

2nd Quarter (Interim Period) of the Fiscal Year Ending March 2025 Financial Results Materials

November 6, 2024



Daiwabo Holdings Co., Ltd.

(Stock code: **3107**)

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2nd Quarter (Interim Period) of Fiscal Year Ending March 2025

(April 1, 2024 - September 30, 2024)

Captured growing domestic IT demand, bringing net sales to an all-time first fiscal half high, with operating income increasing for the third consecutive year

Performance

IT Infrastructure Distribution Business

- PC sales volume increased significantly YoY due to rising demand for new PCs driven by Windows upgrades
- iKAZUCHI handling volume hit 1H target due to growth in end-user contracts
- Both net sales and profit increased due to strong sales in the corporate, government, and educational sectors

Industrial Machinery Business

- Overall net sales for the business grew as planned due to steady product deliveries in the machine tools division

Outlook

- Upwardly revised full-year net sales and operating income forecasts for the fiscal year ending March 2025

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Shareholder Return

- Increased dividend by 20 yen to 90 yen per share (45 yen interim, 45 yen year-end)
- 10 billion yen share buyback progressed as planned (acquisition cost: 7.19 billion yen as of the end of September)

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| Business Outlook for the Full Term of the Fiscal Year Ending March 2025

Full-Year Performance Forecast for the Fiscal Year Ending March 2025



(Million yen)	2024/3 (Results)	2025/3						Change (3) - (2)	Change (3) - Previous term	Compared to previous term
		(1) Initial forecast (Disclosed May 9)		(2) Revised forecast (Disclosed August 2)		(3) Revised forecast (Disclosed November 6)				
Net sales	967,760	975,000		1,012,350		1,123,500		+111,150	+155,739	+16.1%
IT Infrastructure Distribution	894,693	962,650		1,000,000		1,111,100		+111,100	+216,406	+24.2%
Industrial Machinery	13,213	12,350		12,350		12,400		+50	(813)	(6.2%)
Fibers	59,210	-		-		-		-	(59,210)	-
Operating income	30,963 3.2%	31,100 3.2%		31,100 3.1%		33,000 2.9%		+1,900	+2,036	+6.6%
IT Infrastructure Distribution	28,244 3.2%	30,200 3.1%		30,320 3.0%		32,320 2.9%		+2,000	+4,075	+14.4%
Industrial Machinery	1,032 7.8%	900 7.3%		780 6.3%		680 5.5%		(100)	(352)	(34.1%)
Fibers	1,580 2.7%	-		-		-		-	(1,580)	-
Ordinary income	31,431 3.2%	31,500 3.2%		31,500 3.1%		33,400 3.0%		+1,900	+1,968	+6.3%
Net profit attributable to owners of parent	4,283 0.4%	21,800 2.2%		21,800 2.2%		23,000 2.0%		+1,200	+18,716	+437.0%

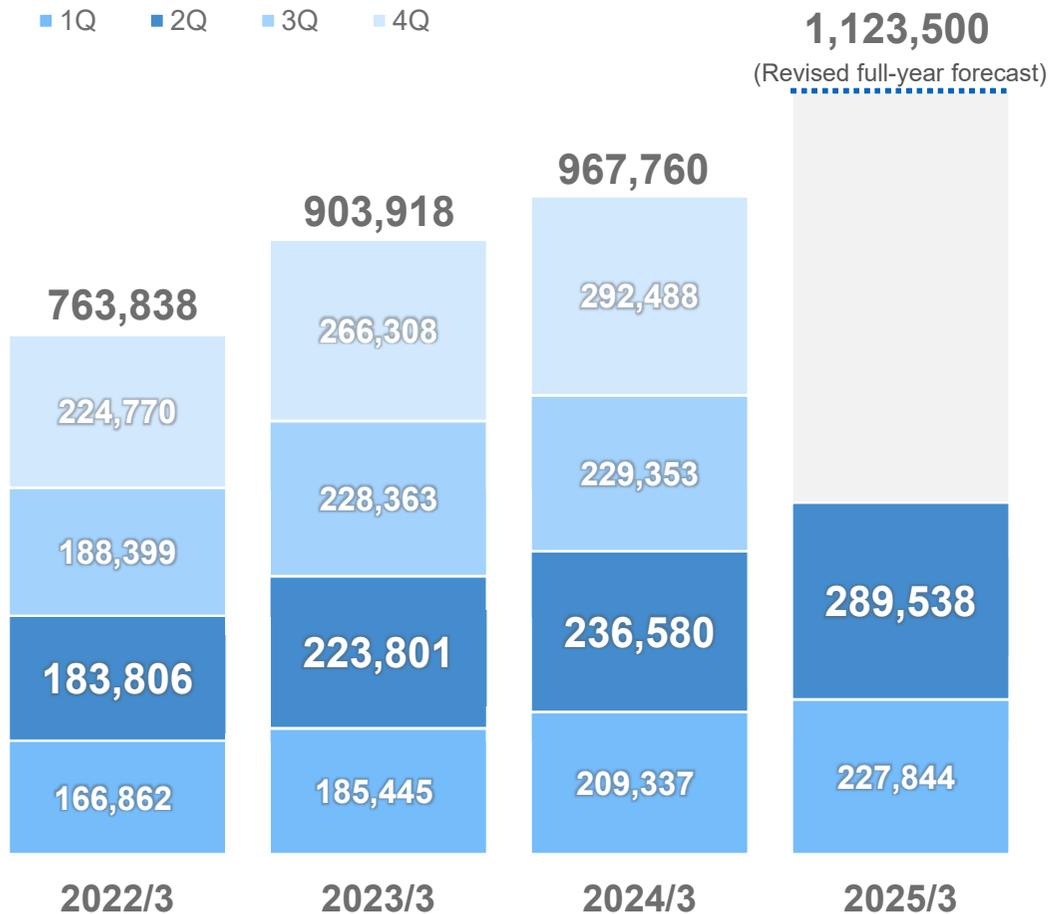
Performance Forecast for the Second Half of Fiscal Year Ending March 2025



(Million yen)	2024/3 (Results)	2025/3						Change (3) - (2)	Change (3) - Previous term	Compared to previous term	
		(1) Initial forecast (Disclosed May 9)		(2) Revised forecast (Disclosed August 2)		(3) Revised forecast (Disclosed November 6)					
Net sales	521,842	524,500		536,850		606,116		+69,266	+84,274	+16.1%	
IT Infrastructure Distribution	485,456	518,150		530,500		600,046		+69,546	+114,590	+23.6%	
Industrial Machinery	6,533	6,350		6,350		6,070		(279)	(462)	(7.1%)	
Fibers	29,530	-		-		-		-	(29,530)	-	
Operating income	18,188	3.5%	18,080	3.4%	18,080	3.4%	19,477	3.2%	+1,397	+1,288	+7.1%
IT Infrastructure Distribution	16,668	3.4%	17,615	3.4%	17,615	3.3%	19,149	3.2%	+1,534	+2,480	+14.9%
Industrial Machinery	511	7.8%	465	7.3%	465	7.3%	331	5.5%	(133)	(179)	(35.1%)
Fibers	960	3.3%	-	-	-	-	-	-	(960)	-	
Ordinary income	18,516	3.5%	18,280	3.5%	18,280	3.4%	19,560	3.2%	+1,280	+1,044	+5.6%
Net profit attributable to owners of parent	(4,243)	(0.8%)	12,700	2.4%	12,700	2.4%	13,525	2.2%	+825	+17,769	-

Settlement of Accounts for the 2nd Quarter of the Fiscal Year Ending March 2025 (Interim Period)

Net Sales for the First Half of Fiscal Year Ending March 2025 (Apr.-Sept.)



Net sales **517,383** million yen

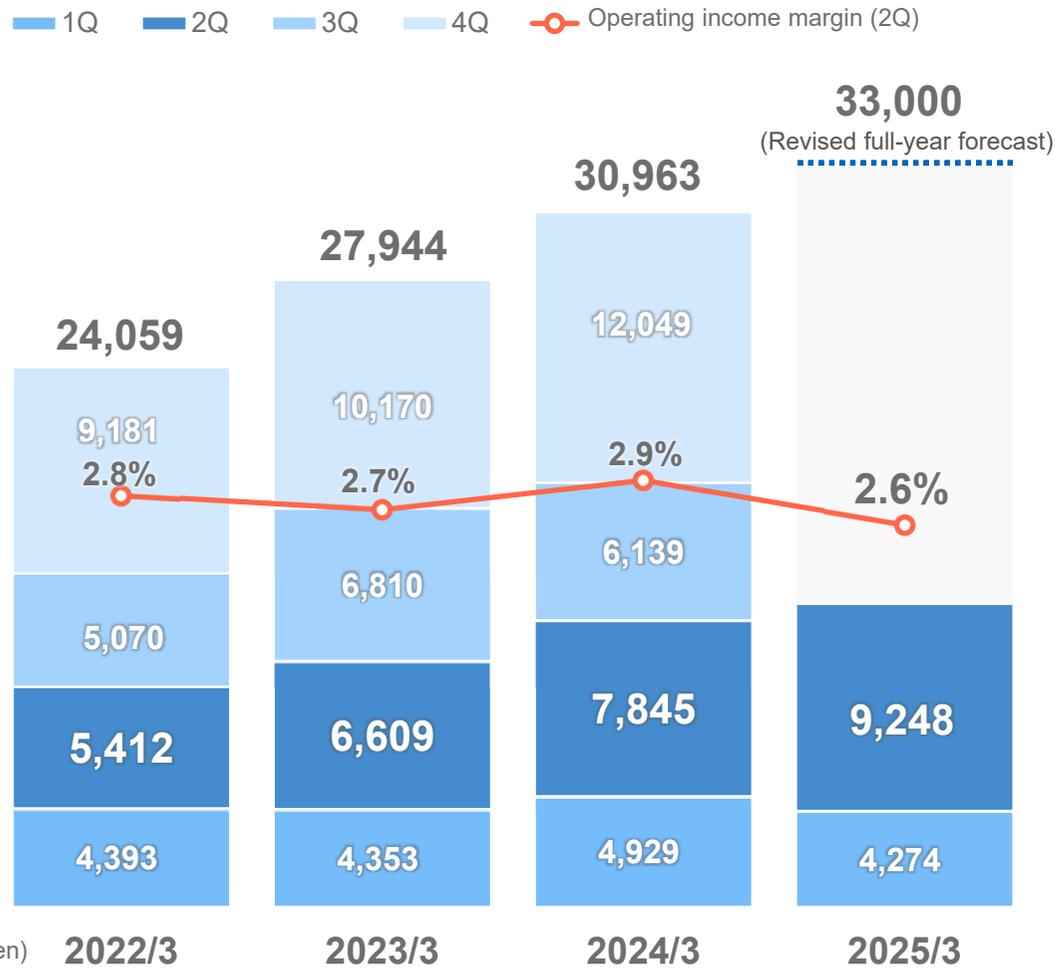
YoY change + **16.0%**

Full year progress **46.1%**

Net sales reached a first fiscal half record high

(Million yen)

Operating Income for the First Half of Fiscal Year Ending March 2025 (Apr.-Sept.)



Operating income **13,522** million yen

YoY change **+5.9%**

Operating income margin **2.6%**

Full year progress **41.0%**

(Million yen) **2022/3**

2023/3

2024/3

2025/3

Consolidated Financial Results Overview for the First Half of Fiscal Year Ending March 2025 (Apr.-Sep.)



(Million yen)	2024/3 2Q	2025/3 2Q	Change	Compared to previous term	Revised full-year forecast	Progress
Net sales	445,917	517,383	+71,465	+16.0%	1,123,500	46.1%
Operating income	12,774	13,522	+747	+5.9%	33,000	41.0%
Ordinary income	12,915	13,839	+923	+7.2%	33,400	41.4%
Net profit attributable to owners of parent	8,526	9,474	+947	+11.1%	23,000	41.2%
Interim net earnings per share (yen)	91.23	102.52				

(Million yen)	2024/3	2024/9	Change	Major reasons for change
Total assets	405,256	396,878	(8,378)	Decrease due to collection of trade receivables
Net assets	142,133	140,689	(1,444)	Acquisition of treasury shares
Equity capital ratio	35.0%	35.4%		

Operating Results by Segment for the First Half of Fiscal Year Ending March 2025 (Apr.-Sept.)



(Million yen)		2024/3 2Q	2025/3 2Q	Change	Compared to previous term
Net sales	IT Infrastructure Distribution	409,237	511,053	+101,815	+24.9%
	Industrial Machinery	6,680	6,329	(351)	(5.3%)
	Fibers	29,679	-	(29,679)	-
	Others	320	-	(320)	-
	Total	445,917	517,383	+71,465	+16.0%
Operating income	IT Infrastructure Distribution	11,575	13,170	+1,594	+13.8%
	Industrial Machinery	521	348	(172)	(33.2%)
	Fibers	620	-	(620)	-
	Others	33	-	(33)	-
	(Adjustment)	24	4	(20)	(83.2%)
Total	12,774	13,522	+747	+5.9%	

Consolidated Balance Sheet for the First Half of Fiscal Year Ending March 2025 (Pages 3-4 in Brief of Consolidated Settlement of Account)



(Million yen)	2024/3	2024/9	Change		2024/3	2024/9	Change
Current assets	377,245	368,131	(9,113)	Current liabilities	239,742	232,804	(6,938)
Cash and deposits	69,372	63,176	(6,196)	Notes payable and accounts payable	206,212	199,961	(6,250)
Notes and accounts receivable	236,306	224,977	(11,328)	Short-term loans payable	8,400	7,704	(696)
Goods and products	33,413	40,507	+7,094	Non-current liabilities	23,380	23,384	+4
Property, plant and equipment	10,238	10,754	+516	Long-term loans payable	12,500	13,266	+766
Intangible fixed assets	3,691	3,797	+105	Total liabilities	263,123	256,188	(6,934)
Investments and other assets	14,081	14,194	+113	Total net assets	142,133	140,689	(1,444)
				Treasury shares	(5,133)	(12,286)	(7,153)
Total assets	405,256	396,878	(8,378)	Total liabilities and net assets	405,256	396,878	(8,378)

Notes and accounts receivable	236,306	->	224,977	(11,328)	Collection of DIS's trade receivables
Notes payable and accounts payable	206,212	->	199,961	(6,250)	Decrease in DIS's trade payables
Total loans	20,900	->	20,970	+70	

Consolidated Statement of Operations for the First Half of Fiscal Year Ending March 2025 (Page 5 in Brief of Consolidated Settlement of Account)



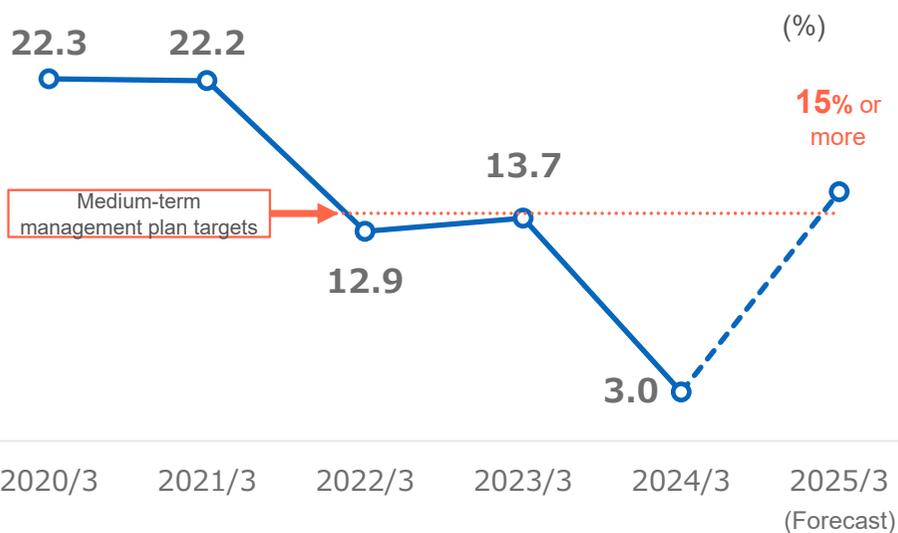
(Million yen)	2024/3 2Q		2025/3 2Q		Change	Compared to previous term
	Results	Percentage	Results	Percentage		
Net sales	445,917		517,383		+71,465	+16.0%
Gross profit	36,214	8.1%	34,560	6.7%	(1,653)	(4.6%)
Selling, general and administrative expenses	23,439	5.3%	21,038	4.1%	(2,401)	(10.2%)
Operating income	12,774	2.9%	13,522	2.6%	+747	+5.9%
Ordinary income	12,915	2.9%	13,839	2.7%	+923	+7.2%
Extraordinary losses	25		1		(24)	(95.5%)
Net profit attributable to owners of parent	8,526	1.9%	9,474	1.8%	+947	+11.1%

Medium-Term Management Plan Progress <Group Management Indicators>



ROE 14% or more

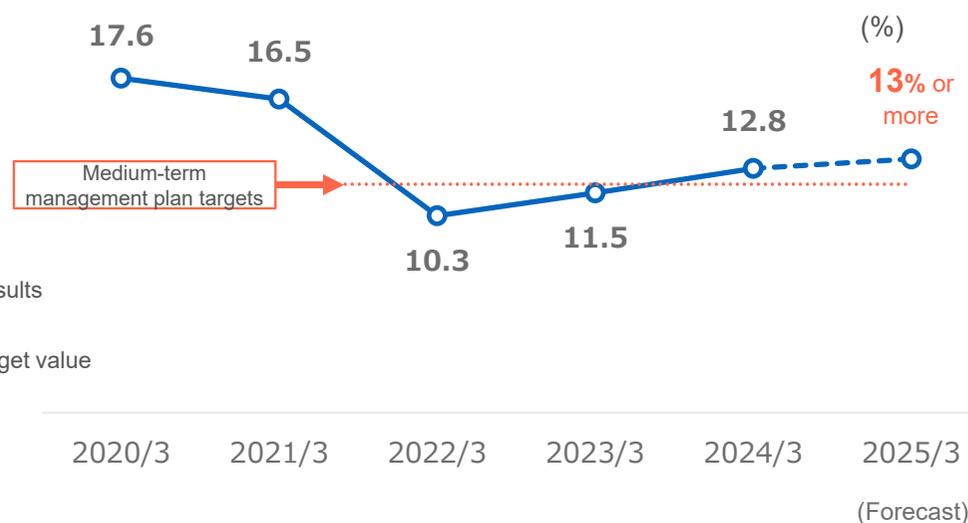
Return on equity
 <Profitability of a company in relation to shareholders' equity>



ROE dropped in FY ended March 2024 due to the posting of a one-time extraordinary loss but is expected to bounce back this fiscal year

ROIC 12% or more

Return on invested capital
 *Operating profit after tax / (Net assets + Interest-bearing liabilities)
 <Profitability of a company's investments>



ROIC is expected to exceed the cost of capital to be recognized by the company and meet the medium-term management plan target

Shareholder return



Dividend per share

Acquisition of treasury shares

Dividend ratio

Total payout ratio

Fiscal Year Ending March 2025 (forecast)

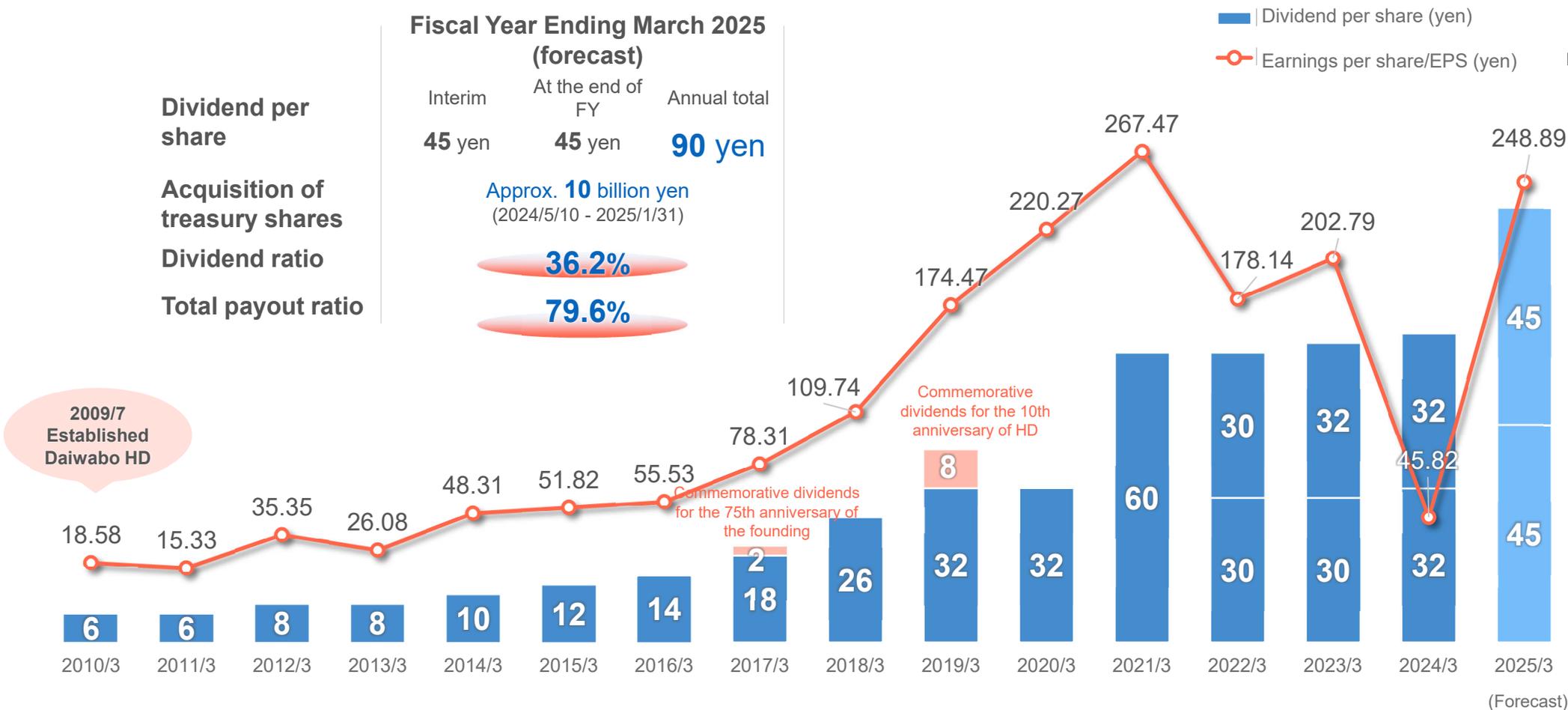
Interim	At the end of FY	Annual total
45 yen	45 yen	90 yen

Approx. **10 billion yen**
(2024/5/10 - 2025/1/31)

36.2%

79.6%

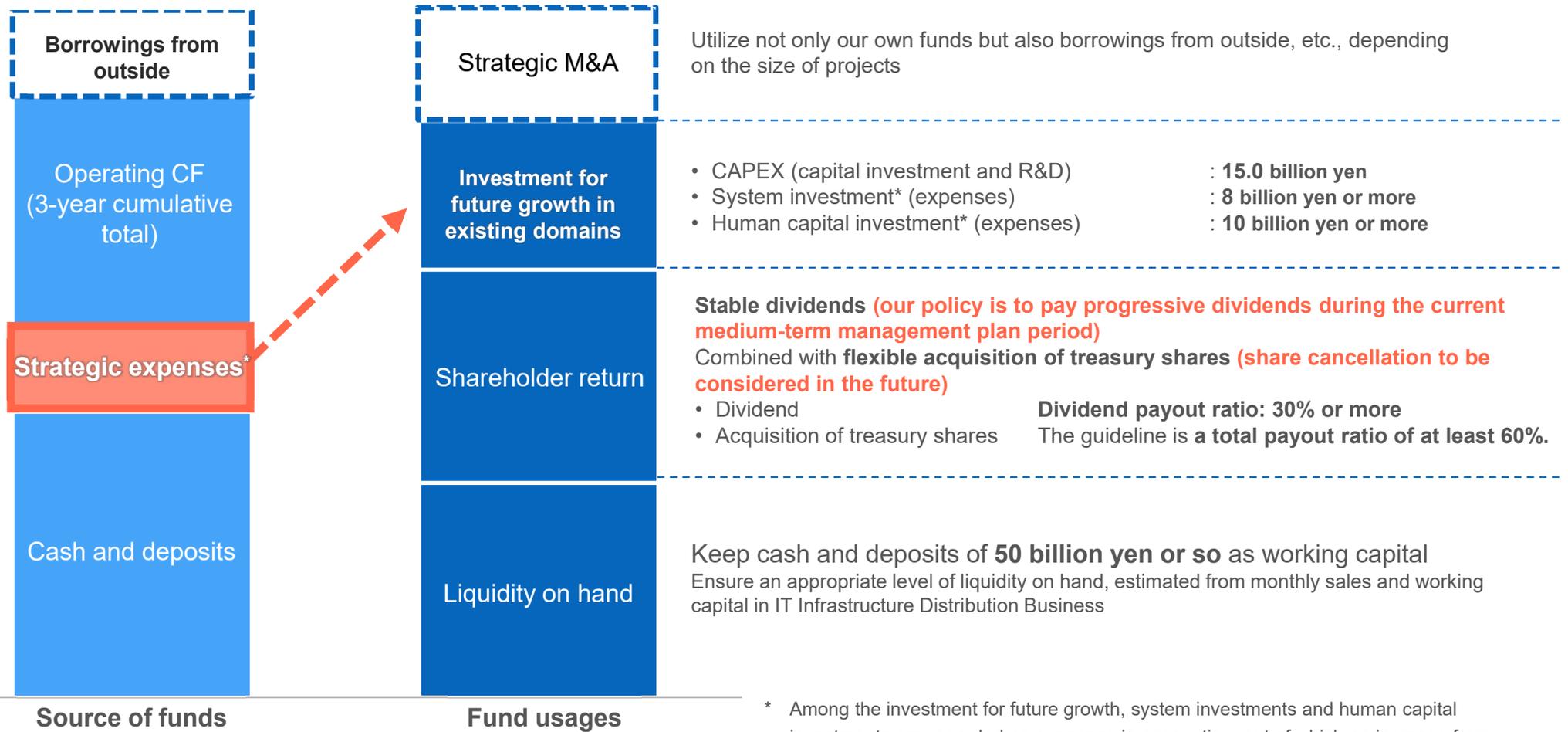
■ Dividend per share (yen)
○ Earnings per share/EPS (yen) 1)



*Figures shown with a reverse stock split (October 1, 2017) and a stock split (April 1, 2021) applied retroactively to the past years.

Capital Allocation Policy (FY2025/3 - FY2027/3)

Graphical representation of capital allocation over a three-year cumulative period

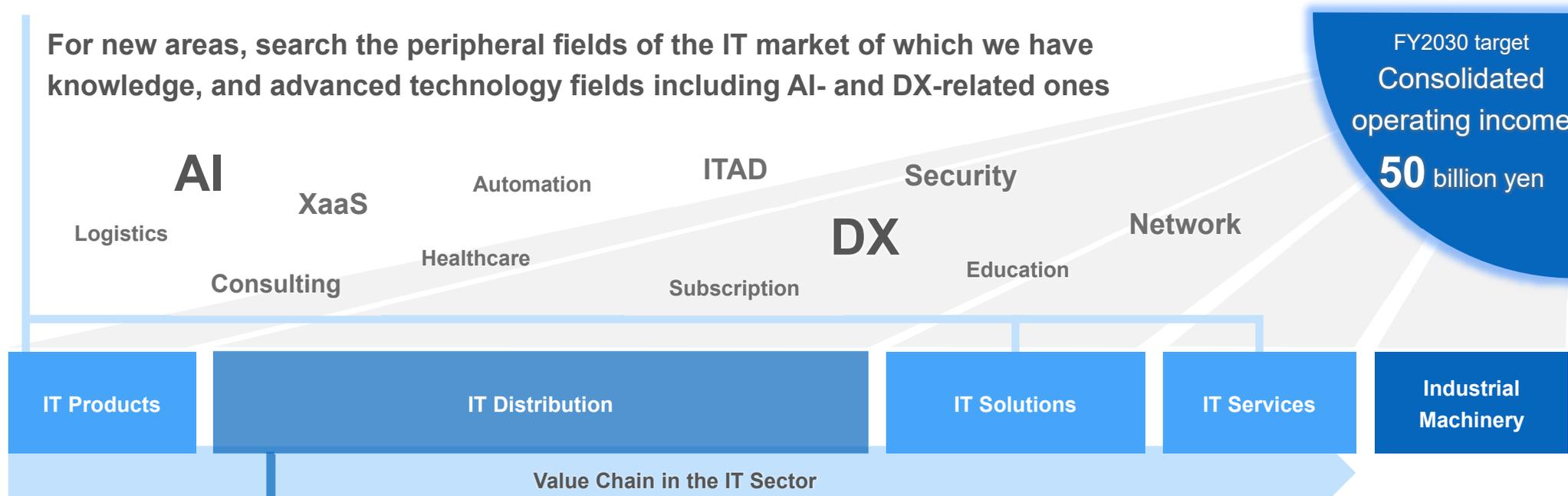


* Among the investment for future growth, system investments and human capital investments are regarded as expenses in accounting, out of which an increase from results of 2024/3 is counted in

The Way the Company Should Be that We Hope to Reach through “2030 VISION” (Repost)



For new areas, search the peripheral fields of the IT market of which we have knowledge, and advanced technology fields including AI- and DX-related ones



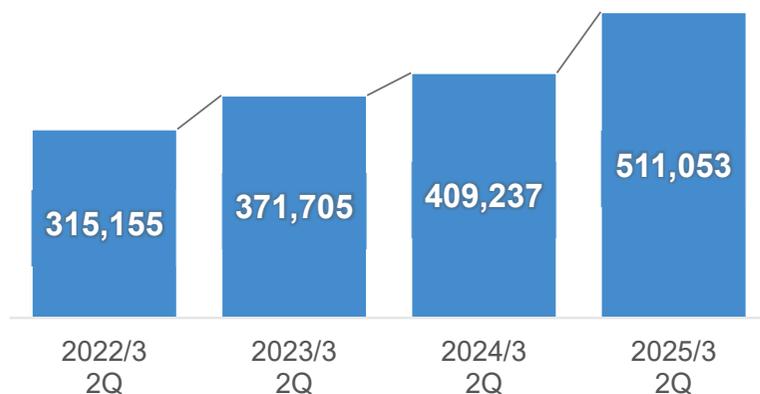
Expand and reinforce functions with a focus on the **3Ss** [Service / Solution / Sustainability] to further strengthen and deepen **core areas**

Achieve sustainable growth by leveraging the merits of a holding company system that enables rapid decision-making and investment ▶▶ We also consider changing the company name toward the embodiment of the way we should be

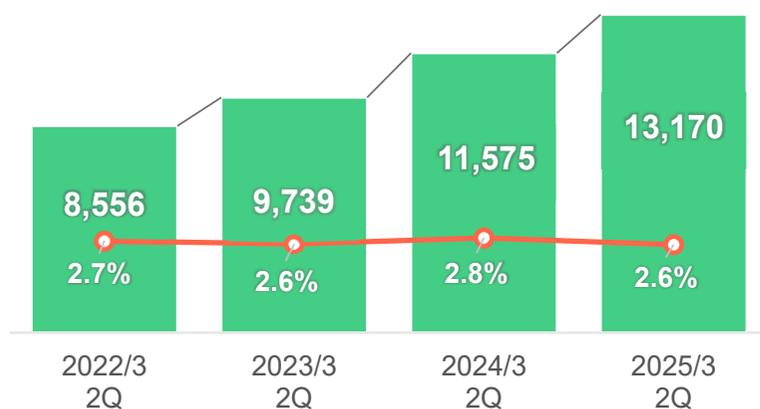
IT Infrastructure Distribution Business

IT Infrastructure Distribution Business

(Million yen)



■ Net sales ■ Operating income ■ Operating income margin



Transaction volume *Net sales under the old standard

551,624 million yen (+25.3% compared to previous term)

Net sales

511,053 million yen (+24.9% compared to previous term)

Operating income

13,170 million yen (+13.8% compared to previous term)

Number of PCs shipped

1,723,000 units (+25.0% compared to previous term)

Number of servers shipped

28,000 units (+10.3% compared to previous term)

iKAZUCHI handling volume

19,058 million yen (+38.7% compared to previous term)

Review of the business

Corporate market

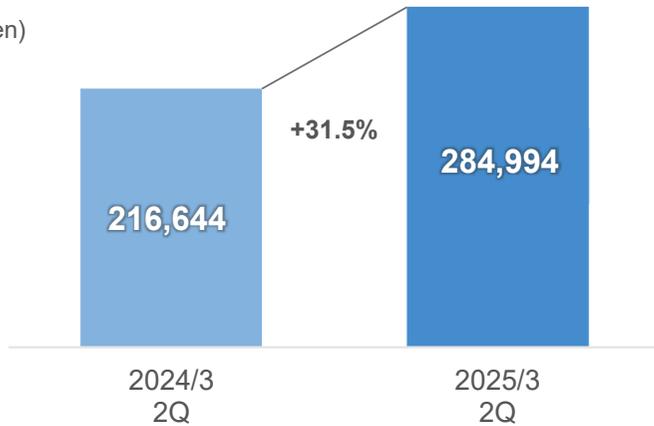
- Sales of PCs, servers and software, mainly to companies and government agencies remained strong
- Operating income exceeded the plan due to sales growth despite a year-on-year decline in the operating income margin due to intensified competition resulting from the increase in the size of projects
- Steadily won service contracts via iKAZUCHI
- Sales to the education sector increased YoY due to demand for school terminals driven by Windows upgrades as well as winning advance procurement contracts for the second phase of the GIGA School

Consumer market

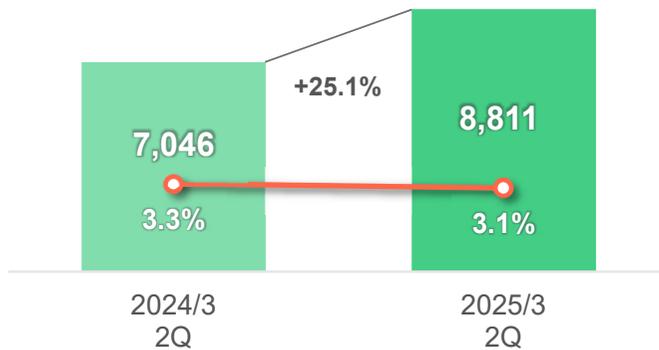
- Sales to mass retailers remained flat YoY due to strong PC and monitor sales despite sluggish PC sales to e-commerce channels

IT Infrastructure Distribution Business YoY Comparison (2Q)

(Million yen)



■ Net sales ■ Operating income ■ Operating income margin



Difference in 2Q (Jul. - Sept.) results from the previous fiscal year

- Number of PCs shipped **+38.6%**
Shipments rose as Windows upgrades boosted demand for new PCs, with large-scale installations for big companies, etc.
- iKAZUCHI handling volume **+35.9%**
The number of end-user contracts steadily increased Handling volume was up due to an upward trend in the unit price of services
- By industry, sales to the telecommunications, manufacturing, and wholesale/retail industries were strong, driving net sales up significantly
- The operating income margin dropped YoY but improved from the 1Q of this fiscal year (1.9%)

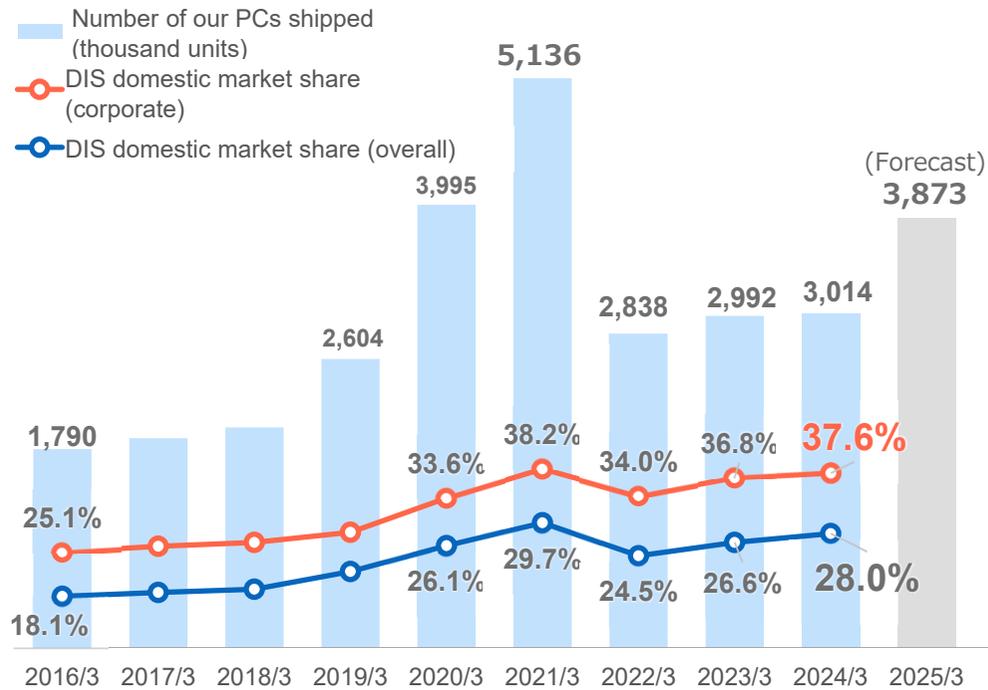
Explanation of the seasonality of IT infrastructure Distribution Business

Demand tends to be concentrated in March and September when many companies in Japan close their books.

Domestic PC Market Share and Product Category Composition

Full-Year PC Share Trends

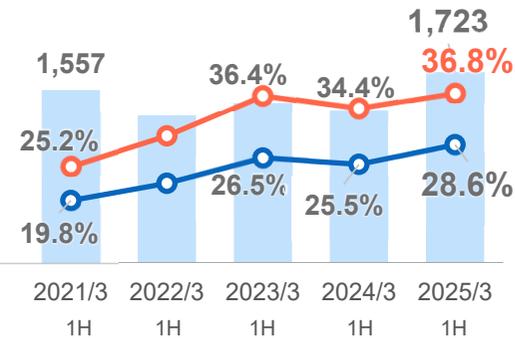
We are involved **at least one in three** PCs for corporate use.



1H Performance Trends

Domestic PC market share

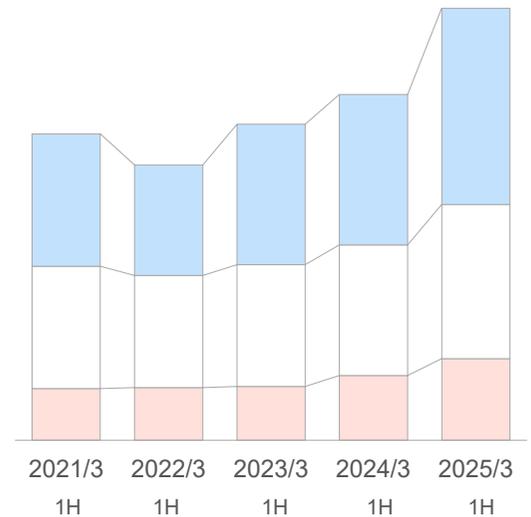
Corporate **36.8%**
Overall **28.6%**



DIS transaction volume by category

YoY

- PC unit alone* **+30.6%**
- Peripheral equipment, services, etc. **+17.9%**
- Software **+26.2%**



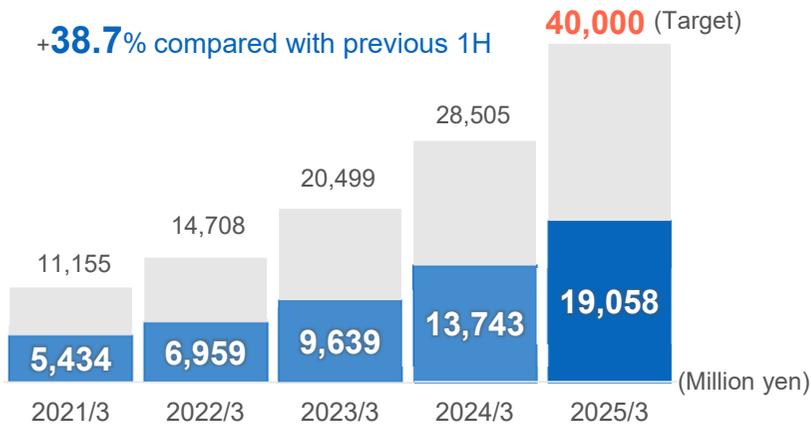
*Calculated based on the results of a survey by MM Research Institute (Since the numbers for 1H 2025/3 are based on preliminary figures from the research firm, the published figures for market share are subject to change.)

*PC unit alone = Terminal devices such as PCs, servers, tablets, and smartphones

Subscriptions via iKAZUCHI

iKAZUCHI handling volume

Total sales to sales partners through the subscription management portal "iKAZUCHI" (included in Software)



Number of supporting vendors and services

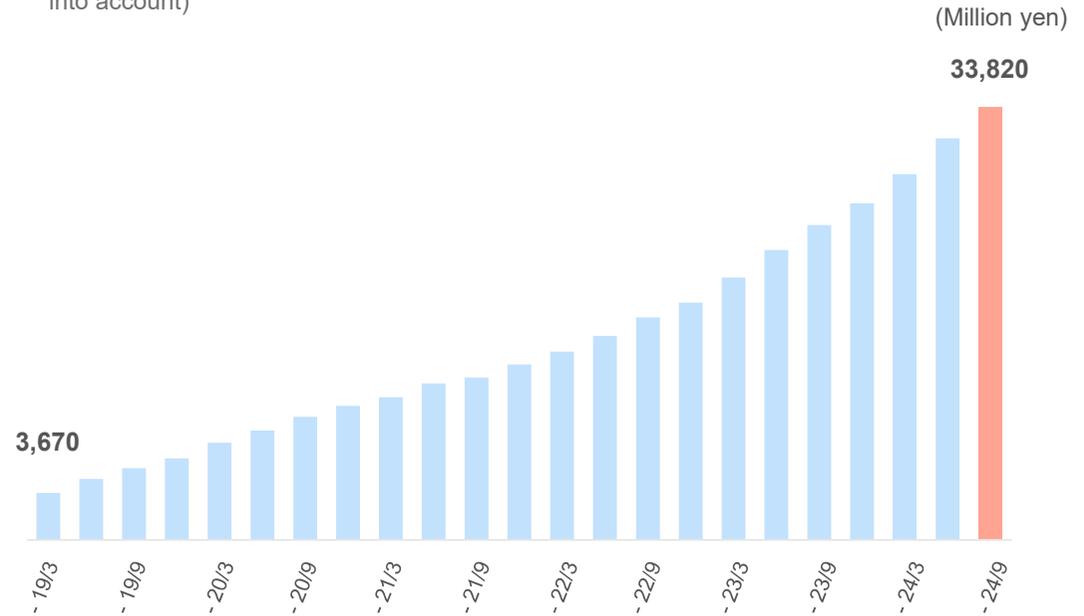
133 vendors	▶	134 vendors
248 services (2024/6)		250 services (2024/9)



Strengthen the "foundation" for recurring revenue by expanding the subscription business market

■ iKAZUCHI

Trend in handling volume 12-month cumulative (taking annual charges, etc. into account)



Growth trajectory of iKAZUCHI

Since the percentage of customers purchasing on an annual basis as a charging form is high, it is possible to confirm steady growth by looking at the 12-month cumulative total instead of quarterly results.

Upgrade the position and value in growth areas

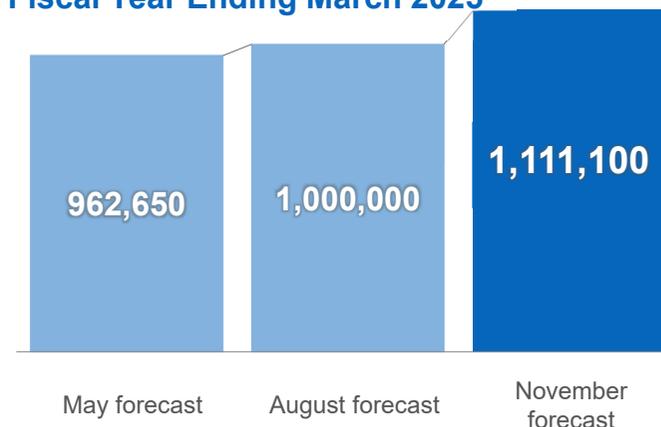
- Expand market share in the cloud platform market
- Expand business areas in the SaaS model

Deepen core areas as an industry-leading company

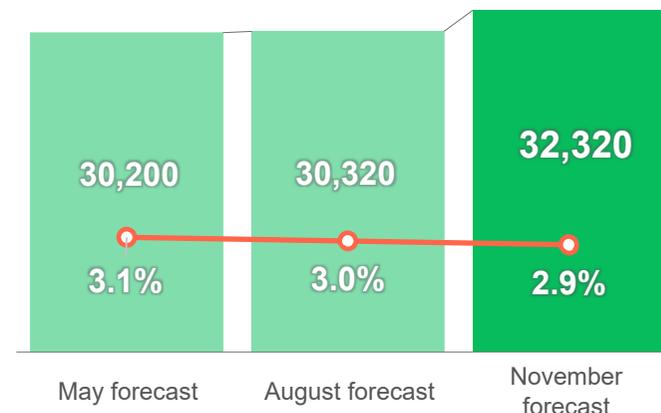
- Expand business areas in the IT device foundation
- Grow the business areas of high value-added products
- Establish a supportive system by dedicated technical teams and boost the capability to make proposals

Changes in Performance Forecast for Fiscal Year Ending March 2025

(Million yen)



■ Net sales ■ Operating income ■ Operating income margin



Partner relationships through driving DX

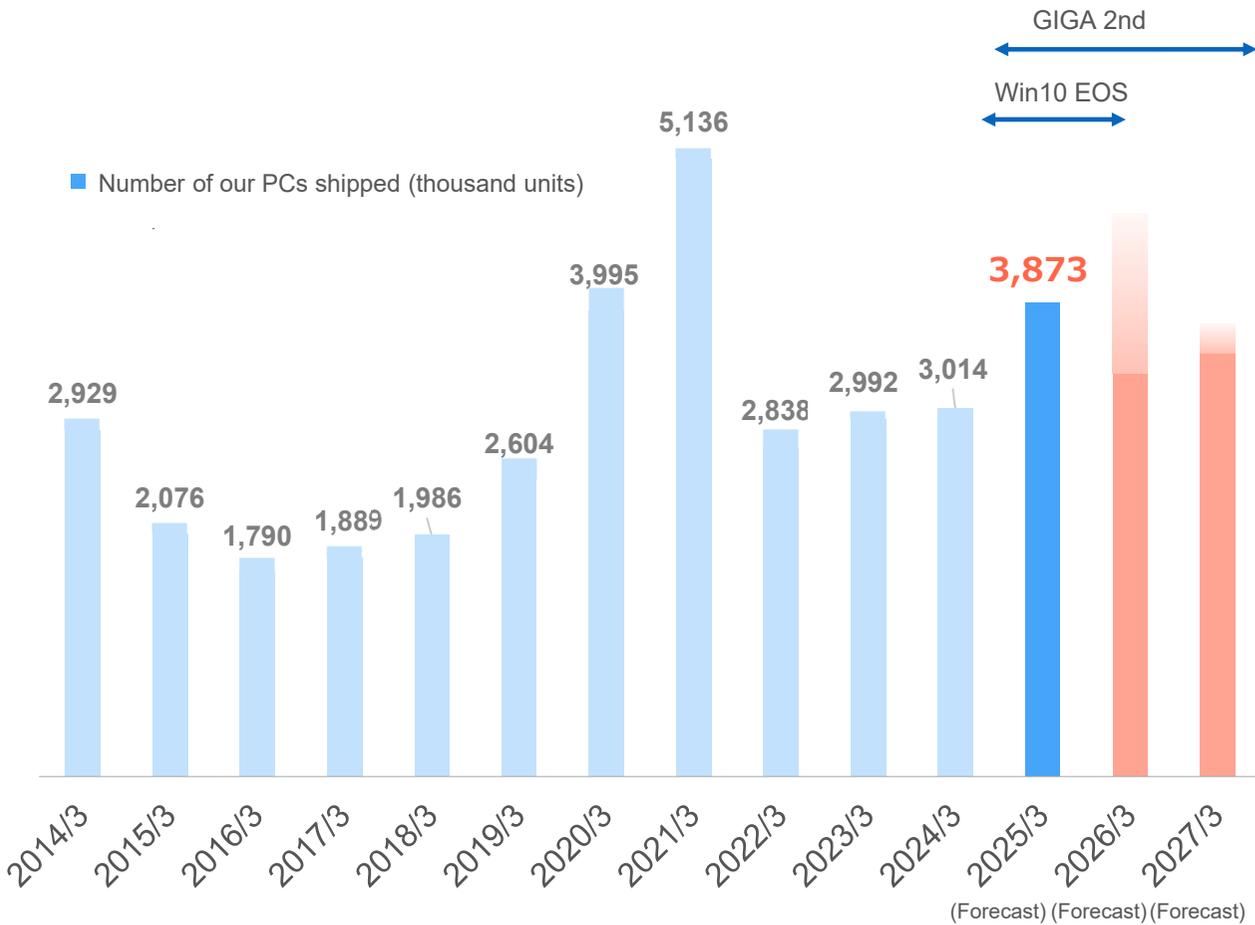
- Transform business models and improve productivity for enhancing corporate value
- Expand business areas through sales expansion to overseas vendors including cutting-edge technologies



Corporate branding and strategic investment

- Enhance recognition in society, help the industry develop, and contribute to the local communities
- Make investments to strengthen business (systems, M&A, and business alliances)
- Make investments to optimize the industry (logistics functions and iKAZUCHI)

PC Shipment Forecast



End of Support for Windows 10

- Support for Windows 10 ends on October 14, 2025
- Shipment volume **increased 38.6%** YoY in 2Q due to earlier-than-expected installations for large companies
- A significant increase is expected again in the second fiscal half, for a total of **2.15 million units** (+31% YoY)

Outlook for GIGA School Program Phase 2

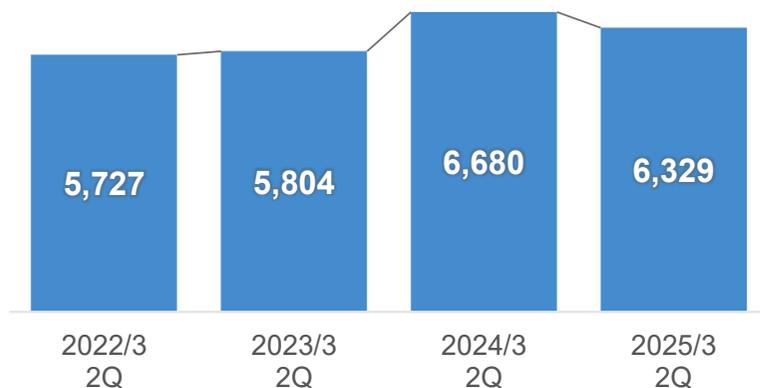
- Purchases of new PCs for this fiscal year will be limited since they are for advance procurement contracts (opt-outs)
- Public announcement and bidding through joint procurement mainly by prefectures will take place after January 2025
- Installations after bidding are expected to peak in the fiscal year ending March 2026

Industrial Machinery Business

Industrial Machinery Business

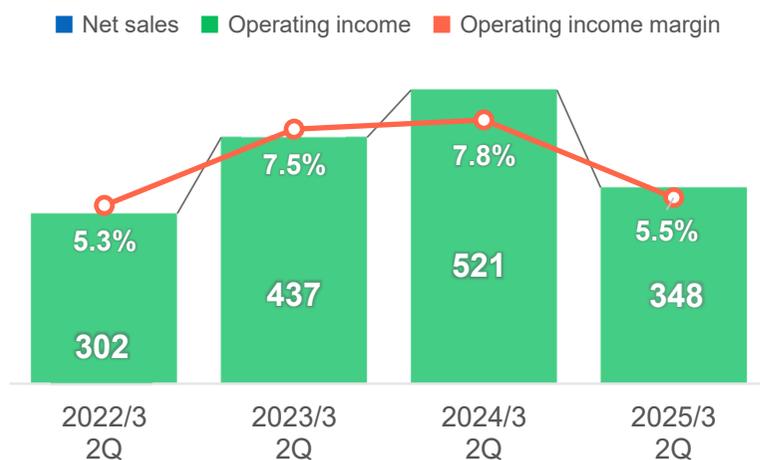


(Million yen)



Net sales **6,329** million yen [(5.3%) compared to previous term]

Operating income **348** million yen [(33.2%) compared to previous term]



Review of the business

Machine Tools Division

- Orders received remained flat YoY while total orders received by members of Japan Machine Tool Builders' Association (JMTBA) in April-September increased slightly by 0.3% YoY
- Despite progress in scheduled deliveries, sales and profit declined due to sluggish orders in the previous year
- A full recovery of demand in the aircraft and railroad industries in the Japanese market is expected in the second half of the fiscal year ending March 2026 or later

Automatic Machinery Division

- Orders received decreased 4.7% YoY
- Net sales decreased mainly due to the partial deferral of sales recognition to the second fiscal half

Expand business into potential markets for machine tools

- Make proposals for improving production efficiency with machinery equipped with the energy-saving and automation functions
- Implement strategic and planned production by extending Nagaoka Plant
- Aim to expand into new markets by rolling out sales promotions by emphasizing short lead time
- Seek to expand into markets with growth potential for further growth in overseas markets



Capture demand for packaging machine automation in automatic machinery

- Raise quality and cut costs through standardization of automatic supplying equipment
- Improve productivity in collaboration with Chinese packaging-machine manufacturers
- Step up proposal-based sales activities to the food and confectionery industry

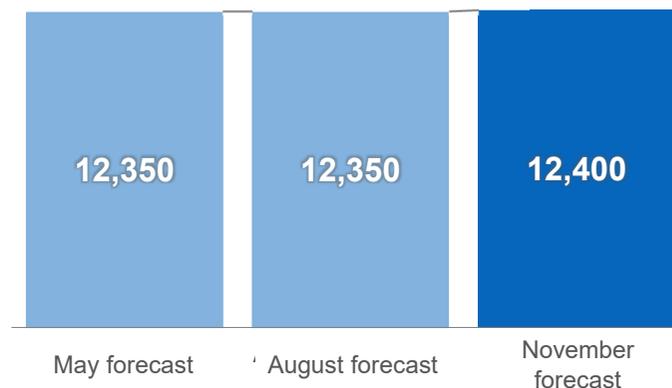
- Strengthen proposal-based sales activity with an emphasis on the energy and aircraft industries, which are expected to expand

Improve earnings power by strengthening services

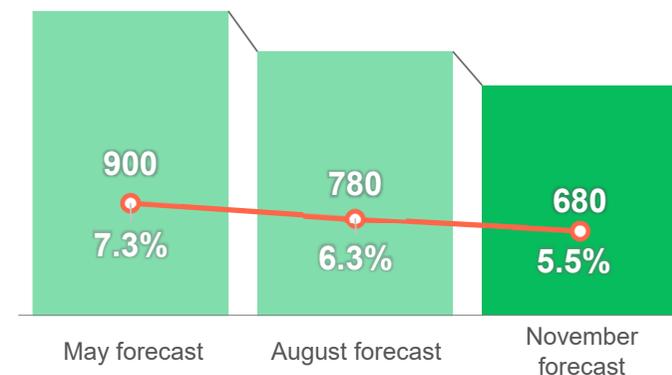
- Aim to improve customer satisfaction and expand earnings stably
- Focus on making proposals for overhauling already installed machines
- Enhance technical capabilities through cultivating cooperating companies and upgrading employee skills

Changes in Performance Forecast for Fiscal Year Ending March 2025

(Million yen)

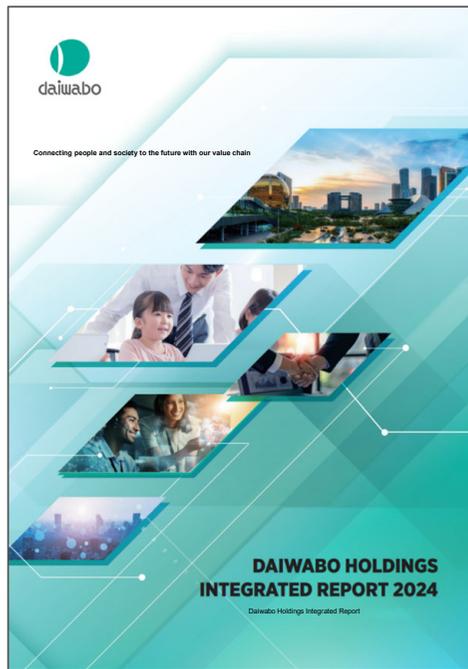


■ Net sales ■ Operating income ■ Operating income margin

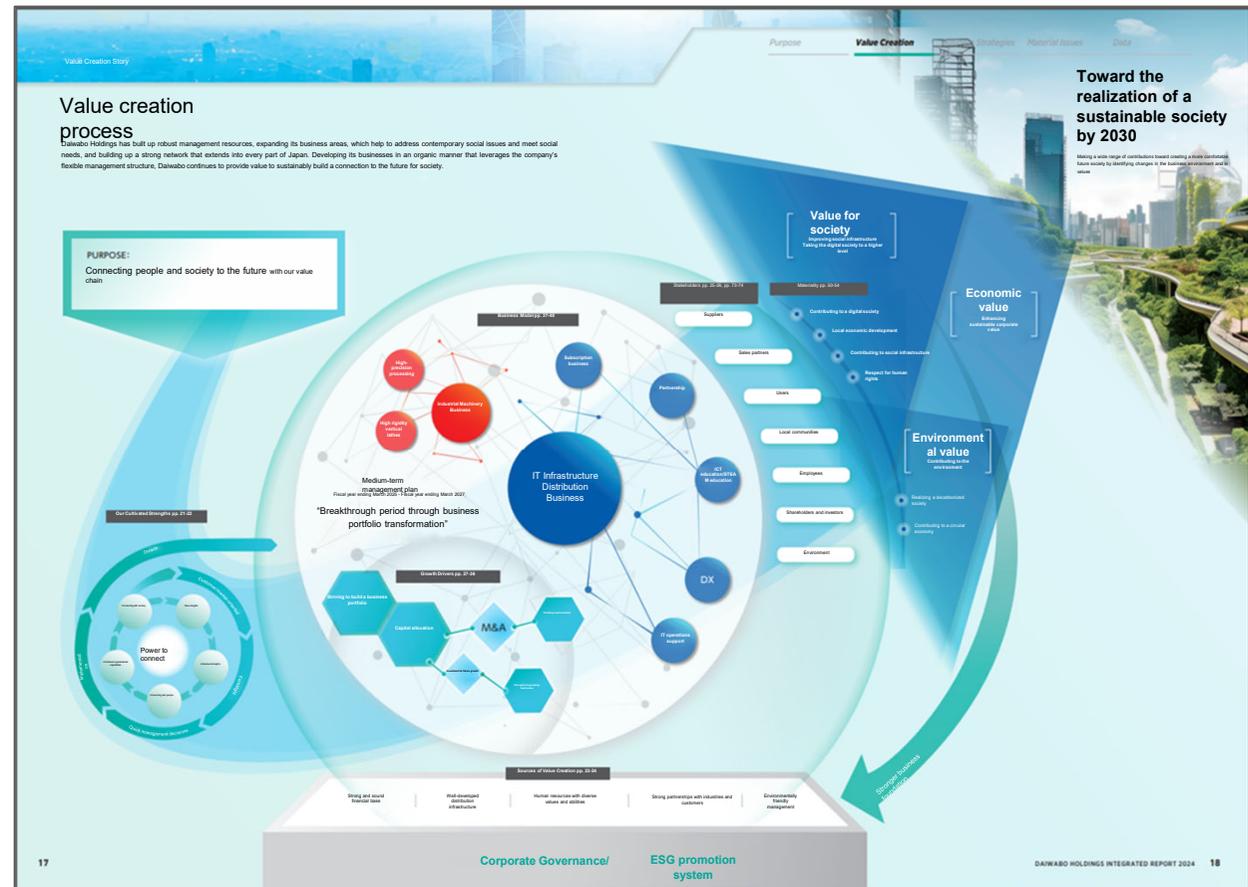


Publication of Integrated Report 2024

- Focusing on the Group's strengths and the "power to connect," the report features our unique value creation story and the progress of our initiatives
- Its contents have been enhanced to provide real opinions of various stakeholders, including messages from operating companies, roundtable discussions with employees, My Purpose, and conversations with securities analysts



QR code for download



References

- ▶ Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)
- ▶ Summary of Medium-Term Management Plan (March 2025 to March 2027)
- ▶ "Transaction Volume" of IT Infrastructure Distribution Business
- ▶ Corporate Profile
- ▶ Charts for Performance Trend

Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)



- The provisional accounting treatment in the consolidated financial statements for the previous interim period in relation to the business combination with Alphatec Solutions Co., Ltd. was changed to an increase in selling, general and administrative expenses and a decrease in income taxes-deferred in the same amount. The finalized figures have been reflected in the financial statements for the previous 3Q and later.

(Million yen)	First Fiscal Half (From April 1, 2023 to September 30, 2023)		Change
	Before retroactive adjustment	After retroactive adjustment	
Selling, general and administrative expenses	23,421	23,439	+17.7
Operating income	12,792	12,774	(17.7)
Ordinary income	12,933	12,915	(17.7)
Interim net income before income taxes, etc.	12,907	12,890	(17.7)
Income taxes-deferred	389	371	(17.7)
Total income taxes	4,353	4,335	(17.7)
Net profit attributable to owners of parent	8,526	8,526	0

References

- ▶ Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)
- ▶ Summary of Medium-Term Management Plan (March 2025 to March 2027)
- ▶ "Transaction Volume" of IT Infrastructure Distribution Business
- ▶ Corporate Profile
- ▶ Charts for Performance Trend

01

Growth under the holding company structure

- Seek entry into new business areas as a holding company
- Operating companies will engage in strengthening and reorganization within their segment

02

Challenge to break the “highest in the past”

- Renew the past highest records in net sales and profits
- The company, organizations, businesses and individuals will aim at their best performance in their respective field

03

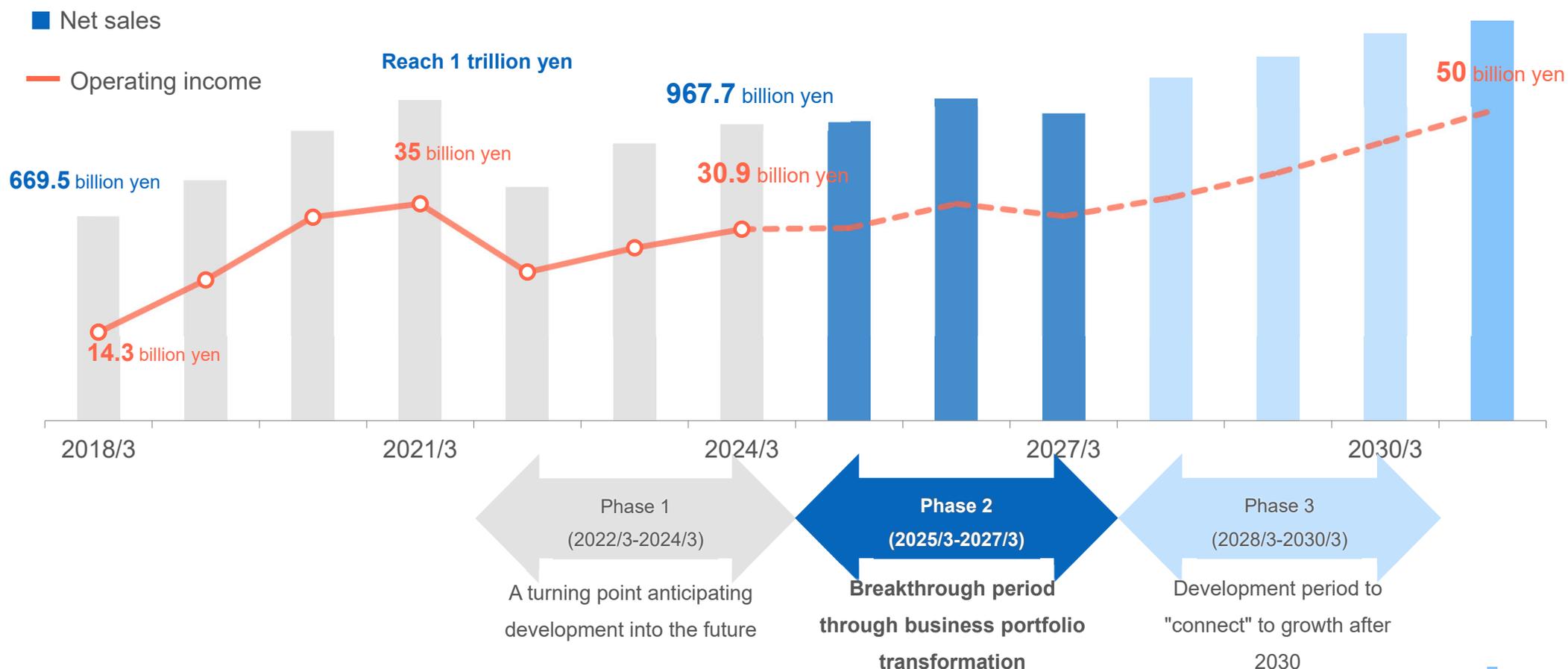
Enhancement of stakeholder engagement

- Enhance trusted relationships with and cooperate through mutual understanding with shareholders, business partners, employees, local communities, and others
- Further reinforce the management foundation required by the aspects including human capital, systems, and governance
- Drive well-being oriented management

Positioning of Medium-Term Management Plan



Three crucial years even from the viewpoint of working backward from "2030 VISION"

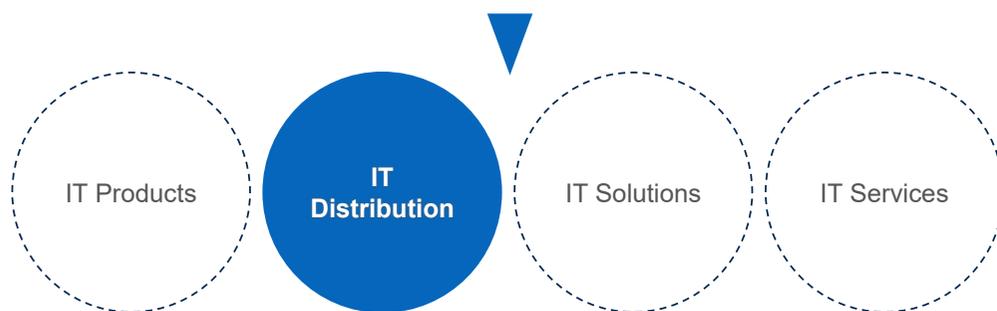


Plan to push forward with M&A for further growth
Carry out M&A through disciplined investment decisions with business areas and hurdle rates in mind

Business areas

Consider M&A mainly in the following business areas

- AI
- DX
- XaaS
- Subscription
- Network
- Logistics
- ITAD
- Consulting
- Security
- Automation
- Education
- Healthcare



Decision-making on investment and procurement

Make investment decisions on a quantitative basis

Will it exceed cost of capital?

Cost of shareholders' equity: 6.2% to 7.5% WACC: 5.8% to 7.0%

Will it contribute to improving EPS in the long term?

Compare with purchase of treasury shares

Financial soundness: Maintain Rating A* in the long term

Will it lower capital efficiency?

Fund procurement policy

Small projects will be funded by funds on hand, but funds will be procured through borrowings, if necessary

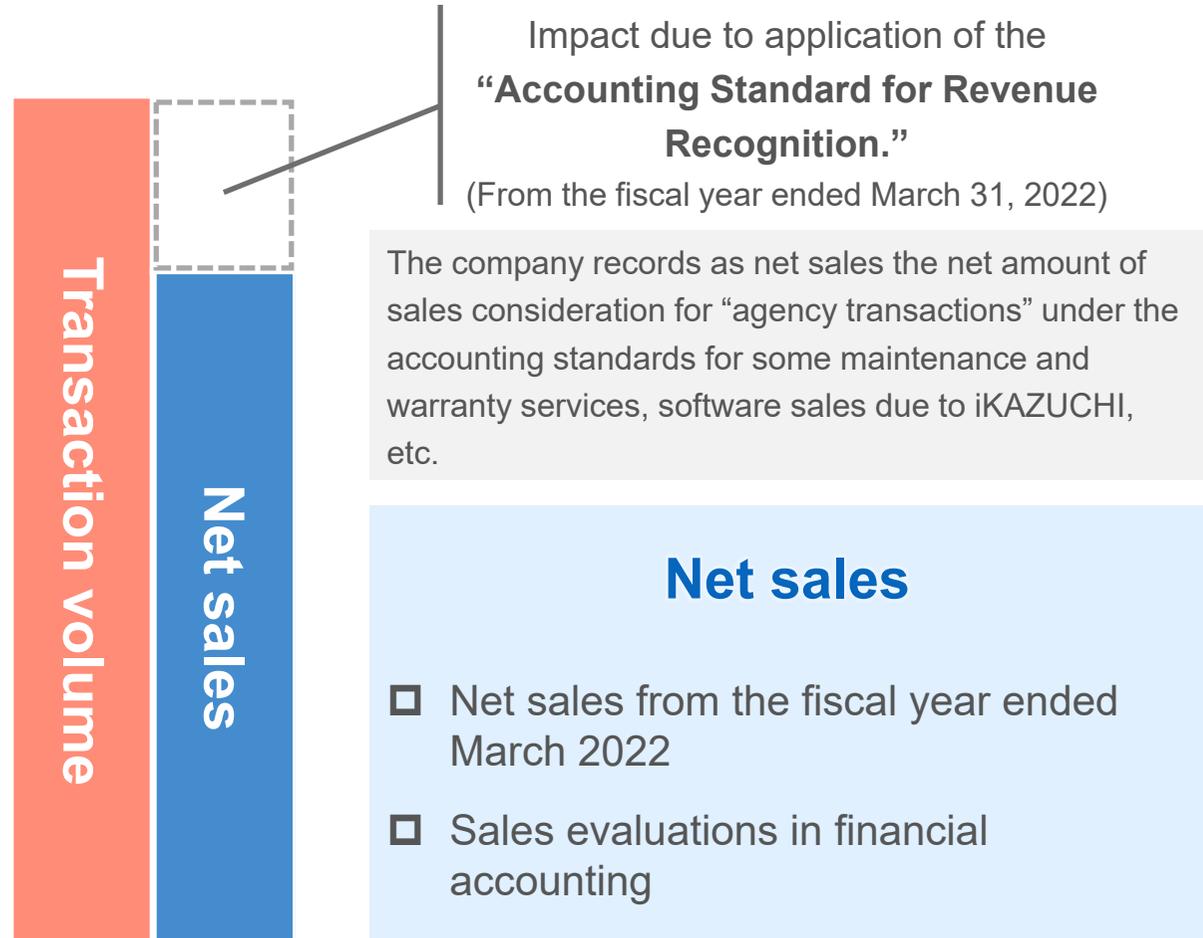
References

- ▶ Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)
- ▶ Summary of Medium-Term Management Plan (March 2025 to March 2027)
- ▶ **"Transaction Volume" of IT Infrastructure Distribution Business**
- ▶ Corporate Profile
- ▶ Charts for Performance Trend

"Transaction Volume" of IT Infrastructure Distribution Business

Transaction volume

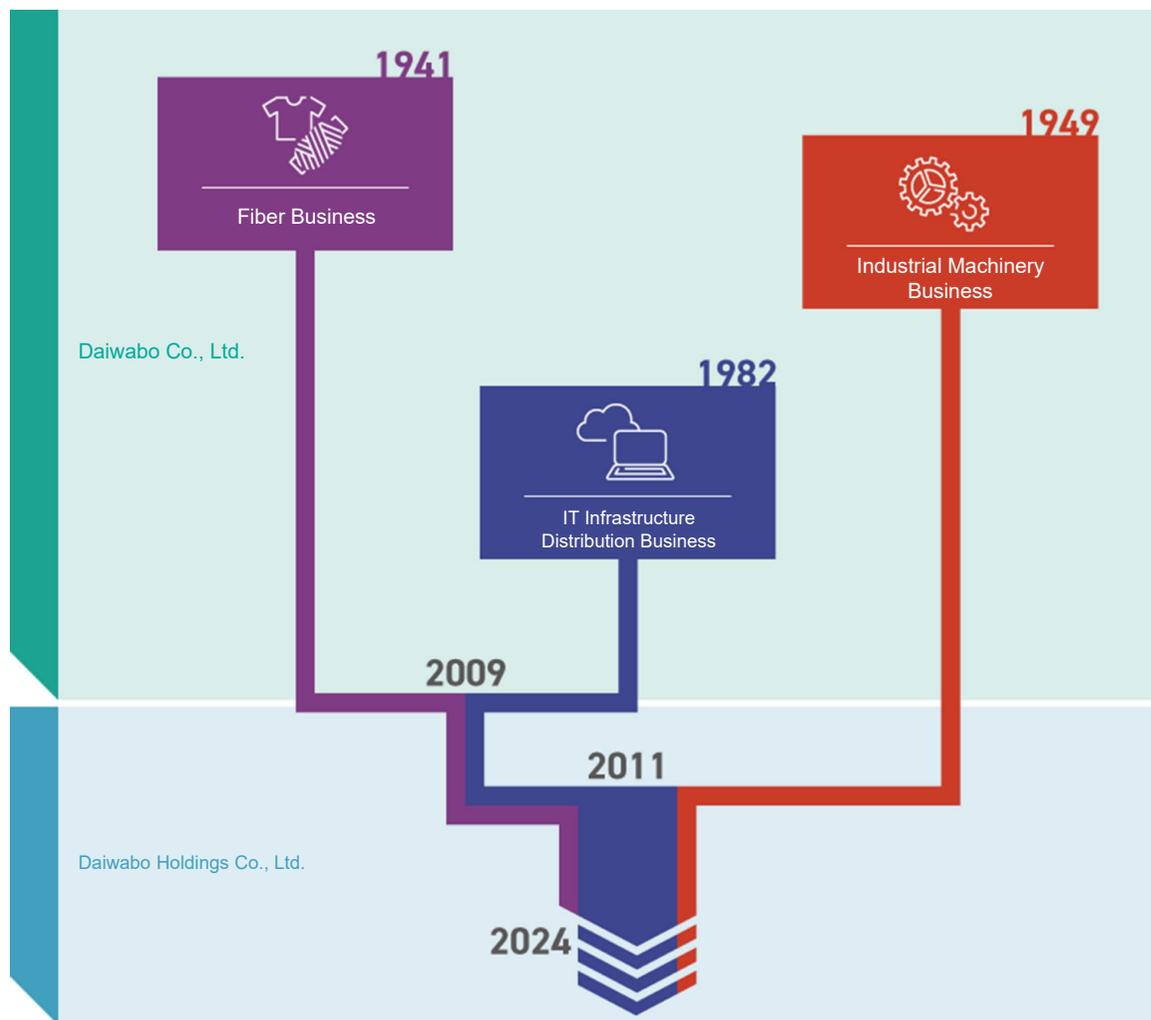
- ❑ Calculated under the same standard as net sales up to the fiscal year ended March 2021
(= Net sales prior to the change in the accounting standards)
- ❑ Continuing to use as "transaction volume" to make an important index in presenting the scale of transaction
- ❑ Sales evaluations in management accounting



References

- ▶ Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)
- ▶ Summary of Medium-Term Management Plan (March 2025 to March 2027)
- ▶ "Transaction Volume" of IT Infrastructure Distribution Business
- ▶ **Corporate Profile**
- ▶ Charts for Performance Trend

Group History



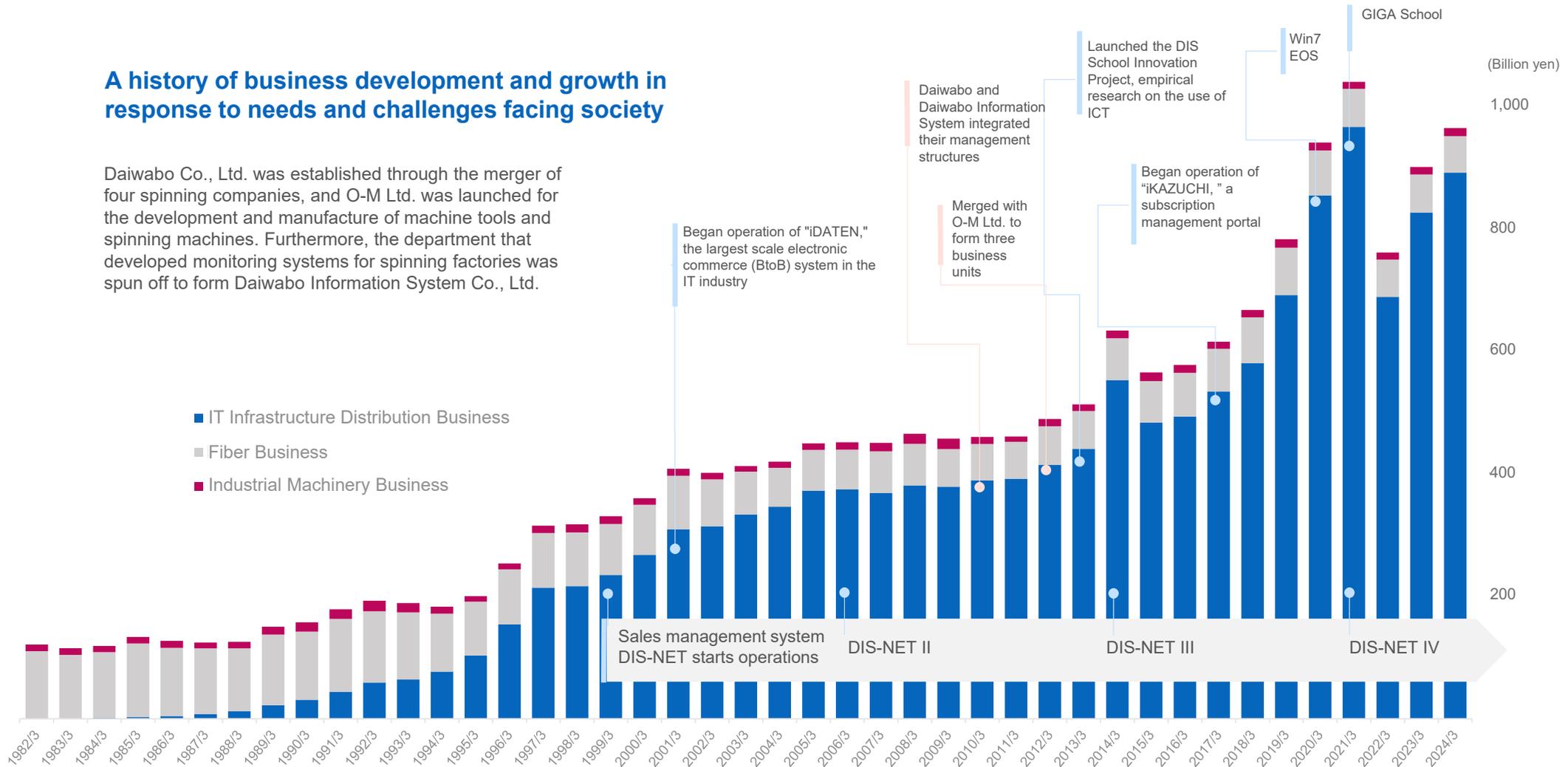
- 1941. 4** **Daiwabo** was established through the merger of four companies: Kinka Boseki, Hinode Boshoku, Izumo Seishoku, and Wakayama Boshoku
- 1949. 5** Daiwabo was listed on the First Section of the Tokyo Stock Exchange
- 1949. 7** Daiwabo spun off its Shinji Plant to establish Daiwa Machinery Co., Ltd. (currently **O-M Ltd.**)
-> In 1960, Daiwa Machinery Co., Ltd. was merged with Osaka Kikai Seisakusho, a manufacturer of machine tools and spinning machines, to form O-M Ltd.
- 1971.11** O-M Ltd. was listed on the First Section of the Tokyo Stock Exchange
- 1982. 4** As part of its new business development, Daiwabo established **Daiwabo Information System** to evolve into an information-related business
- 2000. 9** Daiwabo Information System was listed on the First Section of the Tokyo Stock Exchange
- 2009. 4** Daiwabo and Daiwabo Information System integrated their management structures
- 2009. 7** Daiwabo changed its trade name to **Daiwabo Holdings Co., Ltd.** and established **Daiwabo Co., Ltd.** as a new core company for its fiber business
- 2011. 7** Daiwabo Holdings Co., Ltd. and O-M Ltd. integrated their management structures => **To operate three businesses**
- 2023.11** A decision was made to make Daiwabo Co., Ltd. an independent company (via share transfer)
- 2024. 3** **Daiwabo Co., Ltd. became independent** through a share transfer

History of Value Creation



A history of business development and growth in response to needs and challenges facing society

Daiwabo Co., Ltd. was established through the merger of four spinning companies, and O-M Ltd. was launched for the development and manufacture of machine tools and spinning machines. Furthermore, the department that developed monitoring systems for spinning factories was spun off to form Daiwabo Information System Co., Ltd.



History of Daiwabo Information System (DIS)

1982 DIS founded

- Daiwabo used know-how from the internal development of monitoring systems for production sites based on the use of PCs to start DIS with just 10 members
- Shifted to sales of PCs and other information equipment rather than system development and sales

1983-1984 Multiple-store development

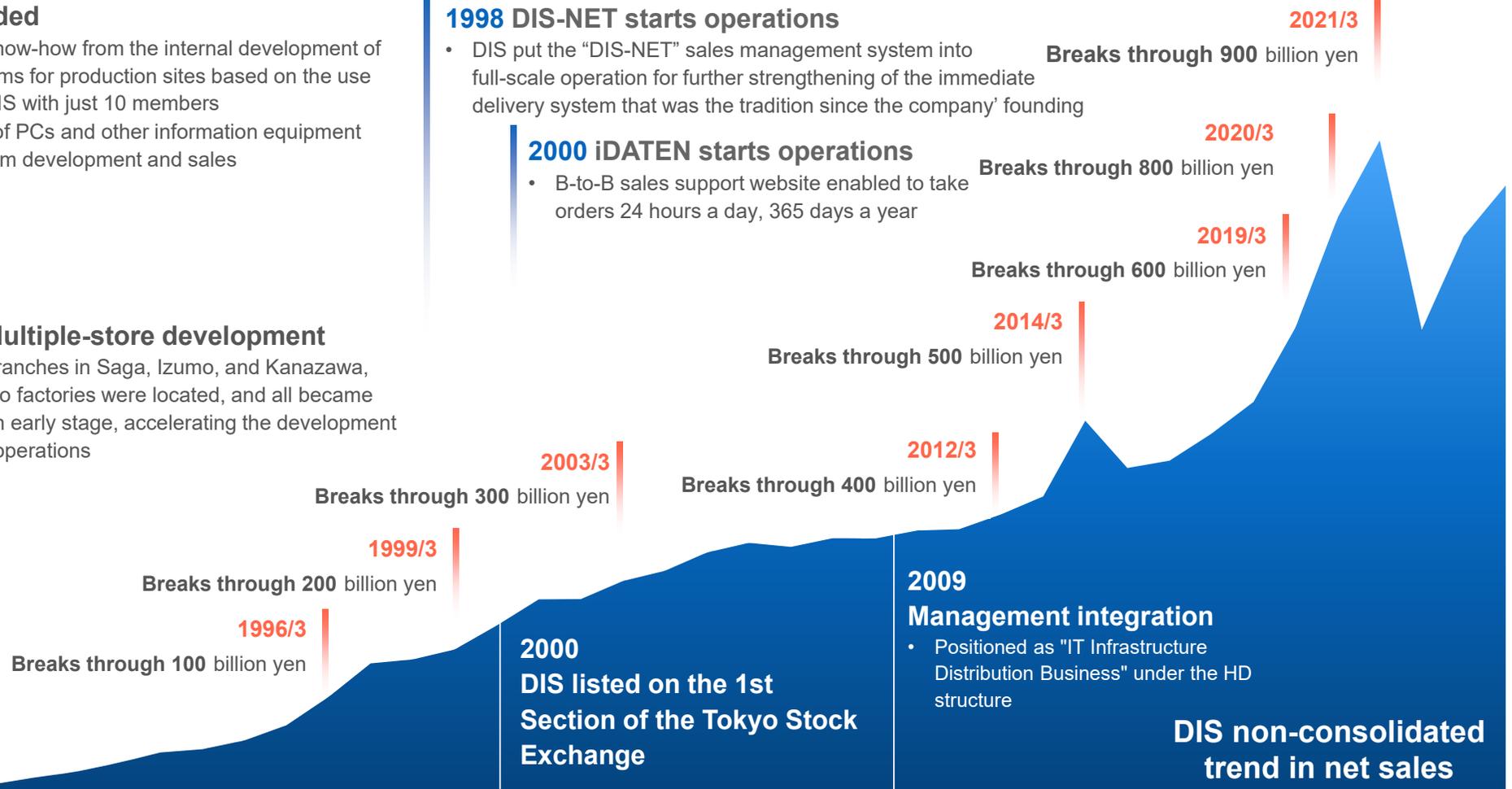
- DIS opened branches in Saga, Izumo, and Kanazawa, where Daiwabo factories were located, and all became profitable at an early stage, accelerating the development of multi-store operations

1998 DIS-NET starts operations

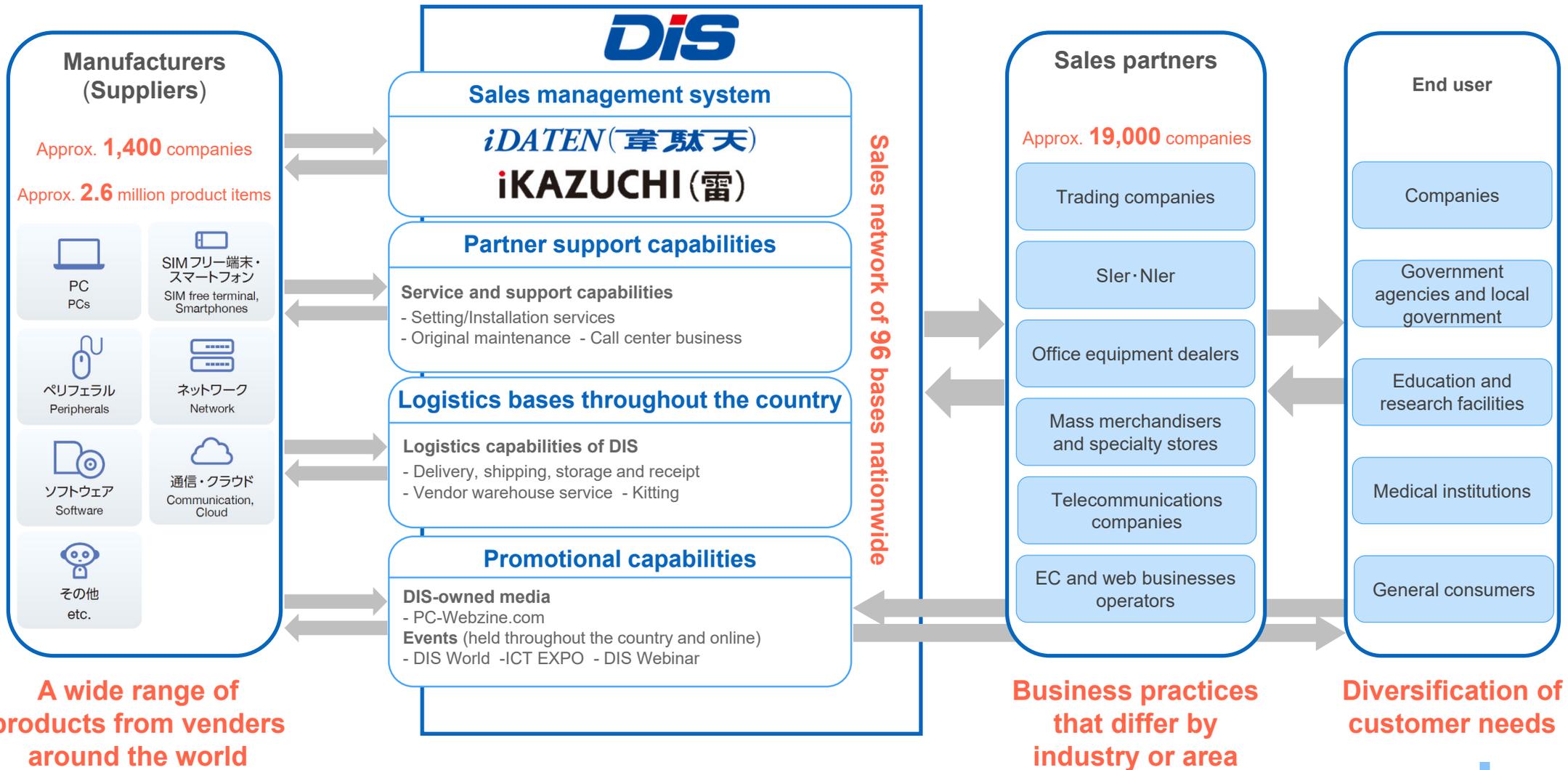
- DIS put the “DIS-NET” sales management system into full-scale operation for further strengthening of the immediate delivery system that was the tradition since the company’ founding

2000 iDATEN starts operations

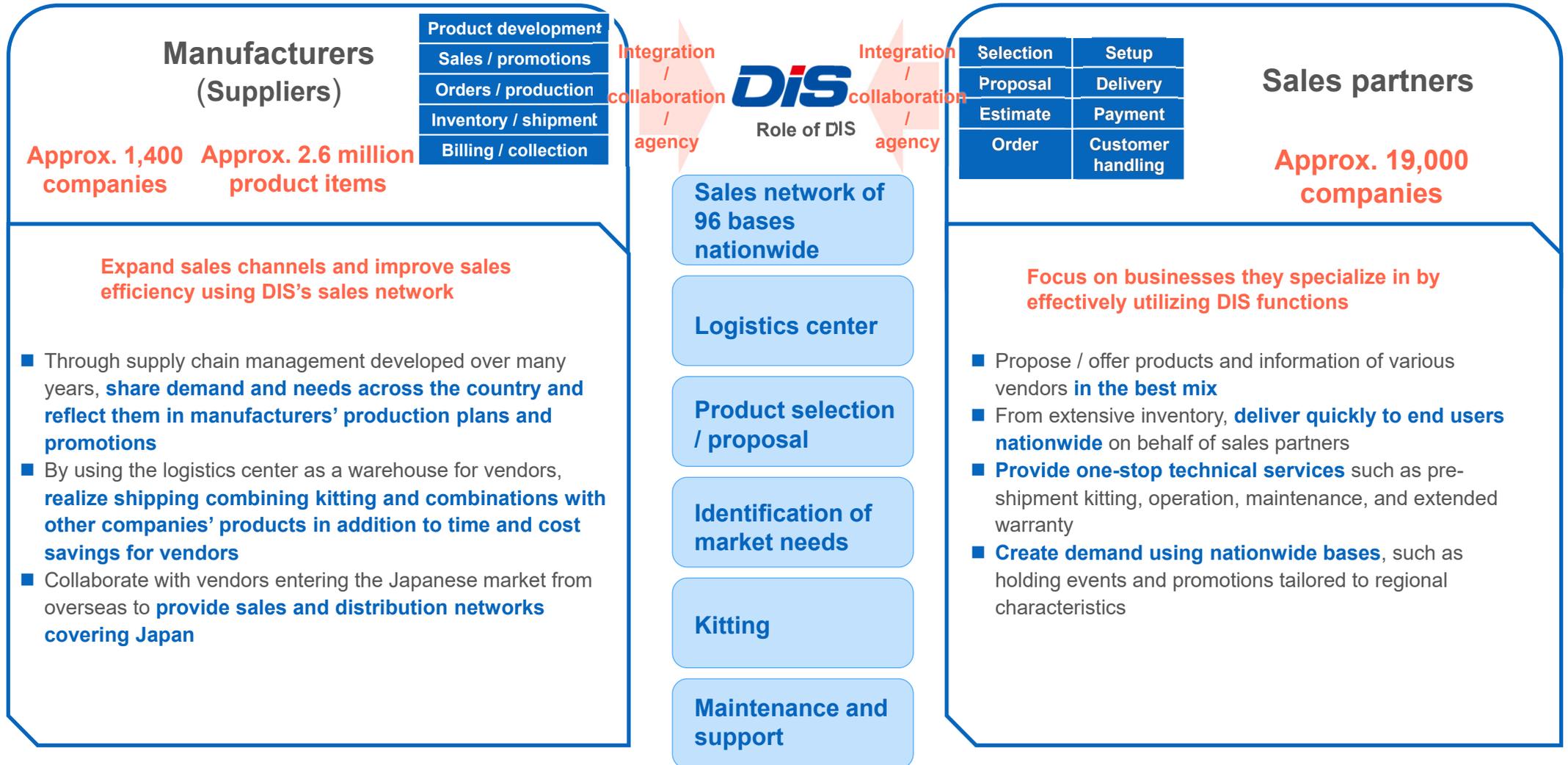
- B-to-B sales support website enabled to take orders 24 hours a day, 365 days a year



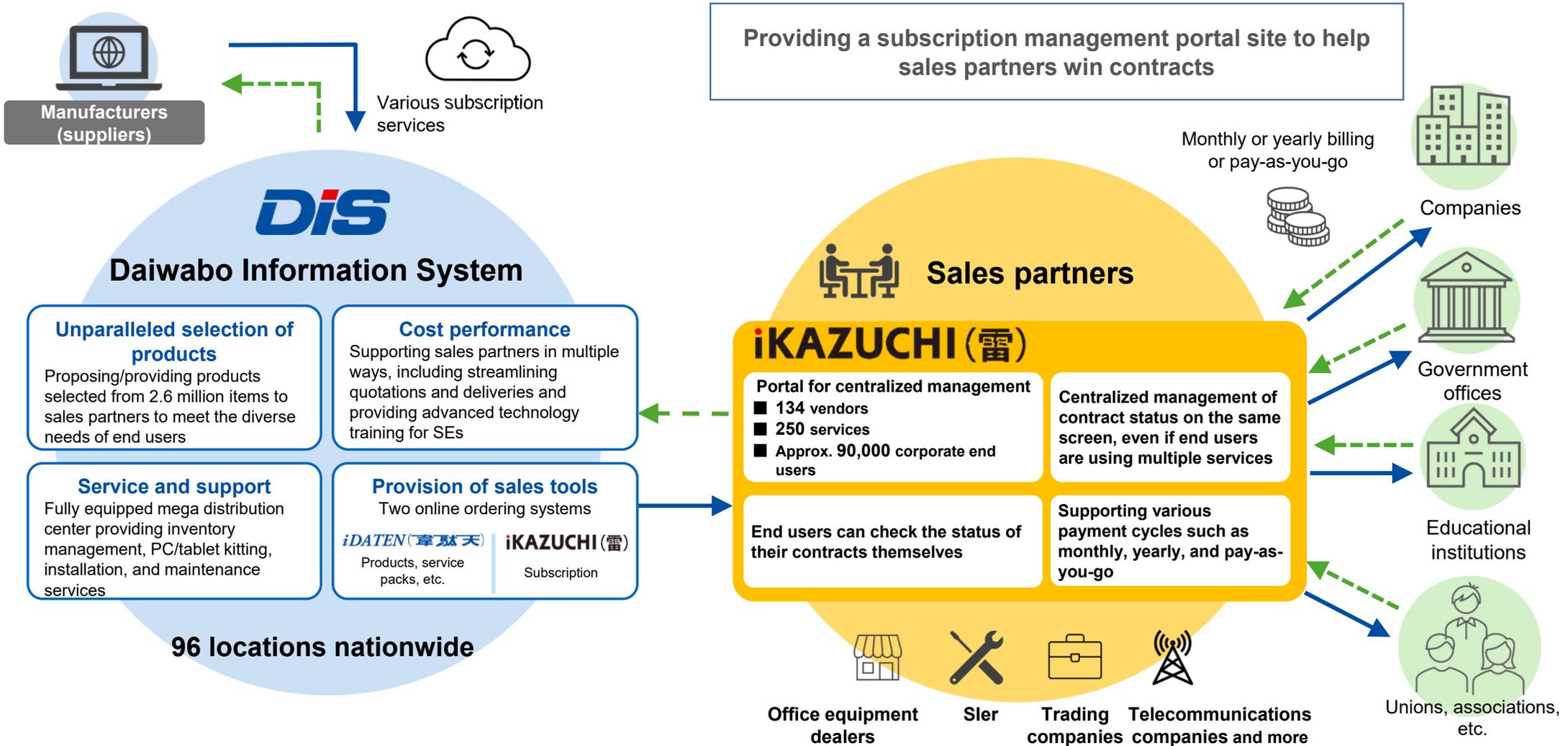
The Business Structure of IT Infrastructure Distribution Business



Role and Added Value of Distributors



iKAZUCHI Business Model



*Numbers of vendors, services, and end users as of September 30, 2024

Subscriptions via iKAZUCHI

iKAZUCHI handling volume

Total sales to sales partners through the subscription management portal "iKAZUCHI"

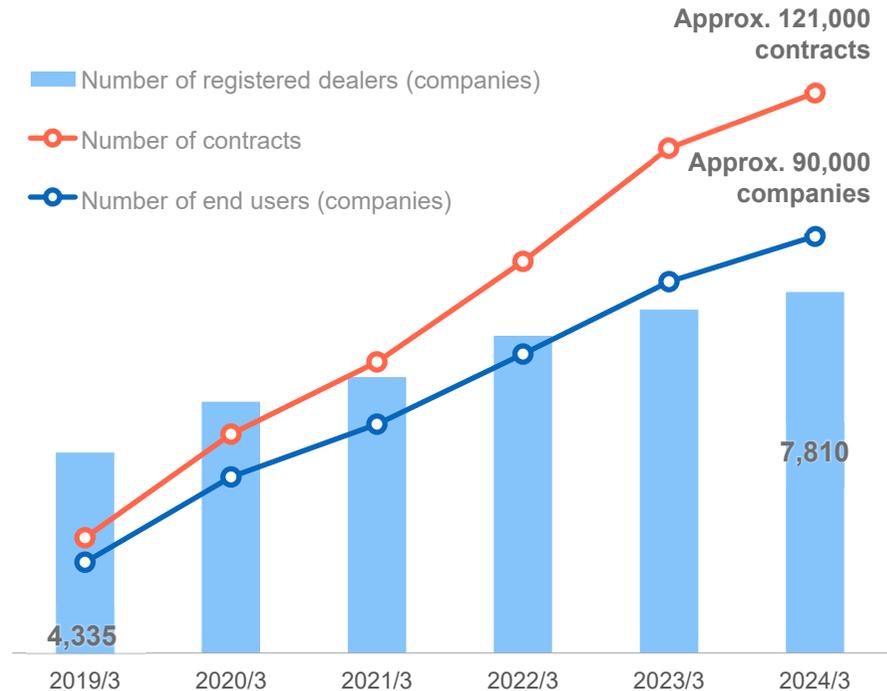
Aim at growth with **CAGR of 30% or more** from 2024/3 to 2027/3



Strengthen the "foundation" for recurring revenue by expanding the subscription business market



Trend in the number of registered dealers



Number of supporting vendors



Greater Efficiency of Distribution Centers

Kansai Center (Kobe City)

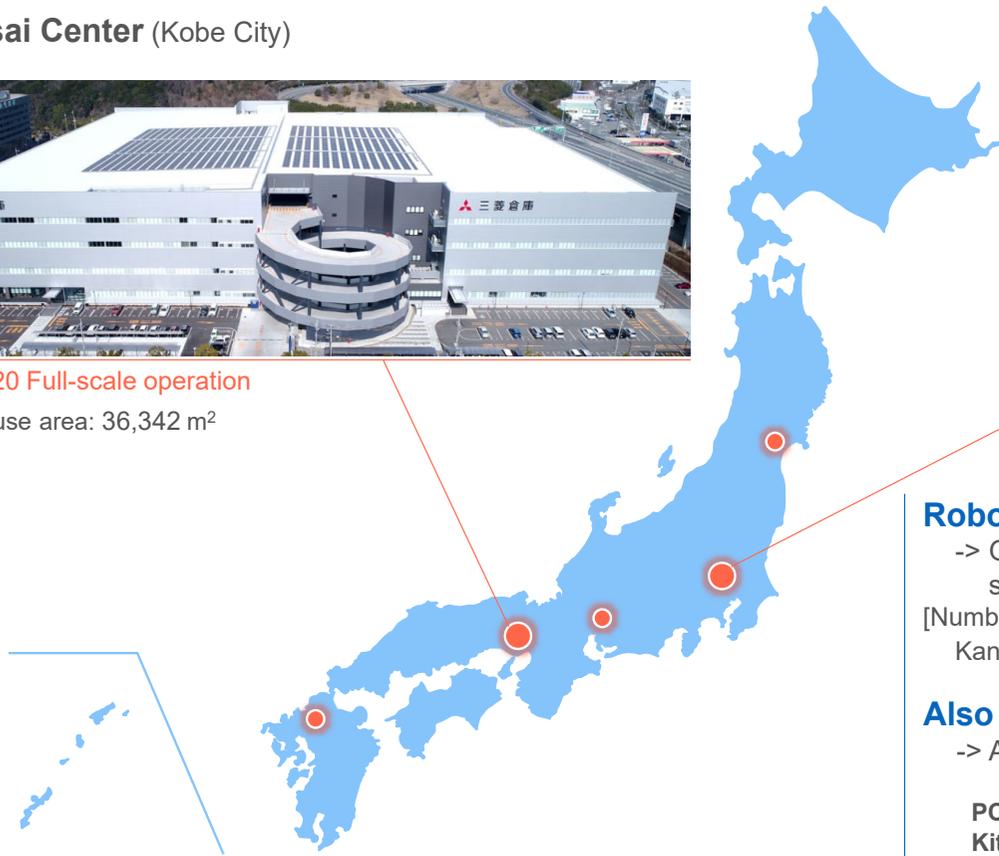


May 2020 Full-scale operation
Warehouse area: 36,342 m²

Kanto Central Center (Yoshimi Town, Saitama Prefecture)



June 2016 Full-scale operation
Warehouse area: 44,753 m²



Focus on greater efficiency and improvements in productivity centered on eastern and western mega-centers

Robot storage system

-> Greater work efficiency and optimization of space

[Number of robots operating]

Kanto Central: **45**, Kansai: **30**

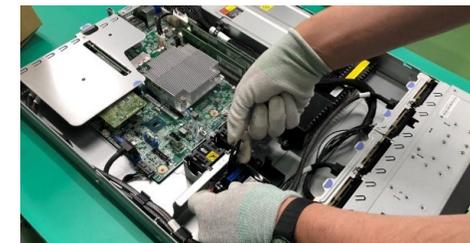
Also equipped with kitting centers

-> Arrival > work > quick handling for shipment

PCs and tablets : **188,000** units a year
Kitting results (2024/3)

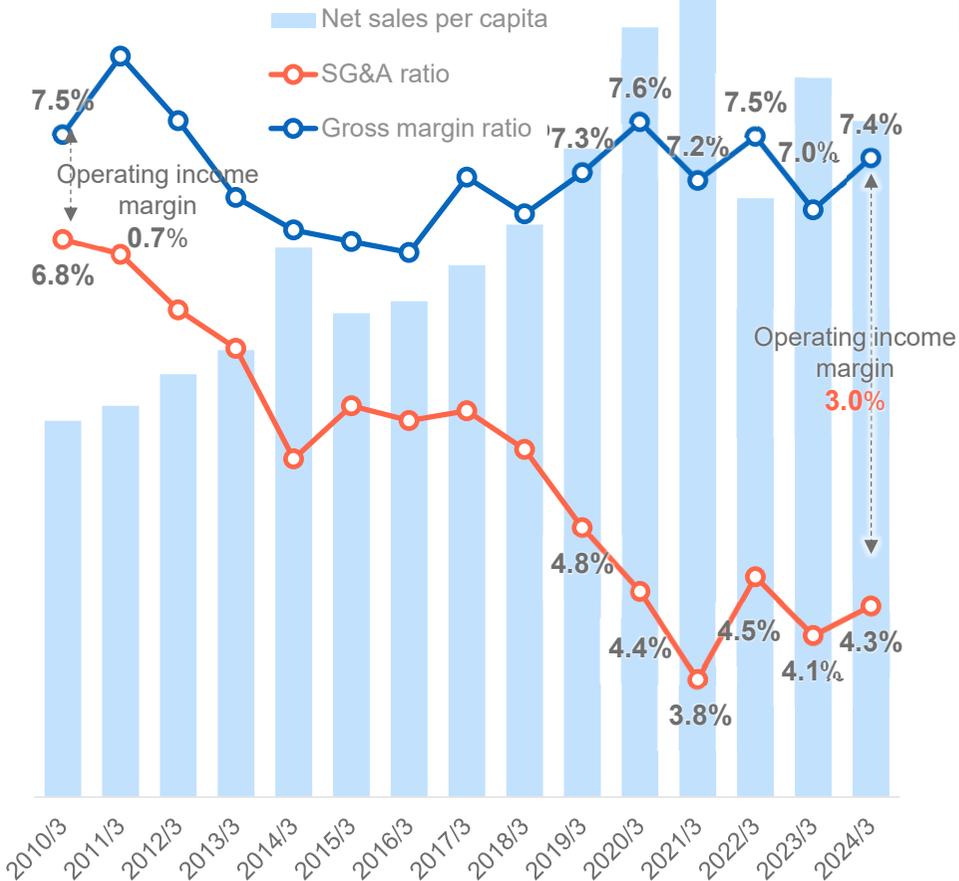
Truck booking acceptance system

→ Sharing of incoming and outgoing information and vehicle leveling



Sales Efficiency Improvement and Low-Cost Operation

IT Infrastructure Distribution Business Results

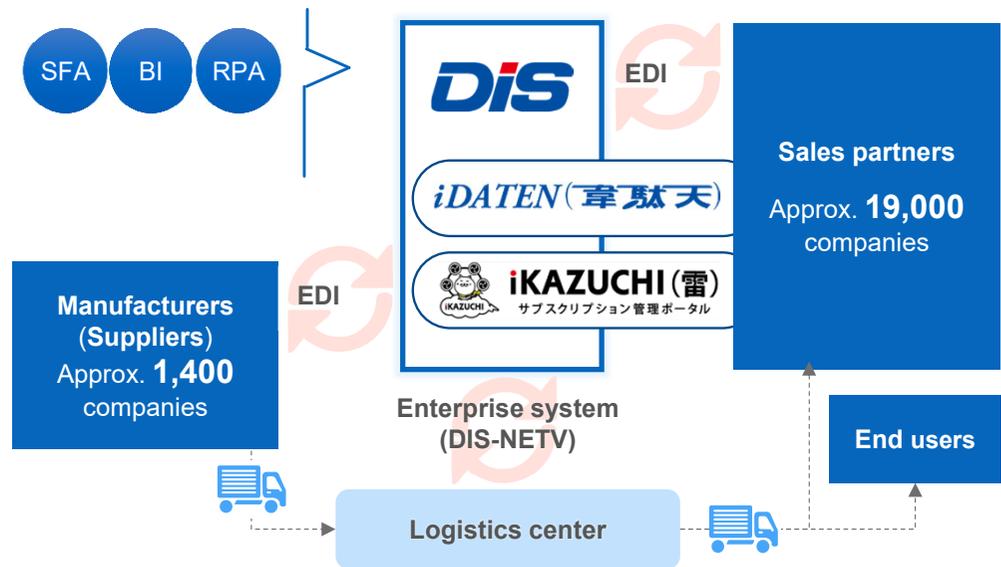


*The above results differ from segment results since consolidation adjustments are not reflected.

Strengthen the system infrastructure that supports net sales of over 1 trillion yen

Implement the following functional enhancement over the three-year period

- Add and reinforce equipment specifications to enhance performance and improve availability
- Migration including the migration of existing systems and modifications of incompatible programs
- Disaster, failure, and security countermeasures; improvement of operations management and enhancement of availability
- Strengthening of connection with internal systems and their automation
- Reinforcement of functions of iDATEN, iKAZUCHI, EDI, etc.



Industrial Machinery Business - Product Examples -

Vertical lathes



- ❑ **No. 1 share in Japan** for both medium- and large-sized lathes (Cumulative shipments exceeded **7,600** units)
- ❑ Highly evaluated as “OM for vertical lathes” in Japan and overseas
- ❑ A machine that is used to cut a workpiece by attaching it to a horizontally rotating table. The table diameter ranges from 800 mm to 6,000 mm, and it can be used in a wide variety of production modes. Highly rigid, highly accurate and easy to operate, it is used as a mother machine in all fields including aircraft and wind power parts
- ❑ The picture on the left shows the “RT-915,” a small general-purpose machine

Turning centers



- ❑ A machine tool specifically used to maintain rolling stock. It contributes to improved railway safety and riding comfort
- ❑ **No.1 share in Japan** for underfloor wheel lathes
- ❑ To start domestic production, we had a licensing agreement with Hegenscheidt, which manufactured the first wheel lathe in the world and has an excellent delivery record around the world. The design, parts and software are all original

Automatic machinery



- ❑ We manufacture a wide range of automatic machinery including cartoners (cartoning machine), intermediate packaging machines for stacking and packaging products in film and corrugated cardboard casers (The picture on the left is a horizontal continuous cartoner)
- ❑ The strengths include technologies and creativities that allow us to flexibly respond to the needs of packaging processes in rapidly changing industries such as foods with short life cycles and remarkable diversification and pharmaceuticals with increasingly strict manufacturing standards

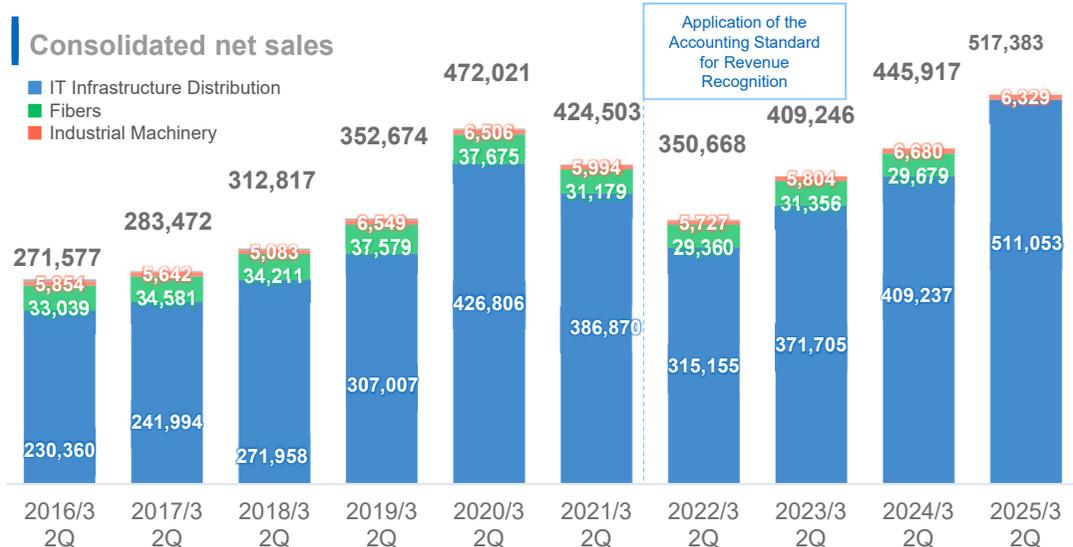
References

- ▶ Retroactive Adjustment of Financial Results for the Previous Fiscal Year (Ended March 2024)
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Consolidated Financial Results (First Half)

Consolidated net sales

- IT Infrastructure Distribution
- Fibers
- Industrial Machinery



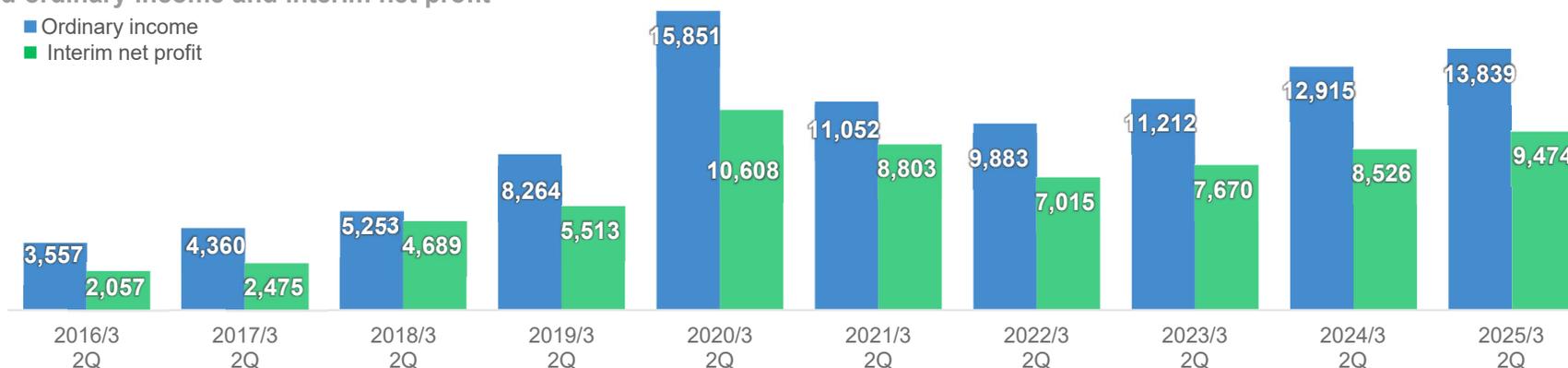
Consolidated operating income

- Operating income margin



Consolidated ordinary income and interim net profit

- Ordinary income
- Interim net profit

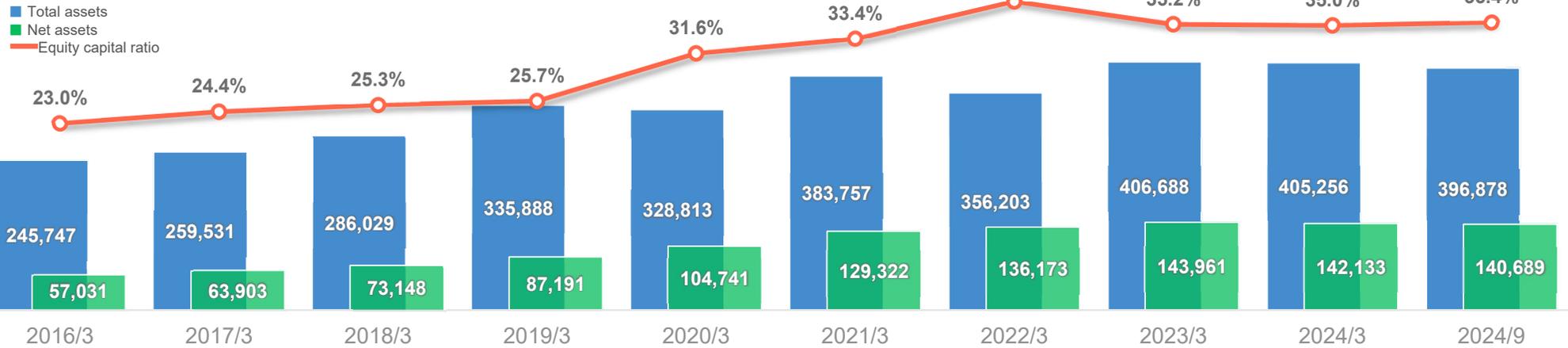


Consolidated Financial Results (First Half)

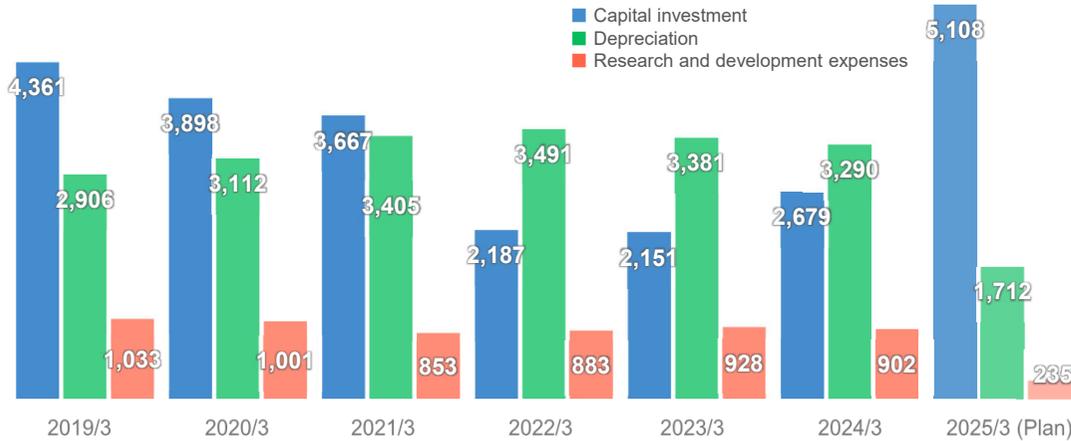


(Million yen)

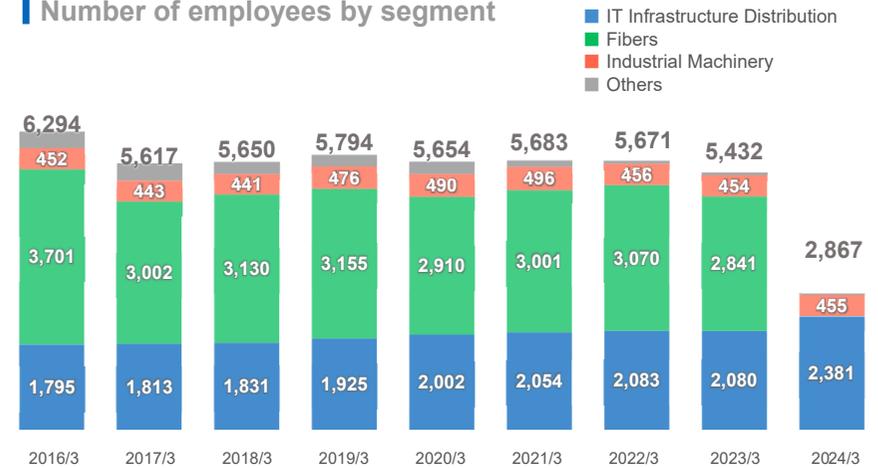
Consolidated total assets, net assets, and equity capital ratio



Capital investment, depreciation, and R&D expenses



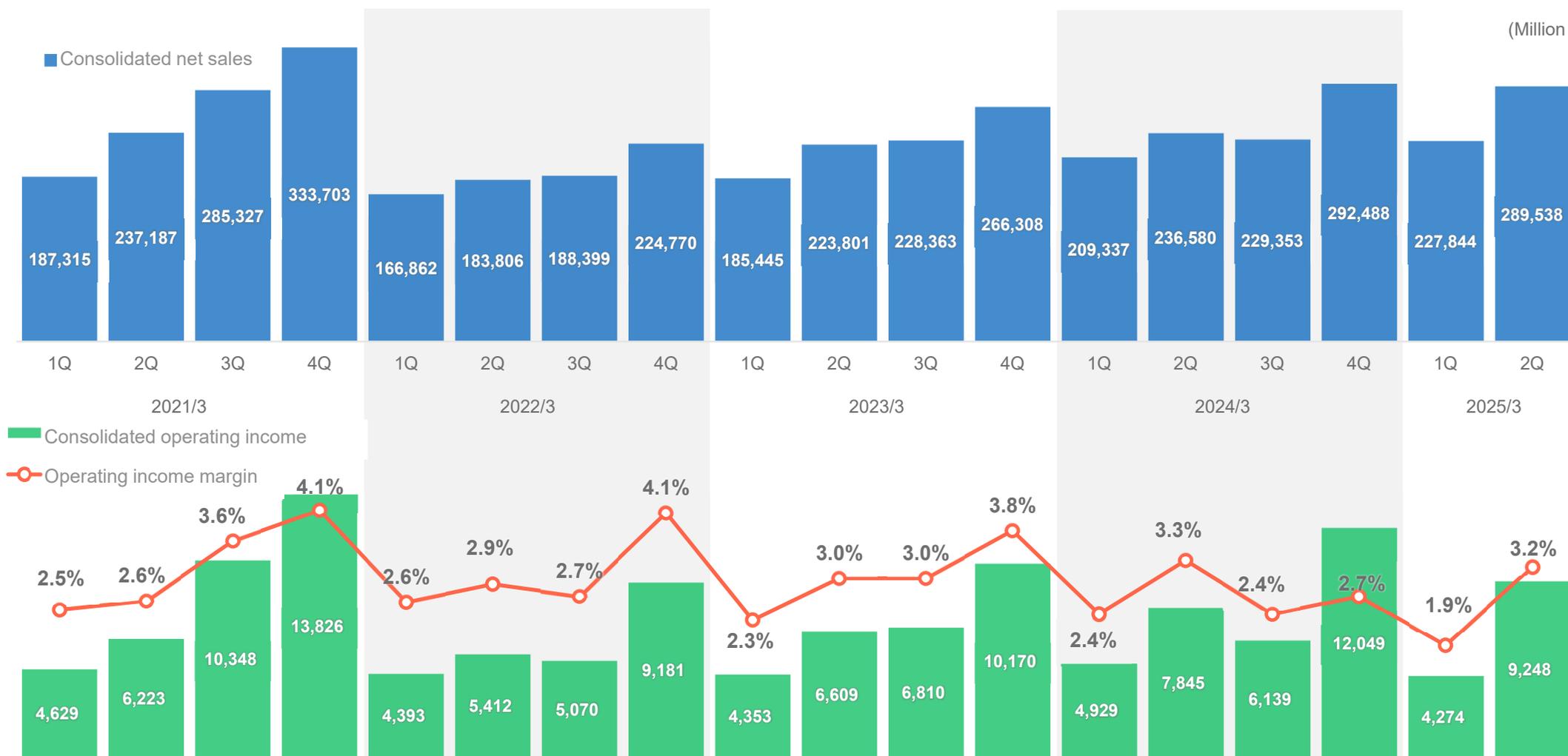
Number of employees by segment



Quarterly Results



(Million yen)



*The provisional accounting treatment due to the business combination in the interim period of the fiscal year ended March 31, 2024 was retroactively adjusted. Details are provided in the reference material (p. 29).

Stock Price Trends

PBR 1.78 times

Market capitalization 247,796 million yen

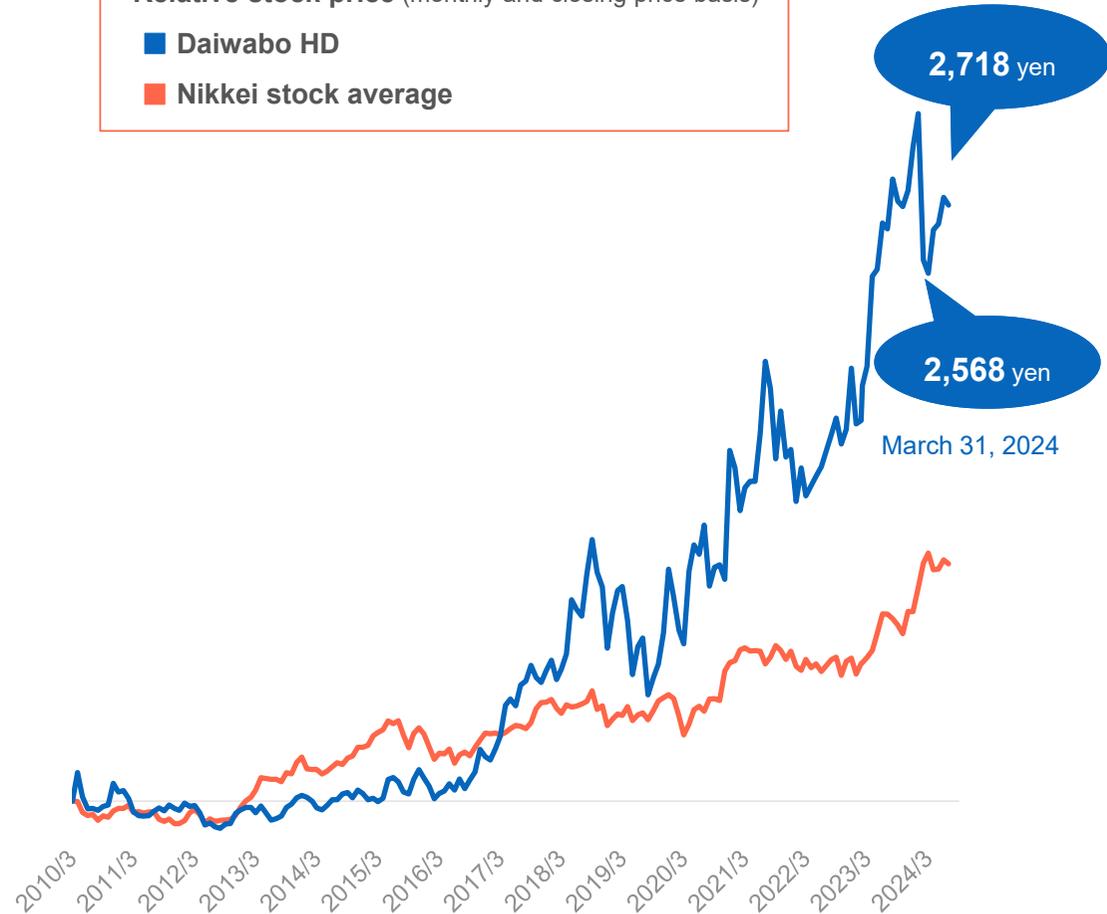
*Based on closing prices in 2024/9



Relative stock price (monthly and closing price basis)

- Daiwabo HD
- Nikkei stock average

As of September 30, 2024



*Our stock prices are shown with a reverse stock split (October 1, 2017) and a stock split (April 1, 2021) applied retroactively to past years.

About Daiwabo Holdings Co., Ltd.



Head Office	Nakanoshima Festival Tower West, 3-2-4 Nakanoshima, Kita-ku, Osaka 530-0005		
Established	Founded as Daiwa Boseki establishment of Daiwabo Holdings Co., Ltd.	April 1, 1941 July 1, 2009	
Consolidated employees	2,867 (as of March 31, 2024)		
Capital	21,696,744,900 yen		
Stock exchange	Listed on the Prime Market of the Tokyo Stock Exchange Stock code 3107/ Industry: Wholesale <JPX Nikkei Index 400>		
Business profile	IT Infrastructure Distribution Business [Core company]  Daiwabo Information System Co., Ltd.	Sales of computers, peripherals and software, and logistics services Installation and maintenance of and repair services for computer equipment, etc.	
	Industrial Machinery Business [Core company]  O.M. Ltd.	Manufacture and sales of machine tools, automatic machinery and casting products	

*Daiwabo Co., Ltd. became independent on March 27, 2024.
(85% of outstanding shares were transferred to Aspirant Group.)



Daiwabo Holdings Co., Ltd.

<https://www.daiwabo-holdings.com/>



News

<https://www.daiwabo-holdings.com/ja/news.html>

Daiwabo Group List

<https://www.daiwabo-holdings.com/ja/group.html>

History

<https://www.daiwabo-holdings.com/ja/company/history.html>

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