in many aspects, but I would like to gain more experiences and connections to be able to utilize them in the European market and support my colleagues. I hope that my experience can motivate other overseas staff to come and work in Japan so that we can all learn from another and broaden our horizons as well as strengthen our bonds.

I am thankful and honored that I was selected to be the first European expat and I hope that DJK will continue this program as it is a great opportunity to connect DJK even further globally and strengthen our foundation.



Environment

Environment

Approach to the Environment

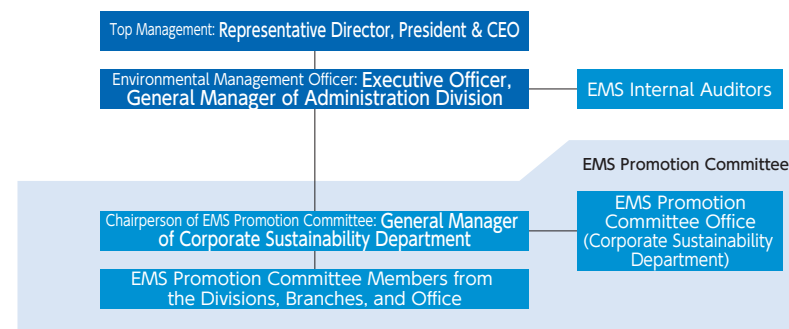
As a highly respected industry partner, the DJK Group's goal is to contribute to the development of a highly innovative global society

In accordance with its Basic Philosophy on Sustainability, the DJK Group will contribute to a sustainable, enriched world. To accomplish our corporate philosophy, "Connecting People, Connecting Technology and Enriching the World," we are committed to resolving customers' environmental issues through our business activities by capitalizing on our engineering functions. The DJK Group aspires to always be a valued partner for its stakeholders.

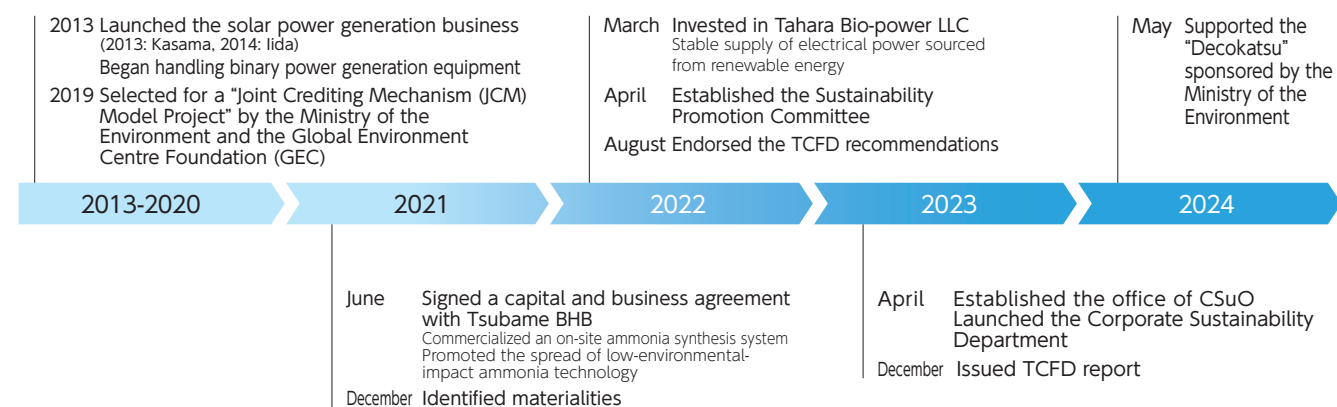
- We operate an environmental management system (EMS) established based on the environmental policy and strive to continuously improve it.
- We handle products that help protect and improve the global environment and contribute to the mitigation of climate change through our business activities.
- We recognize the importance of biodiversity, as well as the importance of forests, water, and other limited resources, and strive to reflect this recognition in our business activities.
- We comply with applicable environmental laws, regulations, and accords in Japan and internationally in conducting business activities.
- We provide continuous education to help all directors, executive officers, and employees of the DJK Group deepen their understanding and awareness of environmental management.

System for Promoting the Environmental Management System

EMS promotion organizational chart



Environment-related Initiatives



Climate Change

Governance

Since January 2004, we have operated an environmental management system (EMS) based on ISO14001 to systematically promote the reduction of environmental impact. We have designated the Representative Director, President & CEO as the top management and Executive Officer, General Manager of the Administration Division as the person in charge of environmental management. Based on our environmental policy, we are making continuous improvements using the PDCA cycle. Through this system, we are accelerating our initiatives to address climate change in terms of both risks and opportunities.

Strategy

In 2022, we declared our support for the final report (TCFD recommendations) of the Task Force on Climate-related Financial Disclosures (TCFD). In FY2023, using the Company's Plant & Energy Business (segment), which is one of our seven business portfolios and which is relatively susceptible to the financial impacts of climate change due to its high volume of business in the resource, oil refining, and chemical fields, we identified the risks and opportunities that climate change will have on our business activities, and conducted a scenario analysis. The overview of this is as follows.

Reference scenario

Configuration scenario	1.5°C scenario	4°C scenario
Future image of society	Decarbonization will reduce fossil fuel-related businesses and increase demand for products made from new materials and new technologies	Carbon-free and low-carbon movements are limited, while natural disasters caused by climate change will become more frequent and severe
Transition risk scenario	"Net Zero Emissions by 2050 Scenario" (IEA WEO2022)	"Stated Policies Scenario" (IEA WEO2022)
Physical risk scenario	RCP2.6 (IPCC AR5) SSP1-1.9/SSP1-2.6 (IPCC AR6)	RCP8.5 (IPCC AR5) SSP5-8.5/SSP1-2.6 (IPCC AR6)

Climate control risks and opportunities

Types of risks and opportunities			Triggers	Impact on the Company	Time axis*	Financial impact	
						1.5°C	4°C
Risks	Transition risk	Policies / Laws and regulations	Introduction of carbon pricing	Increased cost of operating activities	Medium term	Low	Low
			Strengthened carbon regulations and GHG emission reporting requirements in each country	Increased costs of transaction procedures, monitoring investigations, etc.	Short term	Low	Low
		Markets	Soaring raw material prices	Lower profit margins due to rising purchasing prices of products handled	Medium term	Low	Low
			Decline of the fossil fuel business	Lower demand for existing equipment due to the downsizing of related industries and market scale	Medium term	Medium	Low
			Failure of new businesses	Decrease in sales due to failed investments in products utilizing new decarbonization technologies	Medium term	Low	Low
		Reputation	Damage to reputation among stakeholders due to delayed response to environmental issues	Labor shortages and declining labor productivity	Medium term	Low	Low
	Physical risk	Acute	Increasing severity of extreme weather	Loss of sales opportunities due to supply chain disruptions caused by floods	Long term	Low	Low
		Chronic	Rising temperatures	Difficulties in procuring biomass raw materials	Long term	Low	Low
Opportunities	Resource efficiency		Carbon neutral policies	Increase in trading opportunities due to subsidies	Medium term	Low	Low
			New energy sources	Increase in trading opportunities in new markets	Medium term	Low	Low
	Markets		New opportunities, such as CCS	Increase in trading opportunities through horizontal expansion of drilling business	Long term	Medium	Low
	Resilience		External evaluations of initiatives to address climate change	Seriousness of the Company's efforts to achieve decarbonization will lead to enhanced corporate value, improved external evaluations, and increased employee engagement	Medium term	Low	Low

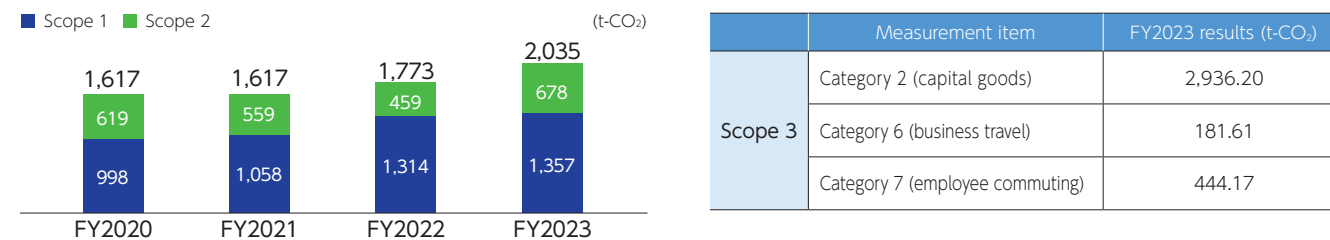
*Short term: within 3 years, medium term: within 4-9 years, long term: 10 years or longer

Environment

Metrics and targets

At DJK, we target carbon neutrality, with net zero greenhouse gas (GHG) emissions by FY2050, taking FY2020 as our reference year. By FY2030, we aim to reduce GHG emissions by 46% compared to FY2020. We will work toward achieving these targets, reducing Scope 1 emissions by replacing our gasoline-fueled business vehicles with hybrid vehicles, as well as considering the introduction of EVs, and reducing Scope 2 emissions through initiatives such as switching to electric power from renewable energy and introducing energy-saving equipment.

This fiscal year, we also calculated emissions associated with the Group's employee business travel and commuting, as well as emissions associated with the Group's capital goods, as part of efforts to expand the scope of our greenhouse gas emissions measurement.



*1 Scope 2 is calculated based on market standards.

*2 DJK and its consolidated subsidiaries in Japan and overseas have been included in the calculation of emissions, but small bases with a limited effect on overall emissions have been excluded.

Efforts to Reduce Environmental Impact

Among all the types of industrial machinery we handle, we are strengthening our efforts to expand sales of products that contribute to resource recycling, resource conservation, and reduction of workload and workforce in our customers' product manufacturing. The variety of environmentally friendly products has been increasing year by year, and in recent years, many of them have become useful for social infrastructure. The Group considers the provision of products and services to be a contribution to society through business, and will continue to expand the range of products it handles, recognizing that environmental friendliness is the most important issue in business.

Initiatives to improve plant security

At DJK, we are working to establish smart factories and security to address social issues such as aging plant facilities and labor shortages. As part of this effort, we have dealt in gas leak monitoring systems manufactured by Konica Minolta, Inc. to support "regular monitoring of abnormal occurrences without human intervention," and "prompt and appropriate maintenance work even by non-experienced maintenance personnel."

Safety countermeasures against gas leaks are important, as such leaks can cause fires and explosions. Compared with conventional gas detectors, use of cameras makes it easy to identify the source of leaks and determine any abnormalities, even in elevated locations. It also enables the visualization of pools and pockets of gas from volatile solvents, contributing to the improvement of work environments and the prevention of accidents. In addition to plant equipment, we will promote the camera's utilization for fuel depots, tankers, and various manufacturing sites, and will also contribute to reducing environmental impact by monitoring the diffusion of greenhouse gases.



LOGITO SMT, promoting peripheral automation of mounting lines

Under the brand name LOGITO, we provide logistics automation solutions to achieve automatic operations and labor savings at manufacturing sites, factories, and logistics warehouses, aiming to resolve the issue of the decline in the working population for manufacturing.

Leveraging the know-how of LOGITO, we launched a new brand called LOGITO SMT in February 2024 to realize peripheral automation of the SMT line in the mounting industry that we have built so far. We propose automation and labor savings for the storage and incoming and outgoing operations of materials, the transportation of parts from storage sites to mounting lines, and the transportation of magazines carrying substrates mounted for the next process.

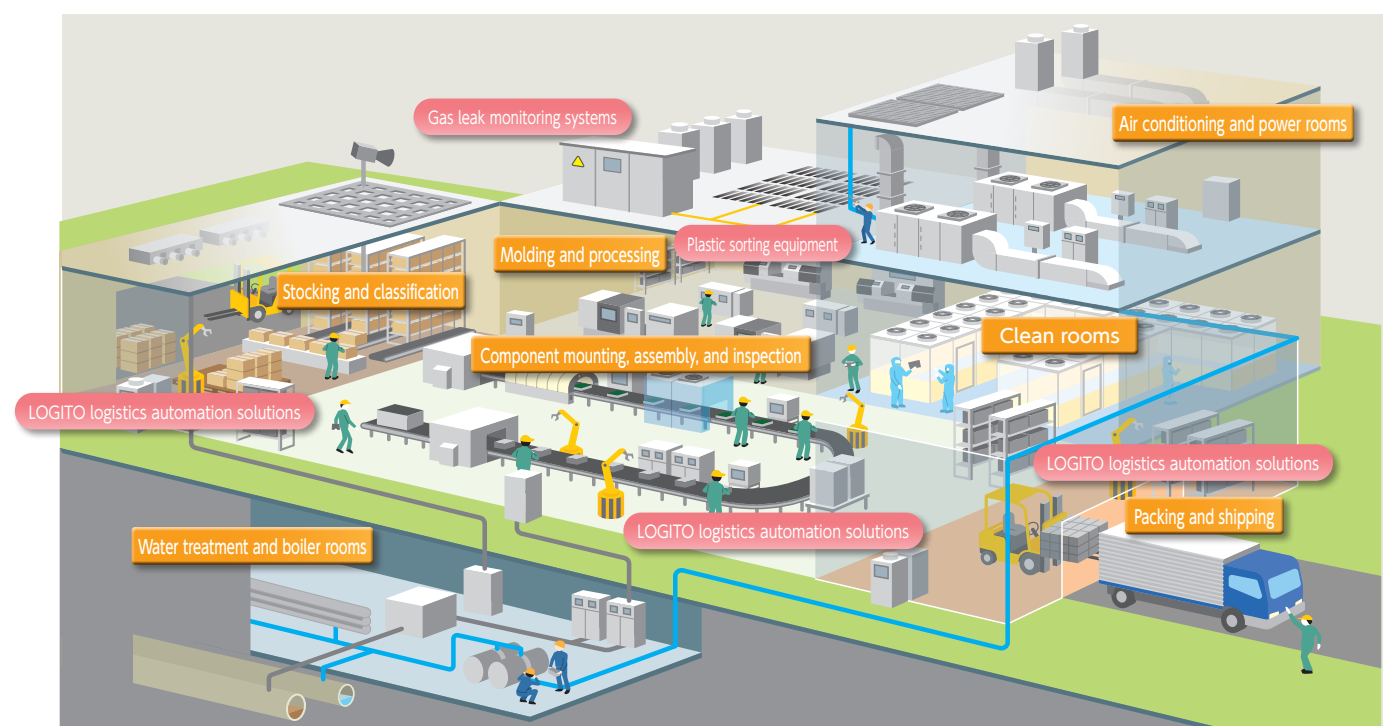
LOGITO and LOGITO SMT will contribute to the development of industry in numerous ways such as improving productivity, efficiency, quality, labor welfare, and eco-friendliness, by promoting workforce and workload reductions at manufacturing sites, factories, and other facilities.



Business areas for environment-related products



Business areas for environment-related products (inside factories)



Directors and Audit & Supervisory Board Members

(As of June 25, 2024)



1 Ichiro Uno Representative Director, President & CEO

April 1982 Joined the Company
 April 2013 Executive Officer, General Manager, Osaka Business Div., and Osaka Branch Manager
 April 2014 Executive Officer of the Company, President of DAIICHI JITSUGYO (AMERICA), INC.
 June 2016 Managing Director of the Company
 April 2017 Representative Director, President & CEO
 April 2022 Representative Director, President & CEO (to present)

2 Ryuichi Ninomiya Representative Director, Senior Managing Executive Officer

April 1984 Joined the Company
 April 2011 Executive Officer, General Manager, Nagoya Business Div., and Nagoya Branch Manager
 April 2015 Executive Officer of the Company, Managing Director of DAIICHI JITSUGYO ASIA PTE. LTD.
 April 2019 Executive Officer, Nagoya Branch Manager of the Company
 June 2019 Managing Director, Nagoya Branch Manager
 April 2022 Director, Managing Executive Officer, Nagoya Branch Manager
 April 2023 Representative Director, Senior Managing Executive Officer (to present)

3 Yuji Funawatari Director, Senior Managing Executive Officer

April 1987 Joined the Company
 April 2017 Executive Officer, General Manager, Pharma Business Div.
 April 2019 Executive Officer of the Company, Managing Director of DAIICHI JITSUGYO ASIA PTE. LTD.
 April 2021 Managing Executive Officer of the Company
 April 2023 Managing Executive Officer & CSuO
 June 2023 Director, Managing Executive Officer & CSuO
 April 2024 Director, Senior Managing Executive Officer & CSuO (to present)

4 Masatoshi Ueno Director, Managing Executive Officer

April 1985 Joined the Company
 April 2013 Executive Officer, General Manager, Electronics Business Div.
 June 2019 Managing Director
 April 2022 Director, Managing Executive Officer
 April 2023 Director, Managing Executive Officer & CDO (to present)

5 Yasushi Marumoto Director, Managing Executive Officer

April 1987 Joined New Japan Securities Co., Ltd. (current Mizuho Securities Co., Ltd.)
 April 1990 Joined the Company
 April 2019 Executive Officer, General Manager, Plant & Energy Business Div.
 April 2021 Managing Executive Officer, Osaka Branch Manager, and General Manager, Plant & Energy Business Div.
 June 2021 Managing Director, Managing Executive Officer, Osaka Branch Manager, and General Manager, Plant & Energy Business Div.
 April 2022 Director, Managing Executive Officer, Osaka Branch Manager (to present)

6 Osamu Fukawa Director, Managing Executive Officer

April 1992 Joined the Company
 April 2019 Executive Officer, General Manager, Administration & Accounting Div.
 April 2020 Executive Officer, General Manager, Accounting Div.
 April 2021 Managing Executive Officer, CFO, and General Manager, Accounting Div.
 June 2021 Managing Director, Managing Executive Officer, CFO, and General Manager, Accounting Div.
 April 2022 Director, Managing Executive Officer, CFO, and General Manager, Accounting Div.
 April 2024 Director, Managing Executive Officer & CFO (to present)

7 Yoshikazu Sakamoto Outside Director

April 1975 Joined Tokyo Regional Taxation Bureau
 July 2010 Ishida Tax and Accounting Office
 September 2010 Registered as a tax accountant
 Established Yoshikazu Sakamoto Tax Accountant Office (current Sakamoto & Koyama Tax and Accounting Office) (to present)
 June 2015 Director of the Company (to present)

8 Namika Yamada Outside Director

December 2018 Registered as an attorney at law
 January 2019 Joined Kowa Law Office
 May 2019 Supporting Member, Compliance Team, Ministry of Education, Culture, Sports, Science and Technology (to present)
 June 2019 Compliance Hotline Contact Person, All Japan Judo Federation (to present)
 June 2020 Director of the Company (to present)
 January 2021 Joined Yamada Ozaki Law Office (to present)

9 Kazuo Nakayama Outside Director

April 1980 Joined MITSUI & CO., LTD.
 April 2006 General Manager, Planning & Administrative Division
 June 2008 C.A.O. Asia Pacific Business Unit and S.V.P. Mitsui & Co. (Asia Pacific) Pte. Ltd. (in Singapore)
 April 2012 Managing Officer, General Manager, Food Business Unit
 April 2014 Executive Managing Officer, General Manager, Food Business Unit
 June 2015 Representative Director, Executive Vice President, JA MITSUI LEASING, LTD.
 June 2020 Adviser
 March 2021 Outside Director, ISEKI & CO., LTD.
 June 2023 Director of the Company (to present)

10 Takahiro Toyoizumi Full-time Audit & Supervisory Board Member

April 1989 Joined the Company
 January 2016 Director (Secretary & Treasurer), DAIICHI JITSUGYO (AMERICA), INC.
 June 2019 Director, Daiichi Mecha-Tech Corporation
 April 2021 Executive Officer, General Manager, Administration Div. of the Company
 April 2022 Senior Executive Officer, General Manager, Administration Div.
 June 2024 Full-time Audit & Supervisory Board Member (to present)

11 Mitsuyoshi Koyama Outside Audit & Supervisory Board Member

April 1981 Joined Tokyo Regional Taxation Bureau
 September 2015 Registered as a tax accountant
 Established Mitsuyoshi Koyama Tax Accountants Office (current Sakamoto & Koyama Tax and Accounting Office) (to present)
 June 2016 Audit & Supervisory Board Member of the Company (to present)
 December 2022 Outside Auditor, Hotel Management International K. K. (to present)
 January 2023 External Audit & Supervisory Board Member, Itoki Corporation

12 Akiko Ono Outside Audit & Supervisory Board Member

October 1995 Joined Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC)
 September 1999 Registered as a certified public accountant
 September 2002 Representative, Nakajima Certified Public Accountants Office
 September 2005 Director, Brain Link Corporation
 April 2008 Vice President, GCA Savvian Corporation
 January 2011 Seconded to Atstream Corporation (Manager)
 June 2013 Representative, Ono Certified Public Accountants Office (to present)
 May 2022 Outside Director (Audit and Supervisory Committee Member), Scroll Corporation (to present)
 June 2024 Audit & Supervisory Board Member of the Company (to present)



Corporate Governance

Corporate Governance

Basic Corporate Governance Policy

From the perspective of reinforcing our corporate capabilities to survive global competition, we place high priority on promoting accurate and speedy business decision-making, while at the same time, enhancing our management oversight function to ensure the transparency of our business.

Transition to stronger corporate governance

At DJK, we are working to strengthen corporate governance by ensuring the diversity of the Board of Directors while also making the Board progressively more effective through measures such as effectiveness evaluation and the establishment of the Governance Committee.

Directors Outside Directors Female Outside Directors

	Initiatives and Events	Number of Directors	Proportion of Outside Directors	Proportion of Female Officers
2009	Introduction of a system of stock-based remuneration (abolition of retirement bonuses)	Until 2010: 14 (all internal)	0%	
2011	Transition to the executive officer system Reduction in the number of directors (14⇒6)	2011: 6 (all internal)	0%	
2015	Appointment of 1 outside director Addressed Japan's Corporate Governance Code • Established DJK's policy on cross-shareholdings, etc.	2015: 6 (5 internal, 1 outside)	17%	
2016	Increased the number of outside directors to 2 Appointment of a female outside director Commenced evaluation of the effectiveness of the Board of Directors	2016: 8 (6 internal, 2 outside)	25%	13%
2018	Revision of Japan's Corporate Governance Code • Efforts to establish an advisory committee on nomination and remuneration, etc.			
2020	Established the Governance Committee Increased the number of outside directors to 3 Increased the number of female directors to 2	2020: 9 (6 internal, 3 outside)	33%	22%
2021	Revision of Japan's Corporate Governance Code • Initiatives to ensure the diversity of core human resources, address sustainability issues, etc. Introduced a system of stock-based remuneration with transfer restrictions			
2022	Introduced the employment-type executive officer system Strengthened the performance-linkage of directors' bonuses	2022: 9 (6 internal, 3 outside)	33%	22%
2023	Appointed outside directors with corporate management experience	2023: 9 (6 internal, 3 outside)	33%	11%

Overview of the Company's Corporate Governance

Board of Directors

The Board of Directors comprises nine directors (including three outside directors). The board meets once a month in principle and holds extraordinary meetings whenever necessary. The board determines basic business policies and other important matters through vigorous exchanges of opinions while also fulfilling its function as an oversight body for business execution.

Moreover, in an effort to further enhance its corporate value, the Company has adopted the executive officer system to conduct flexible and efficient business operations by separating the business decision making and supervising functions, from the business execution function. The Company dispatches certain executive officers to be in charge of its consolidated subsidiaries in Japan and overseas and to manage their business execution.

Audit & Supervisory Board

The Company uses an Audit & Supervisory Board system comprised of three Audit & Supervisory Board members, two of whom are outside Audit & Supervisory Board members. Audit & Supervisory Board members attend every Board of Directors meeting. In addition, the Full-time Audit & Supervisory Board member attends other important internal meetings to monitor the business execution performance of directors from an objective perspective. Audit & Supervisory Board members work to ensure the effective implementation of the audit by receiving reports on and explanations of the audit plan and results from independent auditor; exchanging opinions on the areas to be covered by the audit, the audit methods, and the audit results; sharing information; and taking other measures.

Independent Auditor and the Internal Audit System

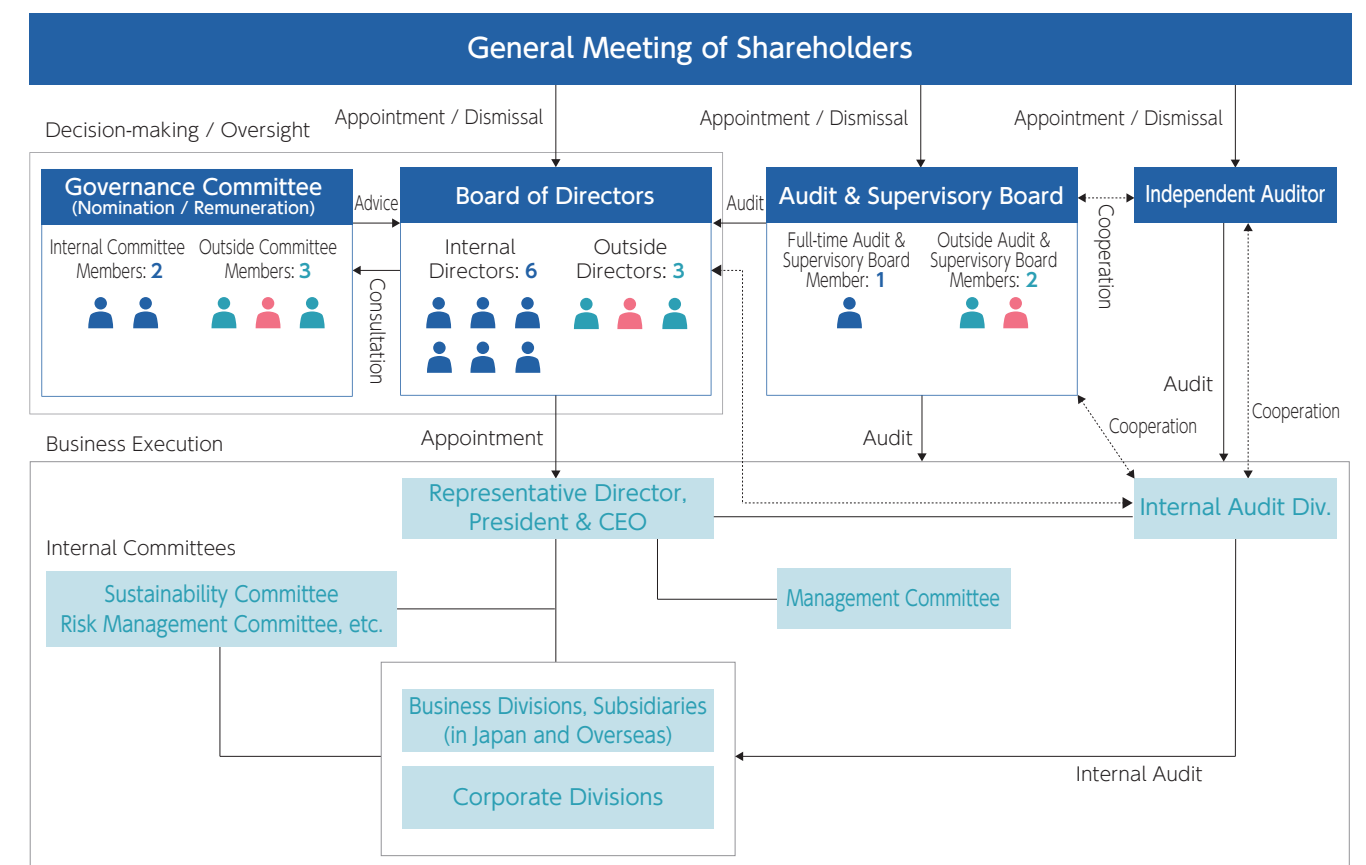
The Company has concluded an auditing agreement with the certified public accounting firm Deloitte Touche Tohmatsu LLC to act as its independent auditor. In addition to providing accounting auditing services in a fair and unbiased manner, the auditing firm provides advice on accounting matters as appropriate.

As for the internal audit system of which the central organ is the Internal Audit Division, the job execution of employees is checked and assessed as to whether it is in accordance with laws and regulations and the Articles of Incorporation, as well as with the Basic Internal Control Policy and the Code of Conduct.

Main resolutions and reports by the Board of Directors in FY2023

Business strategies	<ul style="list-style-type: none"> Progress reports on the medium-term business plan and business performance Personnel-related measures
Corporate governance	<ul style="list-style-type: none"> Cost of capital Cross-shareholdings Organizational reforms and revisions to regulations Evaluation of the effectiveness of the Board of Directors Report by the Governance Committee Audit report by the Audit & Supervisory Board members and the Internal Audit Division Report on business execution by officers
Finance and accounting	<ul style="list-style-type: none"> Financial results-related Fund planning and procurement
Individual projects	<ul style="list-style-type: none"> Business investments Large-scale business dealings

Corporate governance system



Reason for Appointment of Outside Officers

	Name	Reason for Appointment
Outside Directors	Yoshikazu Sakamoto	Yoshikazu Sakamoto has acquired extensive expert knowledge and insight into finance, banking, tax affairs, and so forth through many years of service at the Regional Taxation Bureau. He chairs the Governance Committee, established in 2020, helping the committee enhance the governance structure of the Group as a whole and providing appropriate advice and oversight to improve the quality of Company management. He has been appointed as an outside director.
	Namika Yamada	As an attorney, Namika Yamada has extensive knowledge of corporate law. Given the Company's current business situation, increased global management means that legal perspectives are even more important, and she provides flexible and appropriate advice and guidance on compliance and other matters based on such perspectives. She has been appointed an outside director based on expectations that her advice will continue to enhance corporate governance.
	Kazuo Nakayama	In addition to having management experience at other companies, Kazuo Nakayama is well-versed in overseas business and has a wealth of knowledge of a wide variety of domestic and overseas industries. From an objective perspective based on such management experience and knowledge of other industries, he is expected to provide useful advice and guidance to the Group's businesses. By participating in the Governance Committee, he is also expected to contribute to strengthening the overall governance structure of the Group and improving the quality of the Company. He has been appointed an outside director based on these expectations.
Outside Audit & Supervisory Board Members	Mitsuyoshi Koyama	As a public tax accountant, we believe Mitsuyoshi Koyama can utilize his extensive knowledge of finance and accounting in our audit system, and is qualified to carry out his duties as an outside Audit & Supervisory Board member.
	Akiko Ono	As a certified public accountant, Akiko Ono is knowledgeable about finance and accounting and has broad experience and insight, and we believe she is qualified as an outside Audit & Supervisory Board member.

Skill Matrix of Directors

Name	Position	Experience, Knowledge, etc.							Attributes	
		Corporate management and corporate strategy	Knowledge of the industry, sales, and marketing	International perspective	Finance and accounting	Legal affairs and risk management	Sustainability and ESG	Other	Gender	Independence
Ichiro Uno	Representative Director, President & CEO	●	●	●			●		Male	
Ryuichi Ninomiya	Representative Director, Senior Managing Executive Officer	●	●	●			●		Male	
Yuji Funawatari	Director, Senior Managing Executive Officer	●	●	●			●		Male	
Masatoshi Ueno	Director, Managing Executive Officer		●	●			●	●*1	Male	
Yasushi Marumoto	Director, Managing Executive Officer	●	●	●					Male	
Osamu Fukawa	Director, Managing Executive Officer			●	●	●	●		Male	
Yoshikazu Sakamoto	Director				●				Male	●
Namika Yamada	Director					●			Female	●
Kazuo Nakayama	Director	●		●				●*2	Male	●

*1 Technology, IT, and DX
*2 Knowledge of other industries

Governance Committee

The Governance Committee was established on October 1, 2020, and has been operated as a voluntary advisory body to the Board of Directors to deliberate on matters related to the nomination and remuneration of top management (directors with representative authority) and directors, as well as other governance matters, and to report and make proposals to the Board of Directors, with the aim of enhancing corporate value by utilizing the knowledge and advice of outside directors, ensuring transparency and fairness, and strengthening governance. The composition and activities of the committee are outlined below.

Composition	Chairperson: Outside Director (Outside Directors: 3 / Representative Director, President & CEO / Representative Director, Senior Managing Executive Officer)
Year ended March 31, 2024 Number of meetings held:	Five meetings (April, June, September, and December 2023, February 2024)
Year ended March 31, 2024 Matters deliberated:	Officers' remuneration (fixed remuneration, performance-linked remuneration, non-monetary remuneration), succession plan, ideal image of president, corporate governance system, changes in executive personnel

Evaluating the Effectiveness of the Board of Directors

With regard to the effectiveness of the Board of Directors, the Board confirmed that efforts were being made to improve issues identified in the previous fiscal year's effectiveness evaluation and the effectiveness of its response during the current fiscal year. The evaluation method and results for the fiscal year ended March 31, 2024 and the policy for initiatives for the fiscal year ending March 31, 2025 based on the issues identified in the Board of Directors' effectiveness evaluation results for the fiscal year ended March 31, 2023 are as follows.

<Evaluation method>

December 2023: A questionnaire survey was conducted among all Directors and Audit & Supervisory Board members at the Board of Directors' meeting (named responses)

February 2024: The Board of Directors conducted an analysis and evaluation of the responses to the survey, and discussed future initiatives

Issue	Initiatives for the fiscal year ended March 31, 2024
Ensure further diversity in the composition of the Board of Directors	Appointed one outside director with corporate management experience.
Promote discussion aimed at enhancing corporate value over the medium to long term	Currently promoting discussions over the medium to long term aimed at achieving the V2030 growth strategy.
Ensure sufficient time for consideration of meeting materials in advance of meetings of the Board of Directors	Gradually improved efforts to ensure sufficient time for consideration of meeting materials in advance of meetings of the Board of Directors.

Questions for questionnaires (16 in total)	Issues and actions to be taken in the future
<ul style="list-style-type: none">• Composition of the Board of Directors (2 questions)• Management of the Board of Directors (6 questions)• Agenda of the Board of Directors (3 questions)• System to support the Board of Directors (5 questions)	<ul style="list-style-type: none">• Ensure further diversity in the composition of the Board of Directors• Establish an optimal governance system for our business activities• Stimulate discussion on business strategies over the medium to long term aimed at enhancing corporate value• Improve the quality of meeting materials for meetings of the Board of Directors, and ensure the time required for advance consideration

Officers' Remuneration

Policy on determining the amount or calculation method for the amount of remuneration for officers

The Company has established a policy regarding the determination of the amount or calculation method for the amount of remuneration for officers, which encourages medium- to long-term growth of business performance and corporate value. The remuneration system is commensurate with the duties of each officer.

The Governance Committee, upon consultation from the Board of Directors, deliberates and advises the Board on remuneration for individual directors other than outside directors. The Board of Directors deliberates on the advice from the Governance Committee and determines the amounts of remuneration.

Remuneration for the Company's officers is composed of fixed remuneration, performance-linked remuneration, non-monetary remuneration, etc. The relative proportions of each form of remuneration for executive directors and the

amounts of remuneration are determined by the Board of Directors based on comparison and verification with the composition of remuneration at other companies of a similar scale in the same industry and the remuneration paid previously, as well as consultation and advice from the Governance Committee, from the perspective of ensuring objectivity and appropriateness. Remuneration for Audit & Supervisory Board members and outside directors, in light of the independence of their positions, consists of fixed remuneration only. Decisions on the amounts of remuneration are made within the extent of the total amounts passed in resolutions of the General Meeting of Shareholders.

Overview of the remuneration system for directors (excluding outside directors)

DJK aims to further strengthen corporate governance under our medium-term business plan MT2024, launched

Corporate Governance

in FY2022. As part of this plan, we have reviewed our remuneration system for officers as shown under “outline of each remuneration” in order to further enhance corporate value over the medium to long term.

Based on the resolution adopted by the Ordinary General Meeting of Shareholders held on June 23, 2022, the Company has decided to change the amount of remuneration, etc. for directors from a monthly amount to a yearly amount, and within the amount of such remuneration, directors other than outside directors will be paid a bonus in the form of performance-linked remuneration in addition to fixed remuneration, determined comprehensively taking into account trends in the level of remuneration and the number of directors, as well as future prospects, so as not to exceed ¥450 million per year.

Outline of each remuneration

● Fixed remuneration

A monthly fixed amount of remuneration commensurate with the clarified roles and responsibilities of each position is paid in cash.

● Performance-linked remuneration

There are two kinds of bonuses to be paid: bonus linked to the Company's business results indicators (hereinafter, “bonus A”) and bonus linked to indicators, etc. contributing to the achievement of the medium-term business plan (hereinafter, “bonus B”). Bonus A is paid in cash based on the degree of achievement of the consolidated performance targets, and bonus B is paid in cash according to the degree of achievement of the indicators, etc. contributing to the achievement of the medium-term business plan. The amounts vary within the range of 0% to 130% of the base amount.

● Method for calculating performance-linked remuneration (bonus A)

Performance indicators for performance-linked remuneration (bonus A) are consolidated operating income and profit attributable to owners of parent. Consolidated operating income was selected as a performance indicator because it was judged appropriate as an evaluation indicator that properly reflects the profits generated by the Group's core business, and profit attributable to owners of parent was selected as a performance indicator because it provides the results of investments aimed at growth and funds for shareholder returns, and because it was judged appropriate as an indicator from the perspective of being responsible for the Group's ultimate performance.

● Non-monetary remuneration, etc.

We have adopted a system of stock-based remuneration with transfer restrictions, which is designed to pay a yearly

fixed amount commensurate with the role of each director and to lift the restriction on transfer at the time of his/her retirement from office.

Amount paid to each director = total performance-linked remuneration (bonus A)^{*1}

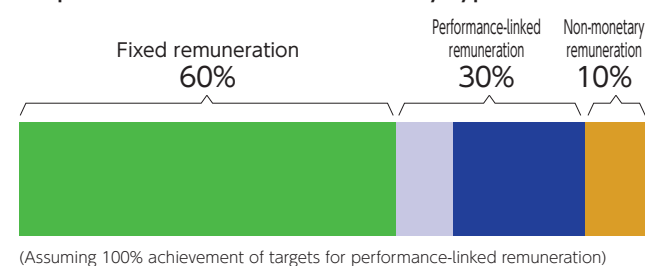
$$\times \frac{\text{Coefficient of each director's position}^{\ast 2}}{\text{Total coefficients by position}}$$

^{*1} Calculation method for total amount of performance-linked remuneration (bonus A): Total amount of performance-linked remuneration (bonus A) = ¥89.76 million x (degree of achievement of consolidated operating income against the annual target x 75% + degree of achievement of profit attributable to owners of parent against the annual target x 25%) Calculated as 130% if the achievement with regard to the annual target exceeds 130%.

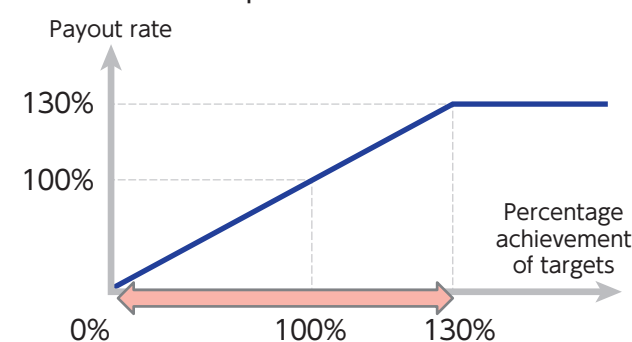
^{*2} Coefficient of each director's position

Position	Coefficient	No. of directors	Maximum
Representative Director, President & CEO	100	1	¥28,670,000
Representative Director, Senior Managing Executive Officer	74	1	¥21,216,000
Director, Senior Managing Executive Officer	65	1	¥18,635,000
Director, Managing Executive Officer	56	3	¥16,055,000

Proportion of each remuneration by type (estimate)



Incentive curve for performance-linked remuneration



* Performance-linked remuneration is reflected in bonuses.

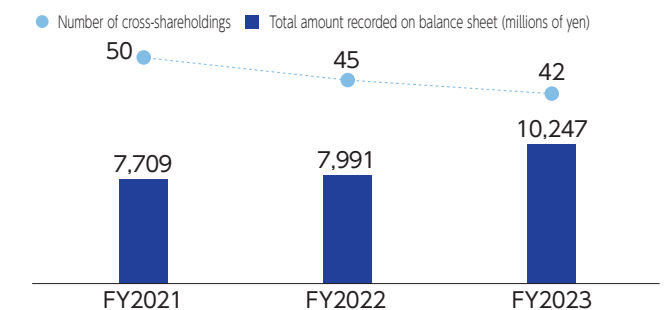
Total remuneration, total remuneration by type, and number of applicable officers for each officer classification

Officer classification	Total remuneration (millions of yen)	Total remuneration by type (millions of yen)			Number of applicable officers
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration, etc.	
Director	407	236	143	27	7
Audit & Supervisory Board Member	22	22	—	—	1
Outside Director	21	21	—	—	4
Outside Audit & Supervisory Board Member	11	11	—	—	2

Cross-shareholdings

DJK's policy is to hold shares of other companies only when we judge that such shareholdings contribute to the medium- to long-term improvement of DJK's corporate value, taking into account whether they are necessary for the purpose of business expansion, business creation, maintenance and strengthening of cooperative structures, and business operations. If we judge that the rationality of shareholding cannot be verified, the shares are sold after taking into consideration the situation of the cross-shareholding partner. The Board of Directors confirms the status of cross-shareholdings each quarter and decides whether to continue or reduce the shareholdings after verifying the purpose, medium- to long-term economic rationality, and whether there is a benefit commensurate with capital cost. In the fiscal year ended March 31, 2024, DJK sold out four stocks and reduced one stock.

Changes in the number of cross-shareholdings and the amount recorded on the balance sheet



Internal Control System

DJK has established a “Basic Internal Control Policy” to ensure that the directors perform their duties in compliance with laws and regulations and DJK's Articles of Incorporation, and to ensure the appropriateness of our operations as a corporation.

From the perspective of further strengthening corporate governance, the directors endeavor to build an effective internal control system and establish a structure for companywide legal compliance, while Audit & Supervisory Board members audit the effectiveness and functioning of the internal control system. If and when necessary, Audit & Supervisory Board members must provide advice or recommend improvements to directors.

Basic Internal Control Policy

- 1) System to ensure that directors comply with laws and regulations and Articles of Incorporation in the execution of their business duties
- 2) System to store and manage information on business execution by directors
- 3) System providing rules to manage possible losses and other matters of the Company and its subsidiaries
- 4) System to ensure that directors carry out job execution effectively
- 5) System for ensuring that directors, executive officers, and employees execute their business duties in accordance with laws and regulations and the Articles of Incorporation
- 6) System to ensure the fairness of operations of the corporate group comprising the parent company and its subsidiaries
- 7) System for requesting staff to aid Audit & Supervisory Board members and ensuring the independence of those staff members from the influence of directors and the effectiveness of instructions given to such assisting staff
- 8) System for directors, executive officers, and employees of the Company and its subsidiaries to report to Audit & Supervisory Board members of the Company, system for making other reports to Audit & Supervisory Board members, and system to ensure effective audit of Audit & Supervisory Board members

Compliance

As the basis of the compliance system, we are working to ensure that the Code of Conduct is thoroughly understood within the Company. We have established the Internal Audit Division under the direct control of representative directors and formulated internal audit regulations. While promoting the establishment, maintenance, and improvement of the internal control system, we are also working to develop and maintain the compliance system, and conduct audits and training in each internal department as necessary.

We have established an internal reporting system, operated based on our internal reporting regulation, as an internal reporting system for reporting violations of laws and regulations and other compliance-related facts, under which the General Manager of the Internal Audit Division is the direct recipient of information.

DJK Group Code of Conduct

In our aim to achieve further growth as a company, Daiichi Jitsugyo Group established its corporate philosophy in April 2022, and in April 2024, it revised the Daiichi Jitsugyo Code of Conduct as the DJK Group Code of Conduct in order to respond to the demands of society arising from the changing times through integrated Group efforts.

The Code of Conduct sets forth in specific terms the values, outlook, and standards of conduct required for the DJK Group to gain and maintain the trust of our stakeholders and to put into practice both its founding philosophy and the corporate philosophy's mission of "Connecting People, Connecting Technology and Enriching the World." It is a guideline to which all officers and employees of the DJK Group must adhere. The cumulative actions of each and every one of us are what make up the business activities of the DJK Group. We will contribute to sustainable growth and to society while demonstrating our individuality and abilities, based on a recognition of our responsibility to future generations under the Code of Conduct.

- (1) Maintaining a sense of ethics and compliance with laws and regulations
- (2) Respect for human rights
- (3) Environmental issues
- (4) Improving the working environment for employees
- (5) Winning the trust of business partners
- (6) Mutual development with business partners
- (7) Participating in and contributing to local communities
- (8) Engagement with stakeholders
- (9) Preventing bribery and corruption
- (10) Dealing with antisocial forces

Initiatives at Group companies

Domestic affiliated companies (Daiichi Mecha-tech Corporation, Daiichi Jitsugyo Viswill Co., Ltd., and DJ-WAVE Engineering Co., Ltd.) are promoting compliance in accordance with the DJK Group Code of Conduct.

We are also working to strengthen compliance at our overseas affiliated companies in accordance with the DJK Group Code of Conduct, and will create and maintain appropriate global compliance systems suited to the circumstances of each region: Europe, the Americas, China, and Asia.

Policy on Constructive Dialogue with Shareholders

Directors and executive officers, including the Representative Director, President & CEO, actively participate in business results briefing meetings and other dialogues with investors, and conduct IR activities that emphasize fairness, accuracy, and continuity in management strategies, business strategies, and financial information, as well as good two-way communication.

The department in charge of IR plays a leading role in exchanging opinions with the Accounting Division, Administration Division, and Corporate Strategy Division to determine policies for IR activities.

We strive to promote investment opportunities and disclose information by holding business results briefing meetings, etc. with the attendance of Representative Director, President & CEO and other members of the management team and publishing business reports and integrated reports.

FY2023 initiatives

- Business results briefing meetings: twice a year (May, November)
- Briefings for individual investors: once a year (February)
- Interviews with investors: 17 times a year (including 5 interviews also attended by the officer in charge of IR)

Information Disclosure

To enhance the transparency of its business, the Company proactively discloses information on a timely basis mainly through the Corporate Communication Department. In addition, as one of its IR activities, the Company holds business results briefing meetings to report on and explain business conditions and the future direction of the DJK Group to shareholders and investors. At the same time, we promptly and appropriately disclose management information via our corporate website and other forms of communication.

> See our website for details

- Securities Report: <https://www.djk.co.jp/ir/securities.html> (in Japanese)
- Corporate Governance Report (Corporate Governance page): <https://www.djk.co.jp/en/ir/governance.html>



Risk Management

Risk Management

Response to the Risks Surrounding Management and Business

We have established our V2030 growth strategy setting forth basic strategies such as aggressive investment, the shift from product-only sales to products and integrated solutions business model, capturing global growth, and the promotion of digital transformation (DX). In this context, we have identified the creation of new businesses as a key strategy. To accomplish this, it is vital that we make full use of a diverse range of methods to create businesses. In addition to conventional trading (buying and selling activities), these include methods such as business investment, trading that incorporates the provision of solutions, and cross-border business utilizing our overseas and domestic networks. These entail an increase in the scale and complexity of transactions and a rise in DJK's business risks. In response to such business risks, we have established an enterprise risk management (ERM) system that identifies, weights, and prioritizes risks across the Group, responds to those risks, and then monitors and makes improvements in order to pursue sustainable growth while fulfilling our corporate social responsibilities.

New Risk Management System

We have established an organized and systematic approach to comprehensively and efficiently identify, evaluate, and manage all risks (uncertainties) that threaten the realization of sustainable growth.

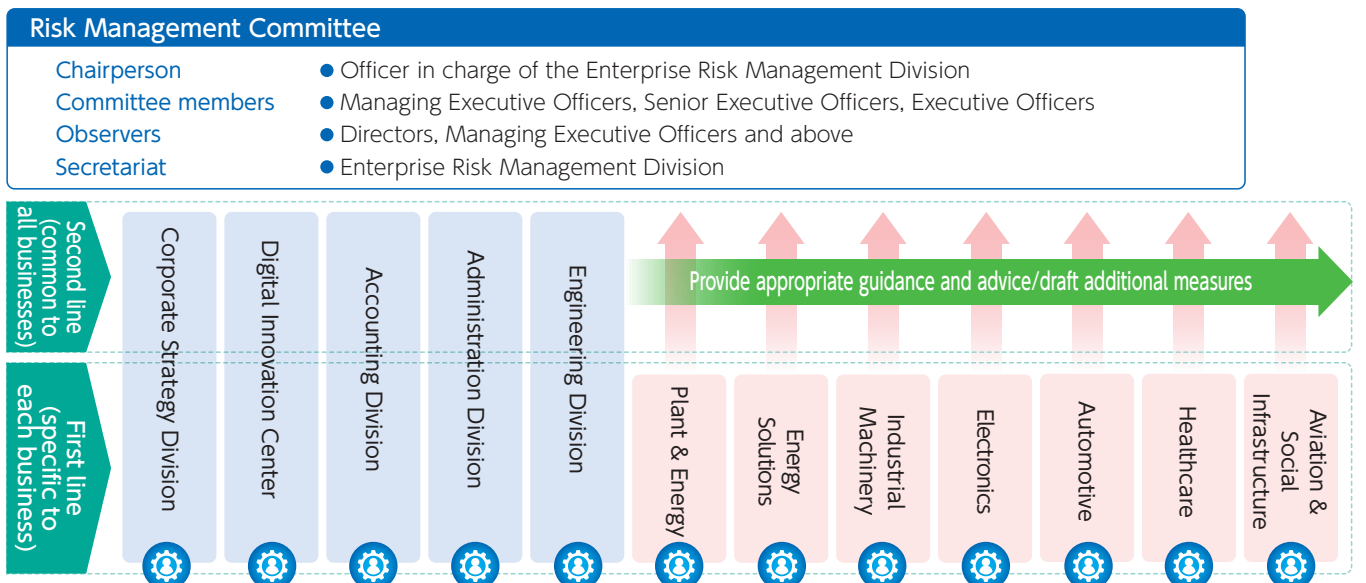
We recognize events (both positive and negative) that may have an impact on our strategies and the achievement of our business objectives as risks, and have established mechanisms and processes to manage them appropriately across the entire organization. After clarifying our approach to the amount of risk we are willing to accept (risk appetite), we comprehensively identify risks, conduct qualitative and quantitative assessments of each risk from such perspectives as its impact, frequency, and predictability, and consider countermeasures from the perspectives of avoidance, reduction, transfer, acceptance, etc.

As core divisions that will drive ERM, we established the Enterprise Risk Management Division in April 2023, and the ERM Promotion Department in April 2024, and implemented the following initiatives.

- 1) Restructured the Risk Management Committee
- 2) Formulated our Basic Policy on Risk Management
- 3) Revised the risk management rules
- 4) Revised the Policies of Dividing Duties to clarify the roles and responsibilities of business divisions and administrative divisions
- 5) Formulated our business risk model and risk catalog
- 6) Formulated a risk management manual
- 7) Risk management training (ERM awareness raising)

We have established a risk management system based on the three-line model shown in the diagram below.

- First line ▶ Assign an ERM manager to each division who is responsible for the risks in that division
- Second line ▶ Corporate divisions to have the ability to provide advice and draft additional measures
- Third line ▶ Evaluation of risk management activities by the Internal Audit Division



Business Risks

Business Risks	Impact on the Company	Measures to Address Specific Impacts
Risk of Change in the Macroeconomic Environment	Around the world, protectionism is becoming prevalent, growth is slowing in China and emerging economies, and there are concerns over a global economic slowdown and the emergence of global geopolitical risks due to the impact of the conflict between the United States and China. Accordingly, the stagnation of economic activities in these regions may cause the DJK Group's performance to deteriorate. In particular, we recognize that the restructuring of the supply chain, which has been heavily reliant on China, and political trends in the United States and political and economic conflicts in any region that could affect our investments are highly significant risks to our business performance.	We have established a system for promptly obtaining and deploying information through close communication with our Group companies in each overseas country, which we have strengthened coordination with as we expand our overseas business through our global four axes network. The Company is also structured to minimize the risk of performance deterioration by taking advantage of the agility of its business portfolio to shift business promptly and to provide maximum support to business partners in politically unstable or economically slowing regions.
Risk of Increased Proportion of Overseas Sales	We expect the ratio of overseas sales to total sales to continue to increase as we steadily implement our medium-term business plan. Therefore, a possibility exists whereby the international financial environment, tax systems, exchange rate trends, trends in crude oil and raw material prices, shipping cost trends, and capital investment trends for customers' production bases could affect the business results of the DJK Group. In addition, DJK's overseas business activities are exposed to the risk of unexpected changes in political systems or economic environments, and social disturbances based on legal and regulatory changes.	We strive to minimize the risk of a decline in earnings by leveraging the Group's global network and relationships with a wide range of business partners to promptly grasp information and trends and select the most appropriate form of transaction.
Risk Related to Interest Rates and the Procurement of Funds	Although we aim to flexibly and stably procure working capital and reduce interest costs, there is no guarantee that we will be able to procure funds on favorable terms in a timely manner in the event of instability in the financial markets or a downgrade in the Company's credit rating assigned by a rating agency due to deterioration in the Group's creditworthiness, which may limit the Group's business activities and could negatively impact the DJK Group's business results and financial position. In addition, should the balance of the DJK Group's financial income and expenses deteriorate because of the trend in net sales or in interest rates, it could negatively impact the DJK Group's business results and financial position, and if substantial turmoil occurs in major financial markets in Japan or overseas, financing costs could increase.	We will strive to continue good relationships with financial institutions and build and deepen relationships with institutional investors through timely dialogue, as well as diversify our funding sources. We also strive to flexibly and stably procure working capital and reduce funding and interest costs through our contingency funding policy and through maintaining or improving our credit rating by maintaining a favorable financial condition.
IT Systems Risk	DJK strives to heighten security, perform computer system data backups and other measures in order to protect systems and data. However, in the event systems or communications networks suffer a significant outage on account of natural disasters, computer virus infection, unauthorized access, constraints to power supply, major power outage, malfunction, trouble or other reason, business operations, chiefly order management for customers and vendors, may be hindered, incurring great cost or causing serious damage to the reputation of the DJK Group, with the potential of exerting a negative impact on performance and financial position.	As one of our business continuity measures, we use data centers and cloud services with sufficient security to protect our systems and data, and we have introduced monitoring systems for computers and other end devices used by our employees to prevent computer viruses and unauthorized access. In response to the impact on business activities caused by the failure of power and telecommunications infrastructure, the Group has established an emergency response plan to quickly move to a safe area and take measures to minimize the period of business interruption.
Business Development Risk	The Group's business model has expanded from services specializing in agency work for machinery manufacturers to services including production support and technical support for business partners' factories in response to technological innovation. As a result, the scope of our business is expanding from transactions in goods (products) only to transactions in solutions (services). At the same time, the scale of transactions for individual projects is expanding, and transactions are becoming more complex with longer delivery times. We anticipate risks against the market and business, including occurrence of accidents in tandem with an increase in large-scale construction projects and associated legal responsibility and expenses, as well as a decline in market value as technology becomes obsolete.	We are working to improve our market responsiveness and competitiveness to avoid risks and capture business opportunities by hiring engineers with sufficient skills, developing a personnel evaluation system for them, and strengthening the legal and administrative units involved in concluding contracts.
	The Group's business performance and financial position could be affected not only by the need to resolve or adjust equipment defects due to the occurrence of defects, items requiring adjustment or unconfirmed items but also by contractual liabilities and expenses incurred following the inspection of delivered equipment for remote launching, test operations, acceptance inspections, etc., which have increased in recent years.	We will further accumulate the know-how we have gathered to date and promptly verify best practices, as well as avoid risks by strengthening the functions of our legal and administrative units.
Credit Risk	As of the end of the consolidated fiscal year under review, the total notes and accounts receivable-trade of the Group amounted to ¥61,702 million, or 31.8% of total assets. As a result, the Group is exposed to the risk of losses on account of the credit of its business partners worsening or their businesses failing. The Group's business results and financial position may be affected in the event that the business partner experiences a liquidity crisis or a chain reaction bankruptcy due to a deterioration in the business environment, or a specific major debtor experiences business problems which lead to an inability to recover the extended credit.	DJK acts in accordance with its rules regarding authority to approve transactions and risk management, setting maximum credit and transaction amounts in its required transaction approval procedures, requires collateral or guarantees depending on the credit rating of the debtor, and puts in place risk hedges, such as the factoring or securitization of debt.
Risks in Long-term Strategies and the Medium-term Business Plan	The growth strategy and medium-term business plan that began in fiscal 2022 cover the medium to long term, and the potential period of risk is also the medium to long term. In addition, if the business-related investments and other investments that we are actively promoting do not produce sufficient effects, the Group's performance and financial position may be affected.	We are working to minimize risk by improving our ability to consider investments, centered on the corporate strategy unit, which is strengthening its functions. Once an investment is made, we will analyze progress based on periodic verification, consider and decide whether or not to change the investment, and disclose the results promptly.
Risk of Disaster	The occurrence of disasters such as earthquakes, typhoons, fires, and infectious disease outbreaks could cause damage to the Group's offices, factories, directors, executive officers and employees, and other related assets, which could hinder sales and production activities, and any serious damage could affect the Group's performance and financial position. Furthermore, should one of the DJK Group's major business partners suffer substantial damages from a disaster, the suspension of the business and production activities of the business partner could have a negative effect on the performance of the DJK Group.	In addition to formulating a basic business continuity plan, the Company has prepared a risk management manual for disasters, introduced a safety confirmation system, and conducted disaster drills and other measures.
Sustainability-related Risks	We recognize that the various risks outlined in the TCFD's recommendations will have a significant impact not only on our Group, but also on our supply chain. In addition to the direct and financial impact of increased tax burdens, technical problems with the products and goods we handle, reduced demand in the market, and the resulting decline in corporate reputation could be factors that worsen the performance and financial position of our Group.	We have established an organization that specializes in handling climate change issues, and we are actively working to realize a decarbonized society and address environmental issues by setting scenarios, calculating impact amounts, and conducting ongoing monitoring, as well as providing environmentally friendly products and services to our customers, manufacturing companies, in the supply chain in which we are positioned. In addition to issues related to climate change, factors such as demand and the principle of competition in our business domains are changing due to changes in various standards related to environmental destruction, human rights, diversity, and other matters, as well as markets. We are aware that any delay in our response to these changes may affect the business results of the DJK Group, and we are engaged in formulating corporate standards that conform to the various supply chain due diligence measures implemented by global companies.

Consolidated 11-Year Financial Summary

Year Ended March 31

	Millions of yen					Millions of yen						Thousands of U.S. Dollars*1		
	2014	2015	2016	2017		2018	2019	2020	2021	2022	2023	2024	2024	
For the year:														
Net sales	¥	¥122,102	¥143,361	¥124,177	¥154,120		¥185,686	¥161,891	¥161,476	¥140,029	¥148,075	¥153,674	¥187,790	\$ 1,240,276
Gross profit		17,363	18,922	18,164	20,476		22,362	24,269	23,938	21,457	24,138	26,671	31,879	210,552
Operating income		4,074	4,341	3,886	5,844		6,394	7,573	6,998	5,729	6,866	6,717	9,090	60,038
Net income attributable to owners of parent		2,459	2,897	2,637	3,338		4,730	4,457	4,876	4,754	5,363	6,316	7,461	49,280
Comprehensive income		3,430	4,482	1,480	3,781		5,391	3,759	3,890	6,764	5,944	7,237	11,777	77,784
Overseas sales		61,387	78,610	57,965	76,096		75,707	80,769	75,784	65,586	79,112	82,367	90,518	597,834
China		16,803	19,215	19,335	16,231		21,940	31,407	28,287	23,207	37,719	30,581	31,881	210,566
Asia		30,361	37,056	25,575	37,402		36,539	32,124	32,998	23,868	25,108	30,121	28,736	189,789
Americas		8,068	11,116	9,437	13,244		13,593	14,333	8,575	14,897	11,888	13,701	19,249	127,131
Europe		1,527	3,946	2,174	8,799		3,379	2,815	3,044	3,459	4,368	7,942	10,541	69,620
Other		4,626	7,276	1,443	418		254	87	2,877	152	27	20	110	726
Depreciation and amortization		352	874	847	850		805	774	890	883	774	1,033	1,134	7,492
Capital expenditures		1,052	4,050	968	937		525	387	1,166	1,050	720	837	874	5,776
At year-end:														
Total assets	¥	¥81,443	¥91,835	¥94,767	¥116,681		¥102,997	¥112,561	¥111,486	¥119,958	¥132,235	¥152,535	¥193,795	\$ 1,279,940
Working capital		21,935	22,670	23,372	25,636		29,255	32,497	35,008	38,950	43,729	48,767	54,695	361,238
Interest-bearing debt		8,809	11,035	10,711	9,289		8,409	7,802	7,850	7,805	7,631	5,882	7,339	48,471
Total equity		31,197	35,310	36,006	38,794		43,194	45,710	48,446	53,845	58,722	63,658	73,441	485,051
Per share of common stock (in yen and U.S. dollars)*3:														
Net income	¥	¥77.42	¥90.76	¥82.06	¥104.12		¥147.99	¥139.44	¥152.13	¥148.23	¥167.01	¥197.30	¥235.33	\$ 1.55
Cash dividends		30	26	28	31		35	36	43	43	48	59	71	0.47
Shareholders' equity		978.08	1,099.07	1,115.85	1,211.01		1,347.43	1,424.82	1,507.10	1,674.57	1,823.62	2,004.65	2,311.61	15.27
Other statistics:														
Number of shares of common stock outstanding (in thousands)*3 *4		31,801	32,040	32,191	31,944		31,970	31,965	32,078	32,074	32,127	31,676	31,717	—
Number of employees		1,069	1,080	1,064	1,097		1,134	1,167	1,209	1,229	1,258	1,319	1,402	—
Key ratios (%)*2:														
Gross profit margin		14.2	13.2	14.6	13.3		12.0	15.0	14.8	15.3	16.3	17.4	17.0	—
Operating income margin		3.3	3.0	3.1	3.8		3.4	4.7	4.3	4.1	4.6	4.4	4.8	—
Return on sales		2.0	2.0	2.1	2.2		2.5	2.8	3.0	3.4	3.6	4.1	4.0	—
Return on assets		3.0	3.3	2.8	3.2		4.3	4.1	4.4	4.1	4.3	4.4	4.3	—
Return on equity		8.2	8.7	7.4	9.0		11.6	10.1	10.4	9.3	9.6	10.3	10.9	—
Asset turnover (times)		1.50	1.65	1.33	1.46		1.69	1.51	1.44	1.21	1.17	1.08	1.08	—
Current ratio		145.4	143.4	142.1	134.1		151.2	149.7	156.4	161.0	161.3	156.4	146.8	—
Equity ratio		38.2	38.3	37.9	33.2		41.8	40.5	43.4	44.8	44.3	41.6	37.8	—
Debt-to-equity ratio		0.28	0.31	0.30	0.24		0.20	0.17	0.16	0.15	0.13	0.09	0.10	—

Notes 1. U.S. Dollar figures have been converted from Japanese yen, for convenience only, at the rate of ¥151.41 to U.S. \$1.

2. Minority interests in equity has been excluded from equity when key ratio is calculated.

3. The Company conducted a one-for-five reverse stock split effected on October 1, 2017. In addition, the Company conducted a one-for-three stock split effected on October 1, 2023. The figures shown indicate adjusted figures for previous years.

4. Treasury stock is excluded from the total number of shares issued.

(As of September 30, 2024)

	Location	Business details
Consolidated subsidiaries		
DAIICHI MECHA-TECH CORPORATION	Kawaguchi, Saitama	Repair, manufacturing, and sales of various types of industrial machinery
DAIICHI JITSUGYO VISWILL CO., LTD.	Suita, Osaka	Development, manufacturing, and sales of visual inspection devices
DJ-WAVE Engineering Co., Ltd.	Chiyoda-ku, Tokyo	Design and production of various types of equipment and parts for petrochemical, fertilizer, and other plants, and consulting
DAIICHI JITSUGYO (AMERICA), INC.	Chicago, USA	Sales of various types of industrial machinery
DJK GLOBAL MEXICO, S.A. DE C.V.	Queretaro, Mexico	Sales of various types of industrial machinery
DJK EUROPE GMBH	Frankfurt, Germany	Sales of various types of industrial machinery
SHANGHAI YISHI TRADING CO., LTD.	Shanghai, China	Sales of various types of industrial machinery
DAIICHI JITSUGYO (HONG KONG) LIMITED	Hong Kong, China	Sales of various types of industrial machinery
DAIICHI JITSUGYO (GUANGZHOU) TRADING CO., LTD.	Guangzhou, China	Sales of various types of industrial machinery
DAIICHI JITSUGYO ASIA PTE. LTD.	Singapore	Sales of various types of industrial machinery
DAIICHI JITSUGYO (THAILAND) CO., LTD.	Bangkok, Thailand	Sales of various types of industrial machinery
DAIICHI PROJECT SERVICE CO., LTD.	Bangkok, Thailand	Construction contractor
DAI-ICHI JITSUGYO (MALAYSIA) SDN. BHD.	Kuala Lumpur, Malaysia	Sales of various types of industrial machinery
DAIICHI JITSUGYO (PHILIPPINES), INC.	Makati, Philippines	Sales of various types of industrial machinery
PT. DJK INDONESIA	Jakarta, Indonesia	Sales of various types of industrial machinery
DAIICHI JITSUGYO (VIETNAM) CO., LTD.	Hanoi, Vietnam	Sales of various types of industrial machinery
DAIICHI JITSUGYO INDIA PVT. LTD.	New Delhi, India	Sales of various types of industrial machinery

Non-consolidated subsidiaries

DAIICHI JITSUGYO DO BRASIL COMERCIO DE MAQUINAS LTDA.	Sao Paulo, Brazil	Sales of various types of industrial machinery
DJK (TAIWAN) CORP.	Taipei, Taiwan	Sales of various types of industrial machinery
DAIICHI MECHA-TECH (SHANGHAI) CORPORATION	Shanghai, China	Repair and manufacturing of various types of industrial machinery
DJK FACTORY SOLUTIONS (PHILIPPINES), INC.	Laguna, Philippines	Sales and purchases of trial machines and parts Maintenance of parts for use in assembly systems
DJK ENGINEERING INDIA	New Delhi, India	Manufacturing and sales of various types of industrial machinery

Equity-method affiliate

ASANO LABORATORIES CO., LTD.	Aichi-gun, Aichi	Manufacturing and sales of plastics vacuum forming machines
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Non-equity method affiliate

SULZER DAIICHI K. K.	Chiyoda-ku, Tokyo	Import and sales of pumps, agitators and mixers, and related equipment for industrial applications
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Corporate Data (As of March 31, 2024)

Company Name: DAIICHI JITSUGYO CO., LTD.
Headquarters: Ochanomizu Sola City, 4-6
Kandasurugadai, Chiyoda-ku, Tokyo
Date of Establishment: August 12, 1948
Paid-in Capital: ¥5,105 million
Stock Exchange Listing: Tokyo Stock Exchange, Prime Market
Securities Code: 8059
Branches & Offices: Osaka, Nagoya, Tohoku (Sendai),
Hiroshima, Fukuoka, Toyama
Overseas Branches: Seoul
Domestic Subsidiaries: 3
Overseas Subsidiaries: 15
Consolidated Subsidiaries: 18
Number of Employees: Non-consolidated: 623 Consolidated: 1,402

Directors and Audit & Supervisory Board Members (As of June 25, 2024)

***President & CEO** Ichiro Uno
***Senior Managing Executive Officer** Ryuichi Ninomiya
Director, Senior Managing Executive Officer Yuji Funawatari
Director, Managing Executive Officer Masatoshi Ueno
Director, Managing Executive Officer Yasushi Marumoto
Director, Managing Executive Officer Osamu Fukawa
Outside Director Yoshikazu Sakamoto
Outside Director Namika Yamada
Outside Director Kazuo Nakayama

Full-time Audit & Supervisory Board Member Takahiro Toyoizumi
Outside Audit & Supervisory Board Member Mitsuyoshi Koyama
Outside Audit & Supervisory Board Member Akiko Ono

Managing Executive Officer Masahiko Mizumoto
Managing Executive Officer Daisuke Ozono
Managing Executive Officer Shigehiro Aoyama
Managing Executive Officer Shinji Otsuki
Senior Executive Officer Shoichiro Okada
Senior Executive Officer Zenichiro Minami
Senior Executive Officer Kanji Kubota
Senior Executive Officer Takumi Seki
Executive Officer Masao Hiwatari
Executive Officer Daijiro Kodama
Executive Officer Yuji Shika
Executive Officer Katsuhisa Kouzuki
Executive Officer Keisuke Nishii
Executive Officer Keiji Yamamoto
Executive Officer Kenji Murabe
Executive Officer Hajime Fujii
Executive Officer Kazuya Fukunaga
Executive Officer Yuzo Ueda
Executive Officer Noriyuki Iemura

*: Representative Director

Investor Information (As of March 31, 2024)

Stock Information

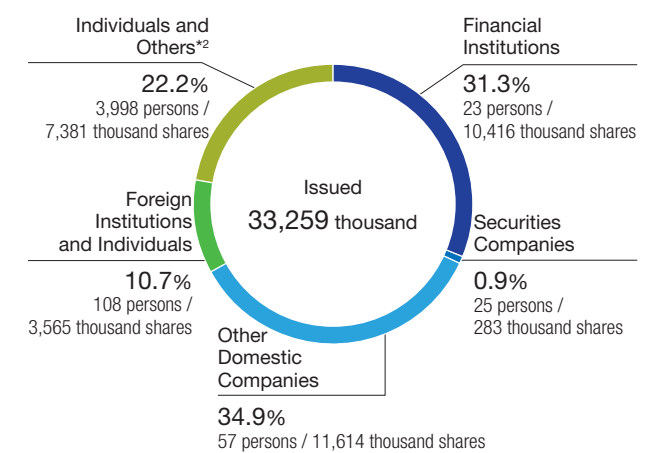
Authorized: 96,000,000 shares
Issued: 33,259,200 shares
Number of Shares per Unit: 100 shares
Number of Shareholders: 4,211

Major Shareholders

Shareholder Name	Number of Shares Held (Thousand shares)	(% of total)*1
UH Partners 2, Inc.	3,039	9.58
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,466	7.77
HIKARI TSUSHIN, K. K.	2,387	7.53
UH Partners 3, Inc.	2,381	7.51
MIZUHO BANK, LTD.	1,534	4.84
SUMITOMO MITSUI BANKING CORPORATION	1,532	4.83

*1 Percentages of total shares issued are calculated based on the total number of shares issued excluding 1,542 thousand shares of treasury stock.

Distribution of Ownership among Shareholders



*2 "Individuals and Others" includes 1,542 thousand shares of treasury stock (4.6%).

Information on DJK's corporate website

Visit our website to learn more about our business activities and information on IR and sustainability, and to view our past news releases.



<https://www.djk.co.jp/en/>



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