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The Fiscal Year Ended March 2025 Financial Results Briefing Materials

May 14, 2025



Daiwabo Holdings Co., Ltd.

(Stock Code :3107)

- | | |
|--|-------------|
| 1. Settlement of Account for the Fiscal Year Ended March 2025 | _P 2 |
| 2. Performance Forecast for the Fiscal Year Ending March 2026 | _P19 |
| 3. Shareholders Return | _P27 |
| 4. Progress of Medium-Term Management Plan (2025/3-2027/3) | _P29 |
| 5. Medium-to Long-Term Vision”2030 VISION” | _P34 |
| [Reference] | _P38 |
| ➤ “Transaction Volume” of IT Infrastructure Distribution Business | |
| ➤ Business Overview | |
| ➤ Performance Graph | |

Settlement of Account for the Fiscal Year Ended March 2025

The fiscal year ended March 2025 (April 1, 2024 - March 31, 2025)

Achieved record-high net sales by steadily capturing strong demand for IT investment in line with Windows replacement demand

IT infrastructures Distribution Business

- In PC sales, steadily captured replacement demand due to Windows10 end of support which was expanded mainly by large companies.
- Maintaining high growth by increasing end user numbers through expansion of iKAZUCHI services
- Significant year-on-year growth in sales to the education sector due to school PC projects

Industrial Machinery Business

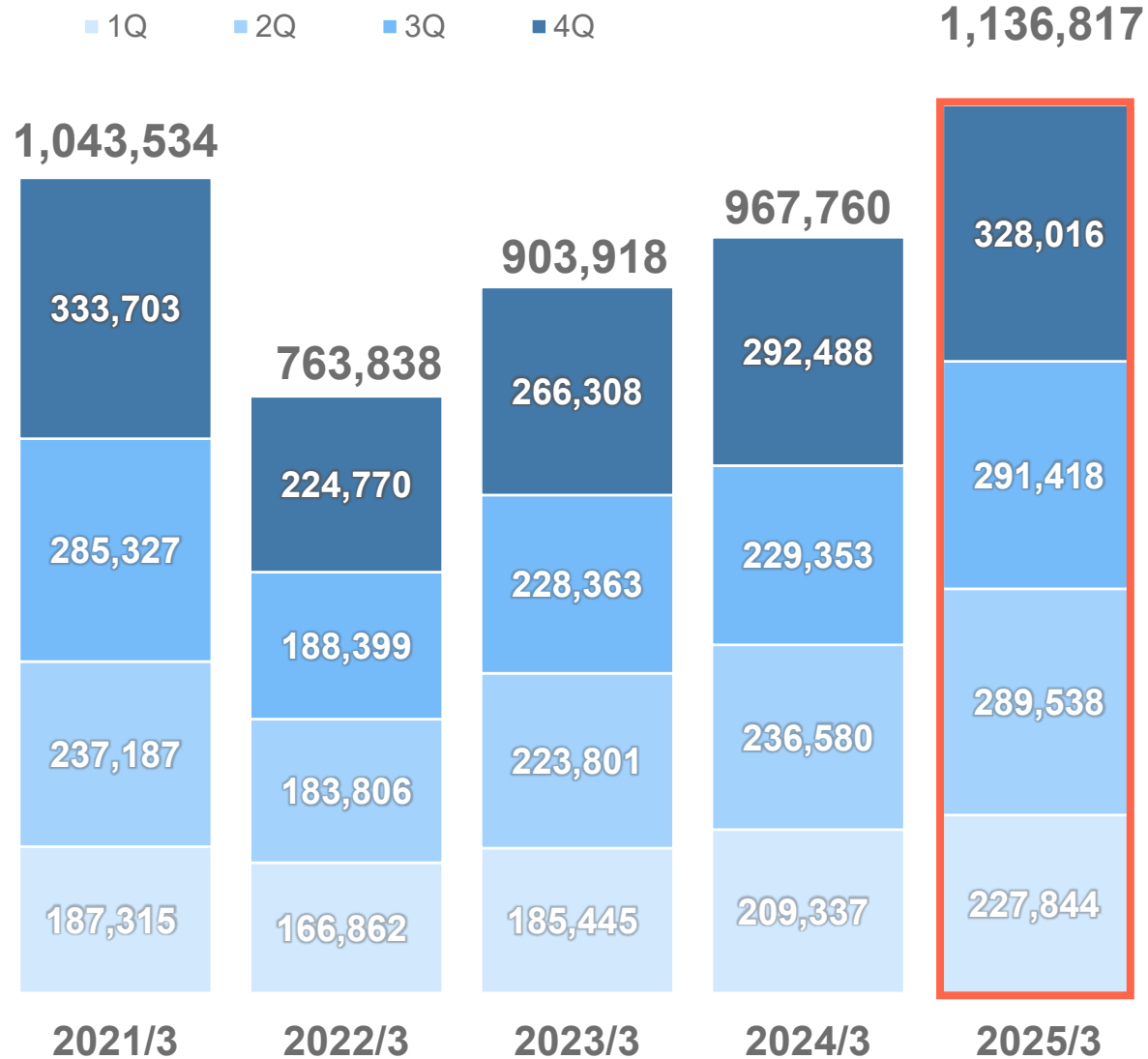
- Orders recovered mainly in Machine tools division, but both sales and profits decreased due to the impact of the decline in orders in the previous year.
- The impact of the damage caused by Ransomware announced on February 27, 2025 on the Company's results for the fiscal year under review is insignificant, but the impact is expected to continue in the fiscal year ending March 2026.

Shareholders return

- Dividends will increase by ¥26 from the previous fiscal year to ¥90, with a dividend ratio of 33.2%.
- Acquisition of treasury shares has been completed approximately ¥10 billion in December 2024, with total payout ratio of 73.3%

Consolidated Net sales

(million yen)



Net sales 1.13 trillion yen

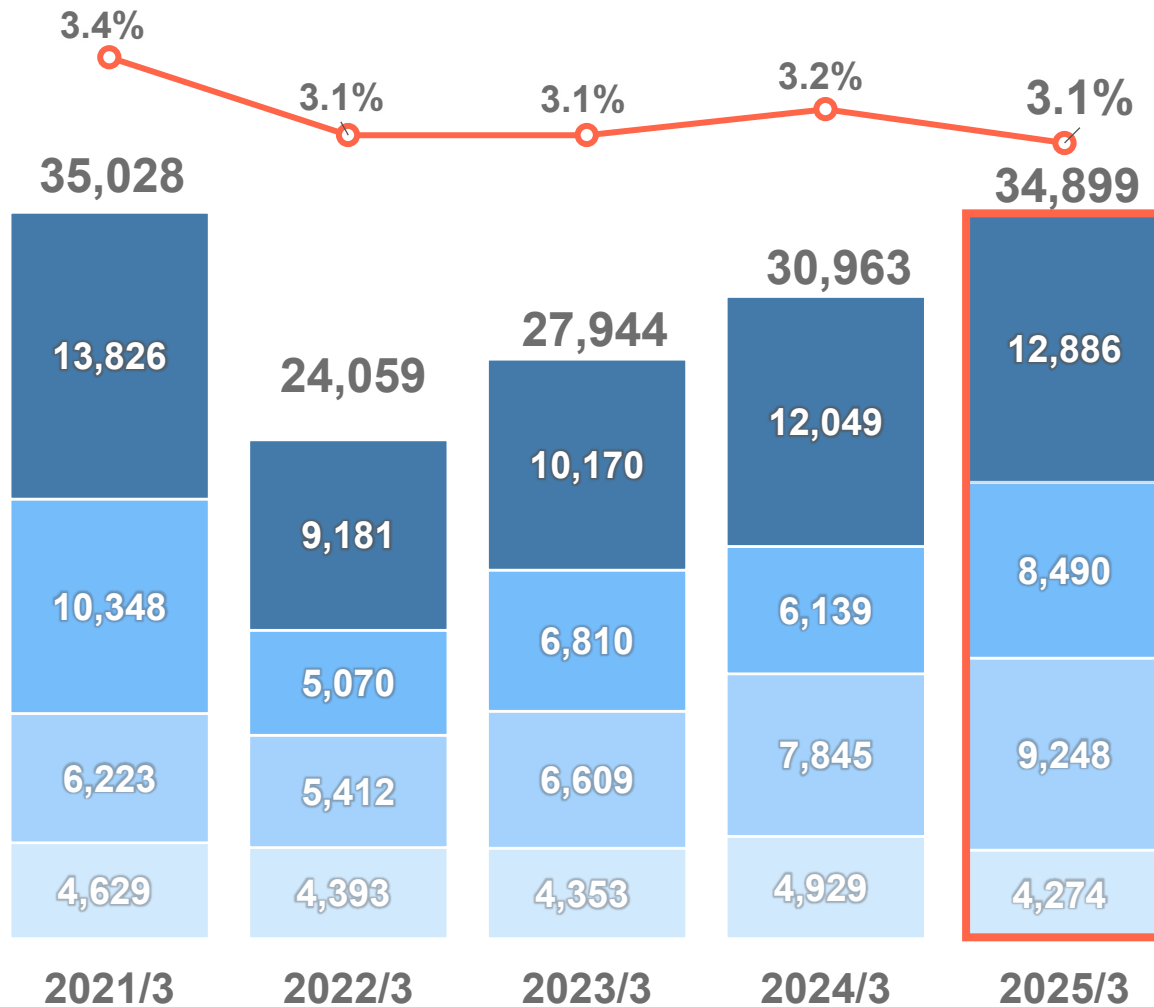
YoY change +17.5%

Record consolidated net sales

Consolidated Operating income

(million yen)

1Q 2Q 3Q 4Q Net Sales Operating income margin



Operating income 34.8 billion yen

YoY change +12.7%

Operating income margin 3.1%

Second level in the past

Consolidated Operating Results

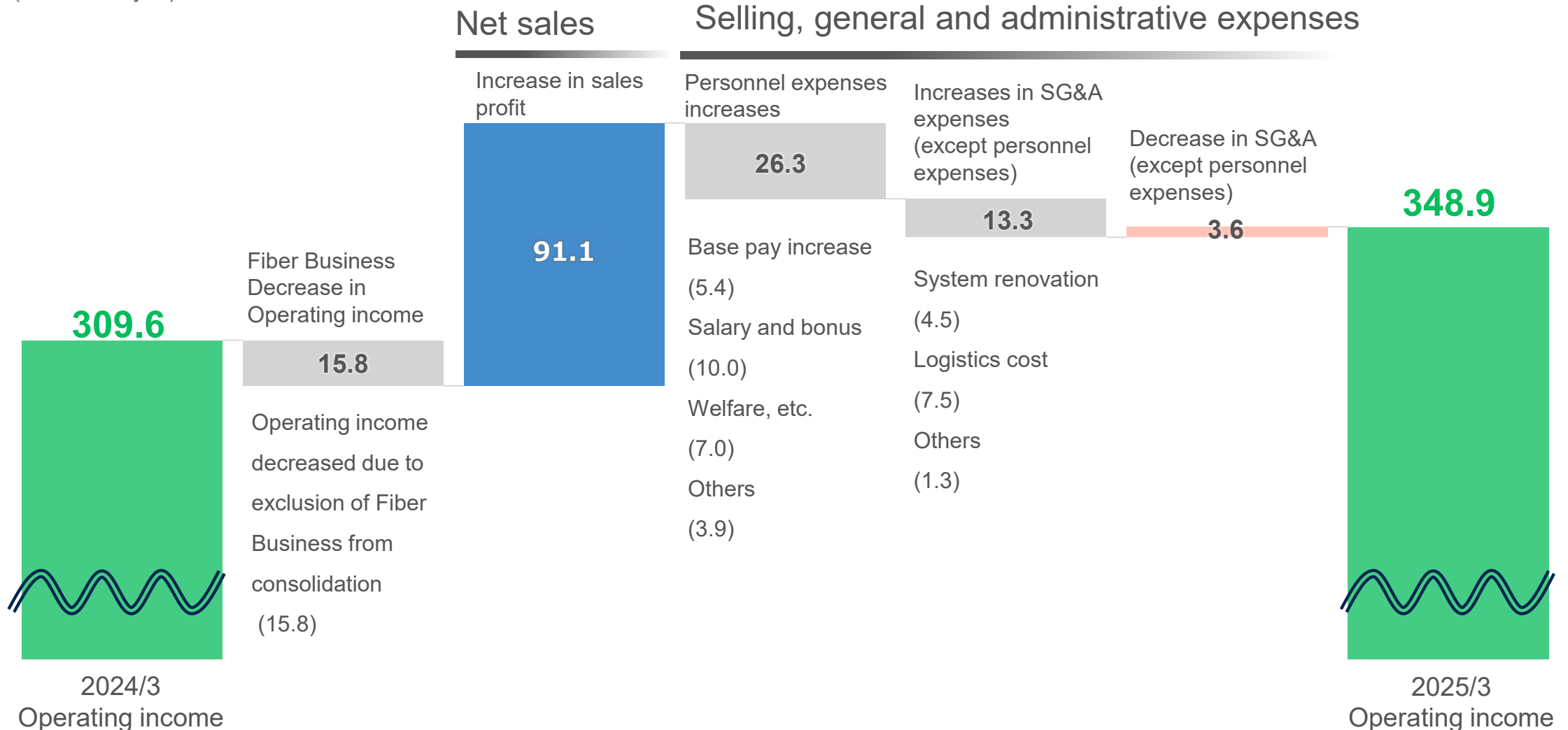
(million yen)	2024/3	2025/3	Change	YoY change	Last forecast (Revised Feb 7)	Change	Initial Plan	Change
Net sales	967,760	1,136,817	+169,057	+17.5%	1,142,500	(0.5%)	975,000	+16.6%
Operating income	30,963	34,899	+3,935	+12.7%	34,500	+1.2%	31,100	+12.2%
Ordinary income	31,431	35,454	+4,022	+12.8%	34,900	+1.6%	31,500	+12.6%
Profit attributable to owners of parent	4,283	24,751	+20,468	+477.9%	23,900	+3.6%	21,800	+13.5%
Earnings Per share (Yen)	45.82	271.37	+225.55	+492.2%	260.71	+4.1%	233.24	+16.3%

	2024/3	2025/3
Return On Equity (ROE)	3.0%	16.8%
Return On Asset (ROA)	7.7%	8.4%
Operating income margin	3.2%	3.1%

※Figures for the previous fiscal year include the results of Daiwa Spinning Co., Ltd. and impairments loss related to share transfer

Operating income Trends for the Fiscal Year Ended March 2025

(100 million yen)



Consolidated Financial Position and Cash Flows

(million yen)	2024/3	2025/3	Change	Main reasons for change
Total assets	405,256	440,122	+34,865	Increase in trade receivables and inventories
Net assets	142,133	152,310	+10,176	Raised retained earnings
Equity capital ratio	35.0%	34.6%	(0.5%)	Increased total assets
Book Value Per Share (yen)	1,518.56	1,693.24	+174.69	

(million yen)	2024/3	2025/3
Cash flows from operating activities	24,544	5,909
Cash flows from investing activities	(4,946)	(2,588)
Cash flows from financing activities	(2,856)	(17,402)
Cash and cash equivalents at end of year	69,172	55,221

Cash flows from operating activities	24,544	→	5,909	△18,634	Increased working capital (increased inventories of Windows10 upgrades & GIGA project orders)
Cash flows from financing activities	△2,856	→	△17,402	△14,545	Purchase of treasury shares

Performance by Segment

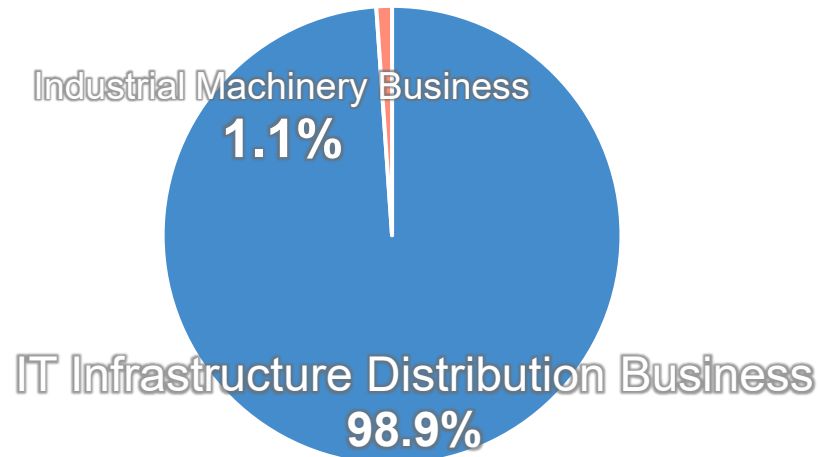
(million yen)		2024/3	2025/3	Change	YoY change
Net sales	IT infrastructure Distribution Business	894,693	1,123,922	+229,228	+25.6%
	Industrial machinery Business	13,213	12,895	(318)	(2.4%)
	Fiber Business	59,210	—	(59,210)	—
	Others	642	—	(642)	—
	Total	967,760	1,136,817	+169,057	+17.5%
Operating income	IT infrastructure Distribution Business	28,244	34,045	+5,800	+20.5%
	Industrial machinery Business	1,032	852	(180)	(17.4%)
	Fiber Business	1,580	—	(1,580)	—
	Others	63	—	(63)	—
	(Adjustments and eliminations)	42	1	(41)	(95.7%)
	Total	30,963	34,899	+3,935	+12.7%

Segment composition ratio

Net sales

	2024/3	2025/3
IT Infrastructure Distribution Business	92.4%	98.9%
Industrial machinery	1.4%	1.1%
Fiber Business	6.1%	—

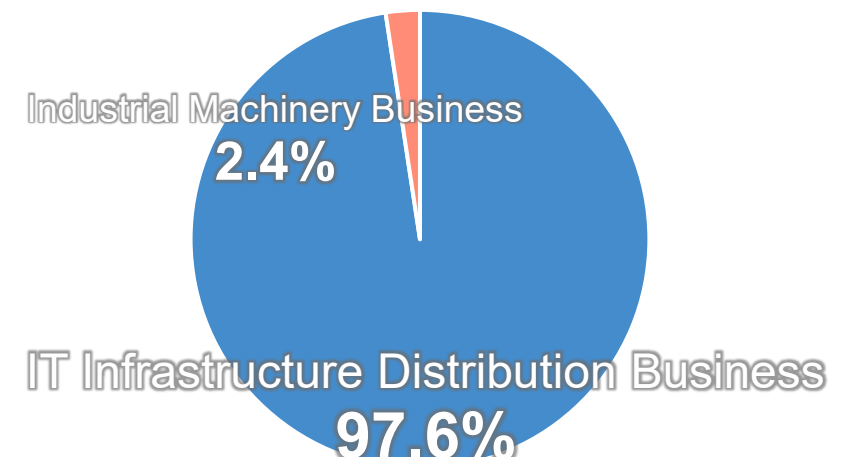
Net sales 1.1368 trillion yen



Operating income

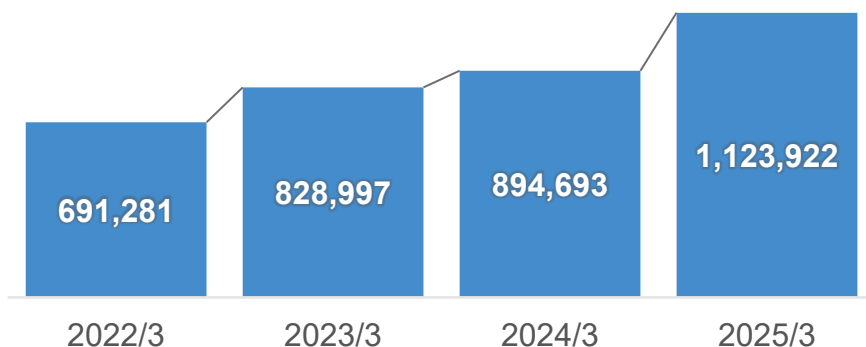
	2024/3	2025/3
IT Infrastructure Distribution Business	91.2%	97.6%
Industrial machinery	3.3%	2.4%
Fiber Business	5.1%	—

Operating income 34.8 billion yen

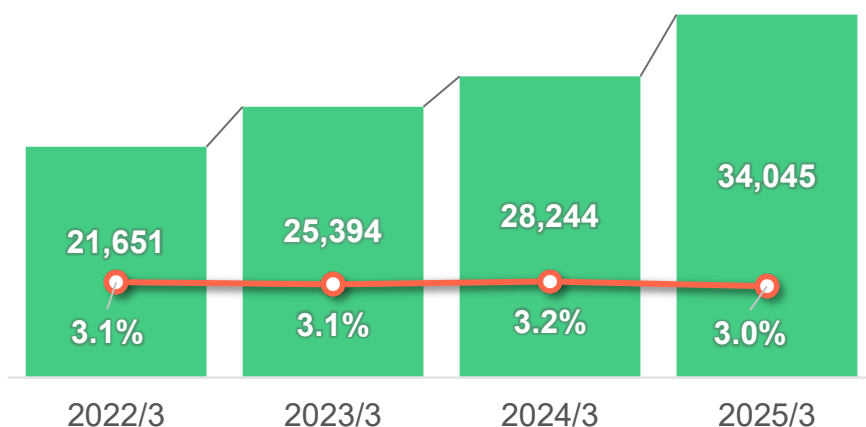


IT infrastructure Distribution Business

(million yen)



■ Net Sales ■ Operating income ■ Operating income margin



Transaction volume (Sales under old accounting standards)

1.20 trillion yen (+25.6% YoY)

Net sales

1.12 trillion yen (+25.6% YoY)

Operating income

34.04 billion yen (+20.5% YoY)

PC shipments

3,894,000 units (+29.2% YoY)

Server shipments

62,000 units (+6.2% YoY)

iKAZUCHI transaction volume

40.54 billion yen (+42.2% YoY)

Review of Operations

Corporate Market

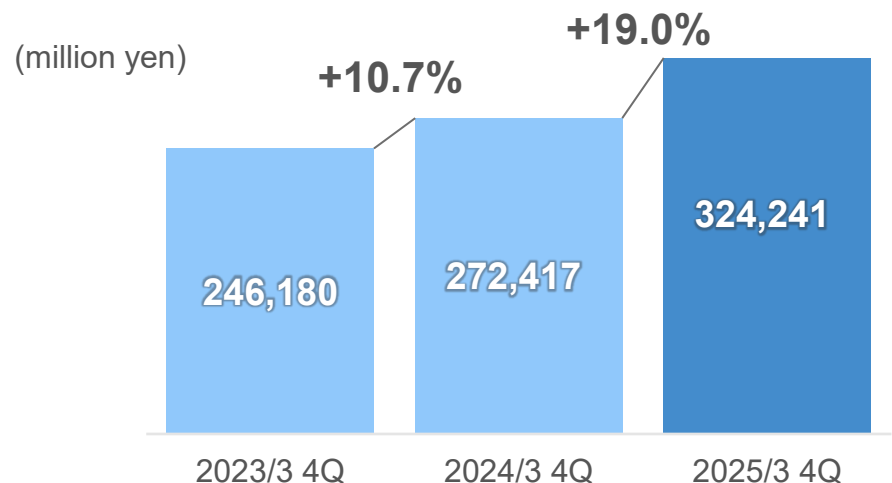
- Demand for PC upgrades was strong due to the termination of Windows10 supports, mainly by large corporations. Strengthening the sales system for IT infrastructural projects led to growth in server and network performance in data centers and other areas
- For government agencies, acquire several large-scale IT maintenance projects
- For the education sector, acquired the school PC orders and up-front procurement projects for the GIGA school second term. Continuing to collect information from various sectors on the full-fledged procurement situation

Consumer Market

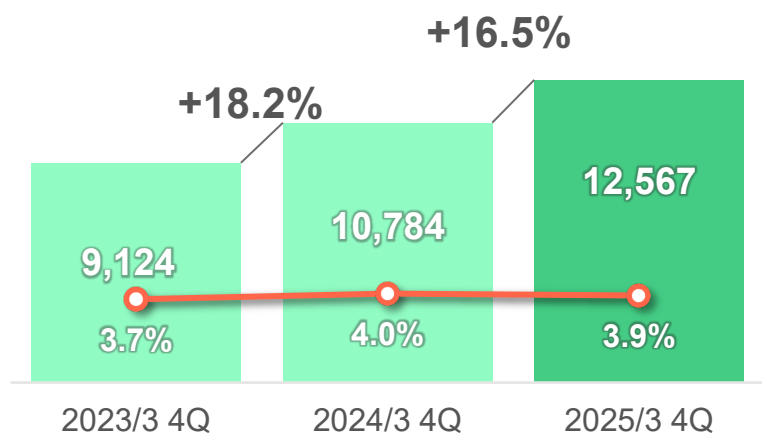
- The consumer sector as a whole exceeded the previous year's net sales by strengthening the support system for mass retailers in collaboration with manufacturers

IT infrastructure Distribution Business

Compared with the same quarter of the previous year



■ Net Sales ■ Operating income ■ Operating income margin



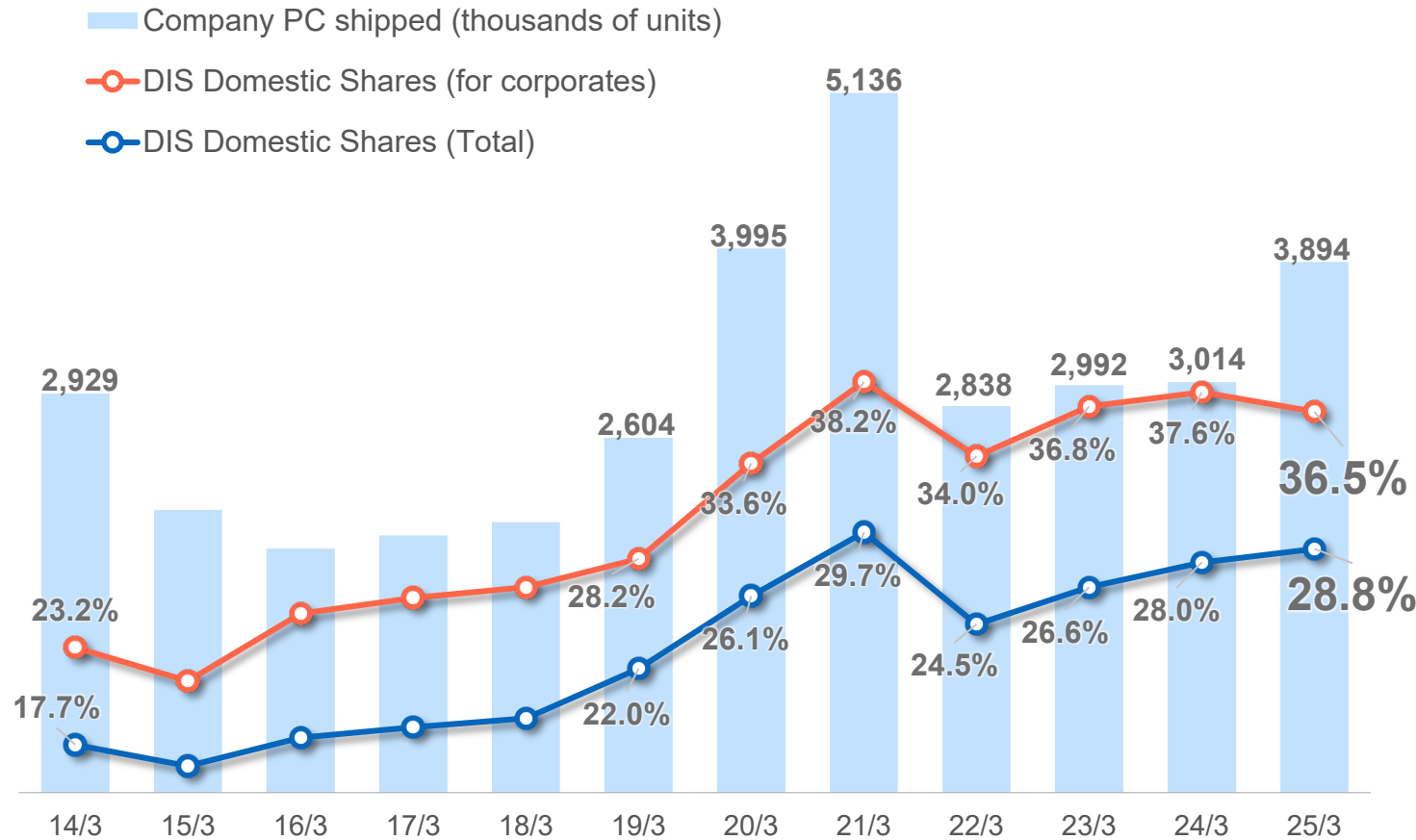
Earnings Difference from 4Q in Previous Year

- PC units shipped +26.4% (1,197,000 units)
Strong performance in the previous year (+16.7%), but further Windows significant increase with rising demand for upgrade
- iKAZUCHI transactions +47.3%
4Q has more than 0.1 million end users and steady growth along with the number of contracted services
- By industry, the information&communications, services, and manufacturing industries performed strongly, resulting in a significant increase.
- Although operating income margin for the current fiscal year was lower than usual due to the impact of several large-scale projects up to 3Q, 4Q is approaching the level of last year due to the acquisition of many small-and medium-sized projects

Explanation of the seasonality of IT infrastructure Distribution Business

Since registrations of sales tend to concentrate on March and September when a great number of companies in Japan close their accounts, we compare the results in the fiscal year under review with the relevant period of the previous fiscal year, not with the preceding quarter

Involved in more than **1 in 3 PCs** for corporate use



※Calculated from MM Research Institute survey

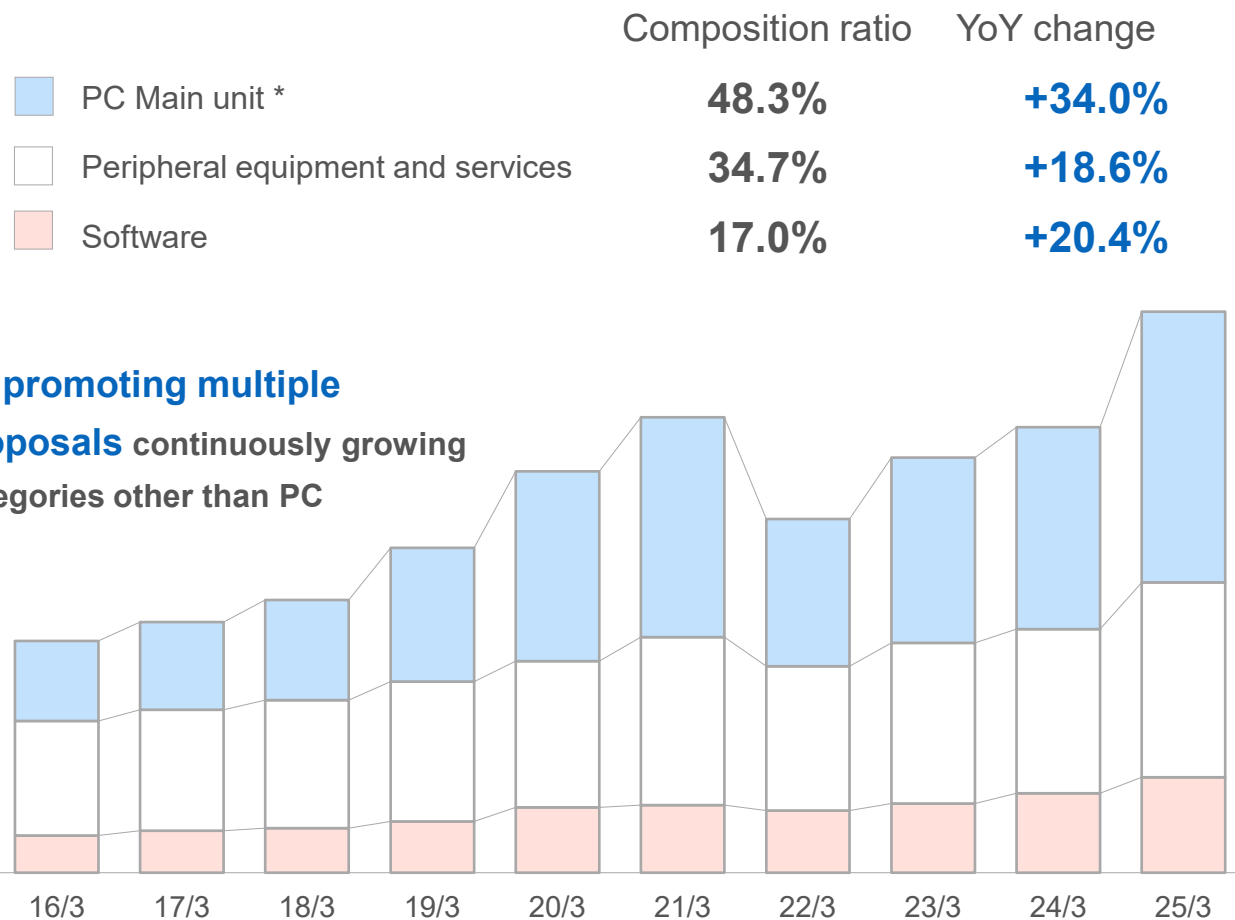
(Since based on preliminary figures from the research company as of end March 2025, the published figures for the share may be changed.)

The fiscal year ended March 2025 Highlights

- PC shipped 3,894,000 units per year (+29.2%)
 - Significant year-on-year growth in demand, particularly among large enterprises, in preparation for Windows upgrade
- Domestic for corporates Shares 36.5%
 - Continues to maintain a high level, although it is estimated that the share will decline slightly in line with the increase in distribution inventory volume.
 - The benefits of collaboration with DIS have permeated manufacturers through the added value of the nationwide sales system, distribution network, and bundled sales including services. Expectations for the marketplace are high
- With AI PC(NPU)
 - Shipping results are gradually increasing from 4Q as the target models for each company are available.
 - Promote future increase in demand through collaboration with manufacturers through educational activities including utilization proposals

Results by Product Category

<Transaction Volume by DIS Category>



*PC handset = PC, server, tablet, smartphone, etc.

The fiscal year ended March 2025 Highlights

- PC and others +34.0%
 - YoY growth in all categories of PC, servers, tablets, and smartphones
- Peripheral equipment and services +18.6%
 - Network-related construction and PC supplies also increased in line with increased PC shipments.
 - Network (+23.4%), Service & Support (+24.0%), Supply, etc. (+40.6%)
 - Printer-related sales were flat but up slightly.
- Software and others +20.4%
 - Unit prices of products at major vendors trending upward
 - iKAZUCHI transactions +42.2%
 - Steady expansion of IaaS related services (AWS, Azure, etc.)
 - In the subscription market, we expanded the lineup of services handled for iKAZUCHI and steadily grew both the number of end users and the number of contracted services

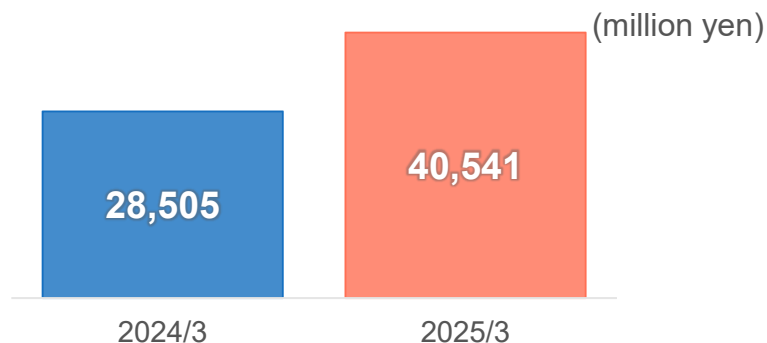
Transaction volume via iKAZUCHI

Transaction volume via iKAZUCHI

Total sales amount to sales partners through subscription-managed portal
“iKAZUCHI” (included in software category)

End of March 2025 **+42.2% YoY**

Exceeded our Target 40 billion yen



Number of vendors and services

2024/3	2025/3
130 vendors	137 vendors
243 services	258 services

In the subscription business

**Expanding the Marketplace and Strengthening the
"Foundation" of recurring revenue**



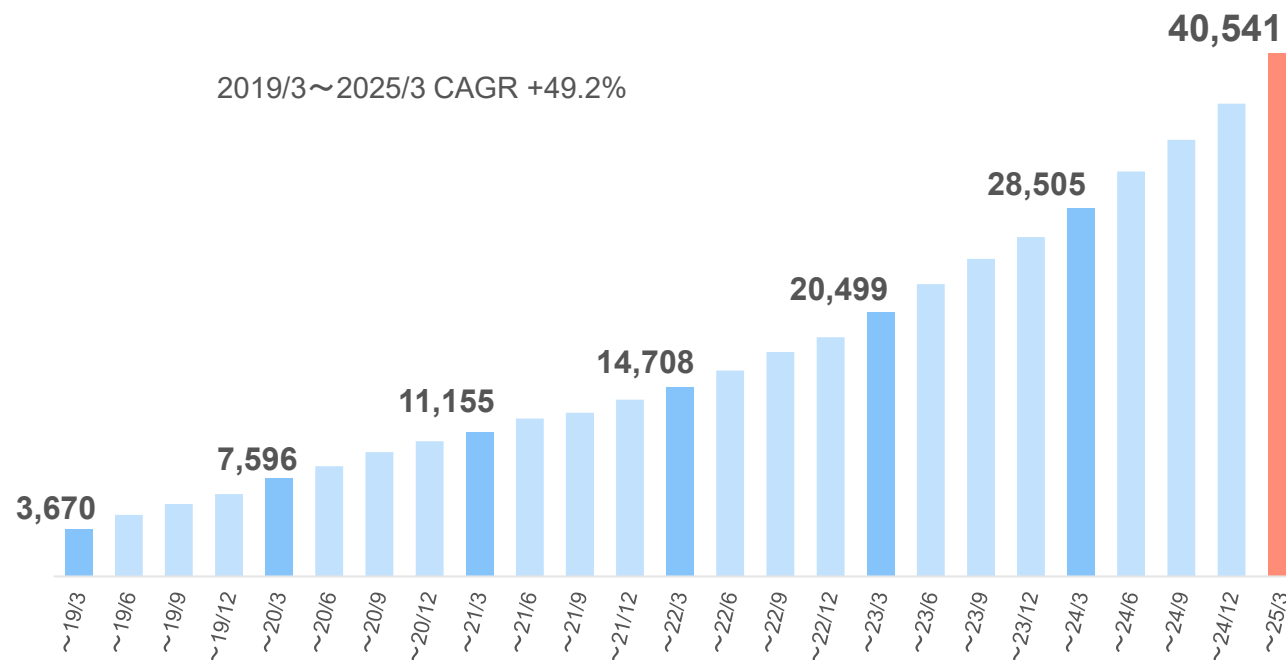
■ iKAZUCHI

(million yen)

Trends in 12-Month Cumulative Transaction Volume

(Considering Annual Charges, etc.)

2019/3~2025/3 CAGR +49.2%

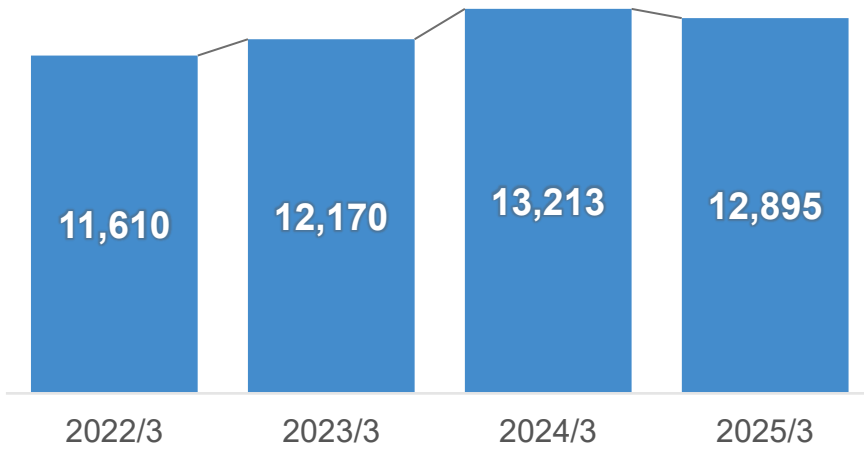


iKAZUCHI growth trajectory

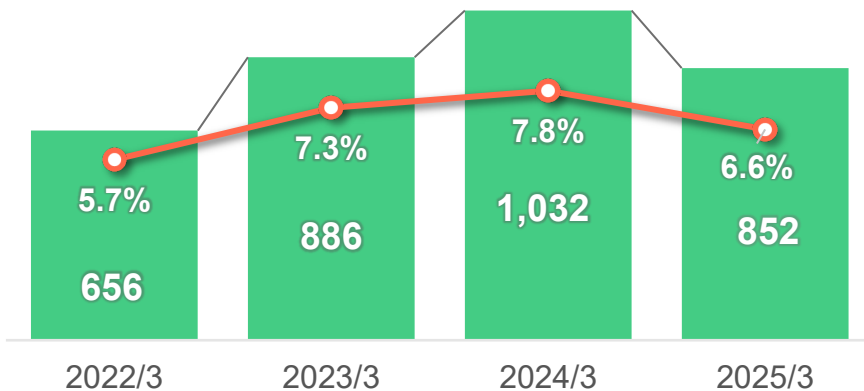
As the percentage of purchases is high in terms of annual fees, steady growth can be confirmed by looking at trends in the cumulative 12 months rather than quarterly

Industrial Machinery Business

(million yen)



■ Net Sales ■ Operating income ■ Operating income margin



Net sales

12.89 billion yen

(2.4% YoY)

Operating income

852 million yen

(17.4% YoY)

Review of Operations

Machine tools division

- Domestically, aircraft industry orders are recovering. Overseas, orders from Asia, mainly in the Chinese market, have been recovering, but those from the U.S. fell below the previous year's level. (Total orders received from the Japan Machine Tool Manufacturers Association from April to March increased 3.9% year on year)
- Orders increased 27.8% year on year, reflecting the rebound in shipbuilding, energy, and aircraft industry.
- In terms of sales, the Company has achieved a certain level of results through shorter delivery time inventory sales and reforms to its service support system, centered on railways. In terms of profits, the Company is focusing on revising prices and reducing SG&A expenses. However, sales and profits decreased due to the impact of the decrease in orders received in the previous year.

Automatic Machinery Division

- The company strengthened its sales activities by participating in exhibitions
- Sales and profits decreased due to an increase in the number of design processes in production and the impact on the number of units produced.

Consolidated Balance Sheet (Brief of Consolidated Settlement of Account P4-5)

(million yen)	2024/3	2025/3	Change		2024/3	2025/3	Change
Current assets	377,245	407,778	+30,532	Current liabilities	239,742	267,779	+28,036
Cash and deposits	69,372	55,421	(13,951)	Notes and accounts payable	206,212	228,422	+22,210
Trade notes and accounts	257,047	288,495	+31,448	Short-term loans payable	8,400	8,904	+504
Goods and products	33,413	45,495	+12,081	Non-current liabilities	23,380	20,032	(3,347)
Property, plant and equipment	10,238	11,252	+1,013	Long-term debt	12,500	11,799	(701)
Intangible assets	3,691	4,973	+1,281	Total liabilities	263,123	287,811	+24,688
Investments and other assets	14,081	16,117	+2,036	Total net assets	142,133	152,310	+10,176
				Treasury share	(5,133)	(15,088)	(9,955)
Total assets	405,256	440,122	+34,865	Total liabilities and net assets	405,256	440,122	+34,865

Cash and deposits	69,372	→	55,421	(13,951)	Capital Expenditures in DIS and Purchase of treasury shares
Goods and products	33,413	→	45,495	+12,081	Increased inventories in preparation for special demand (Win renewal + GIGA)
Total borrowings	20,900	→	20,703	(197)	

Consolidated Statements of Income (Brief of Consolidated Settlement of Account P6)

(million yen)	2024/3		2025/3		Change	YoY change
	Actual	Rate	Actual	Rate		
Net sales	967,760		1,136,817		+169,057	+17.5%
Gross profit	78,209	8.1%	79,796	7.0%	+1,586	+2.0%
Selling, general and administrative expenses	47,246	4.9%	44,896	3.9%	(2,349)	(5.0%)
Operating income	30,963	3.2%	34,899	3.1%	+3,935	+12.7%
Ordinary income	31,431	3.2%	35,454	3.1%	+4,022	+12.8%
Extraordinary income	60		536		+476	
Extraordinary losses	17,901		1		(17,900)	
Profit attributable to owners of parent	4,283	0.4%	24,751	2.2%	+20,468	+477.9%

Extraordinary income

Gain on sales of non-current assets (535 million yen), etc.

Extraordinary loss (previous fiscal year)

Impairments of 16.723 billion yen related to share transfer of Daiwa Spinning Co., Ltd., loss on transfer of business of 1.039 billion yen, etc.

Performance Forecast for the Fiscal Year Ending March 2026

Impact on Business

- ❑ Projections as of May 2025 regarding items that may affect the results forecast for the year ended March 2026
- ❑ Formulated the outlook for the current fiscal year in consideration of the content described below

Tariff

- IT infrastructure Distribution Business's customers are limited to the domestic market, and the direct impact on procurement prices is difficult for the purchase of goods because imports are mainly from Asian countries.
- Overseas transactions in Industrial Machinery Business account for around 20% of the total (9% for the U.S.), taking into account some impacts (around Operating income(loss) 80 million yen)
- Declines in demand by companies and general consumers due to economic downturns may be indirectly affected, but are not included in the outlook due to uncertainty about timing and degree of impact

Foreign exchange

- Company conducts most of its transactions in yen, and some transactions denominated in U.S. dollars are risk-managed by entering into foreign exchange forward contracts, so their foreign exchange sensitivity is low. However, there is a possibility of a sharp rise in purchase costs due to large fluctuations.
- It is relatively easy to pass on price increases due to many cases of new pricing due to model changes, etc. On the sales side, it is anticipated that price negotiations, etc. will increase to be included in the user budget.

Supply Chain

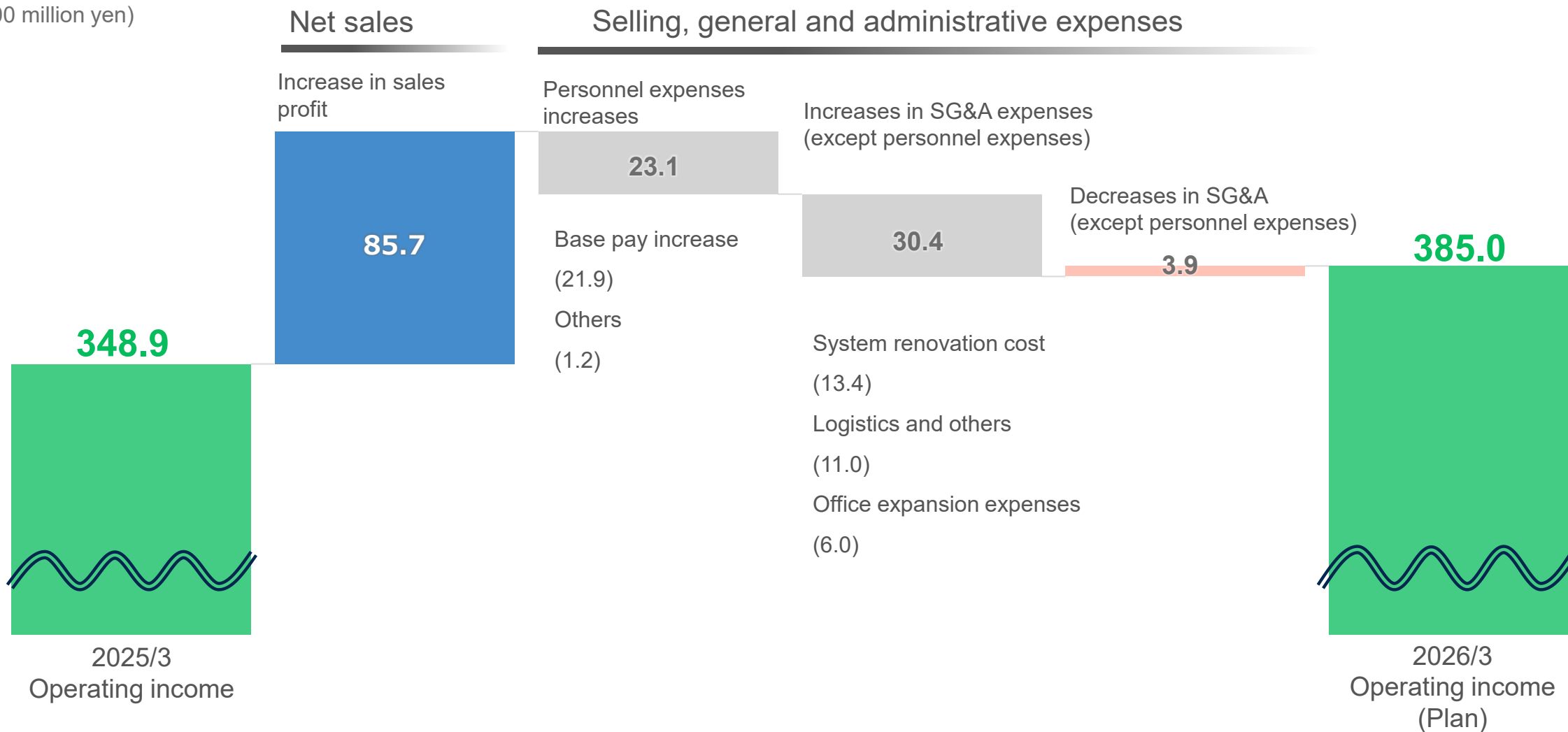
- Although it may be indirectly affected by countermeasures taken by suppliers, there is a high degree of uncertainty at this point, and it is necessary to pay close attention to future developments in semiconductors and raw materials, and changes in production bases.
- For IT related products, although there is a possibility that an increase in the unit price will lead to a decline in the willingness of end users to buy, demand itself is expected to remain firm against the backdrop of a serious labor shortage and the promotion of DX

Performance Forecast for the Fiscal Year Ending March 31, 2026

(million yen)	2025/3 (Actual)		2026/3 (Forecast)		Change	YoY change
	Amount	Rate	Amount	Rate		
Net sales	1,136,817		1,265,800		+128,982	+11.3%
IT infrastructure Distribution Business	1,123,922		1,254,000		+130,077	+11.6%
Industrial machinery Business	12,895		11,800		(1,095)	(8.5%)
Operating income	34,899	3.1%	38,500	3.0%	+3,600	+10.3%
IT infrastructure Distribution Business	34,045	3.0%	37,800	3.0%	+3,754	+11.0%
Industrial machinery Business	852	6.6%	700	5.9%	(152)	(17.9%)
Ordinary income	35,454	3.1%	38,800	3.1%	+3,345	+9.4%
Profit attributable to owners of parent	24,751	2.2%	26,700	2.1%	+1,948	+7.9%
Earnings Per Share	271.37		297.26		+25.89	+9.5%

Operating income(loss) Trends (Forecast)

(100 million yen)



(million yen)

Position in growth areas &Value Up

- Increase market share in the cloud platform market
- In SaaS modeling Business Area Expansion

By promoting DX Partner Relay Shifting

- To corporate value improvement Business model reforms aimed at Realization of productivity improvement
- Include innovative technologies By expanding sales to overseas vendors Expand business areas

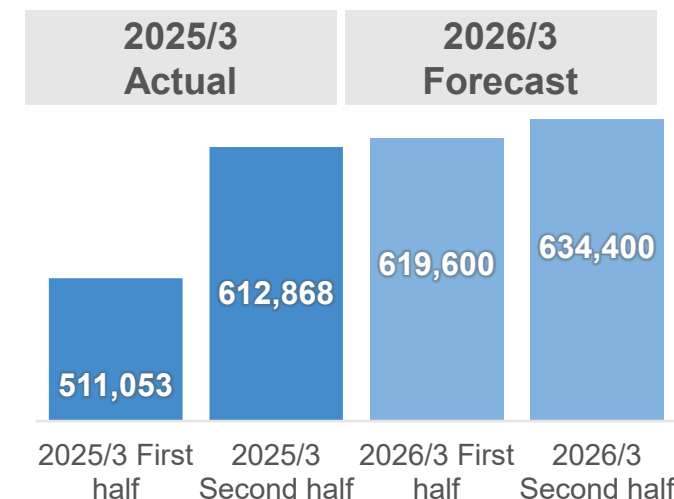


As an industry leader Deepen core areas

- In IT device platform Business Area Expansion
- High-value-added products Growth in business domains
- Strengthen ability to make proposals by establishing a support system with technical specialist units

Corporate branding Strategic investments

- Raising public awareness, contributing to industry development, and contributing to local communities
- Investment to strengthen business (Systems, M&A, business alliance)
- Investment for industry optimization (Logistics, iKAZUCHI)



■ Net Sales ■ Operating income ■ Operating income margin

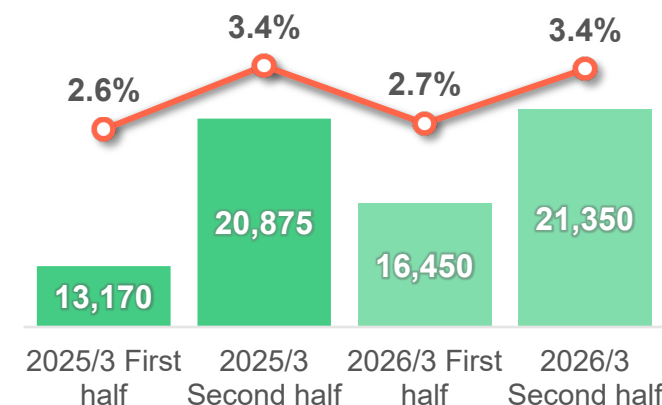
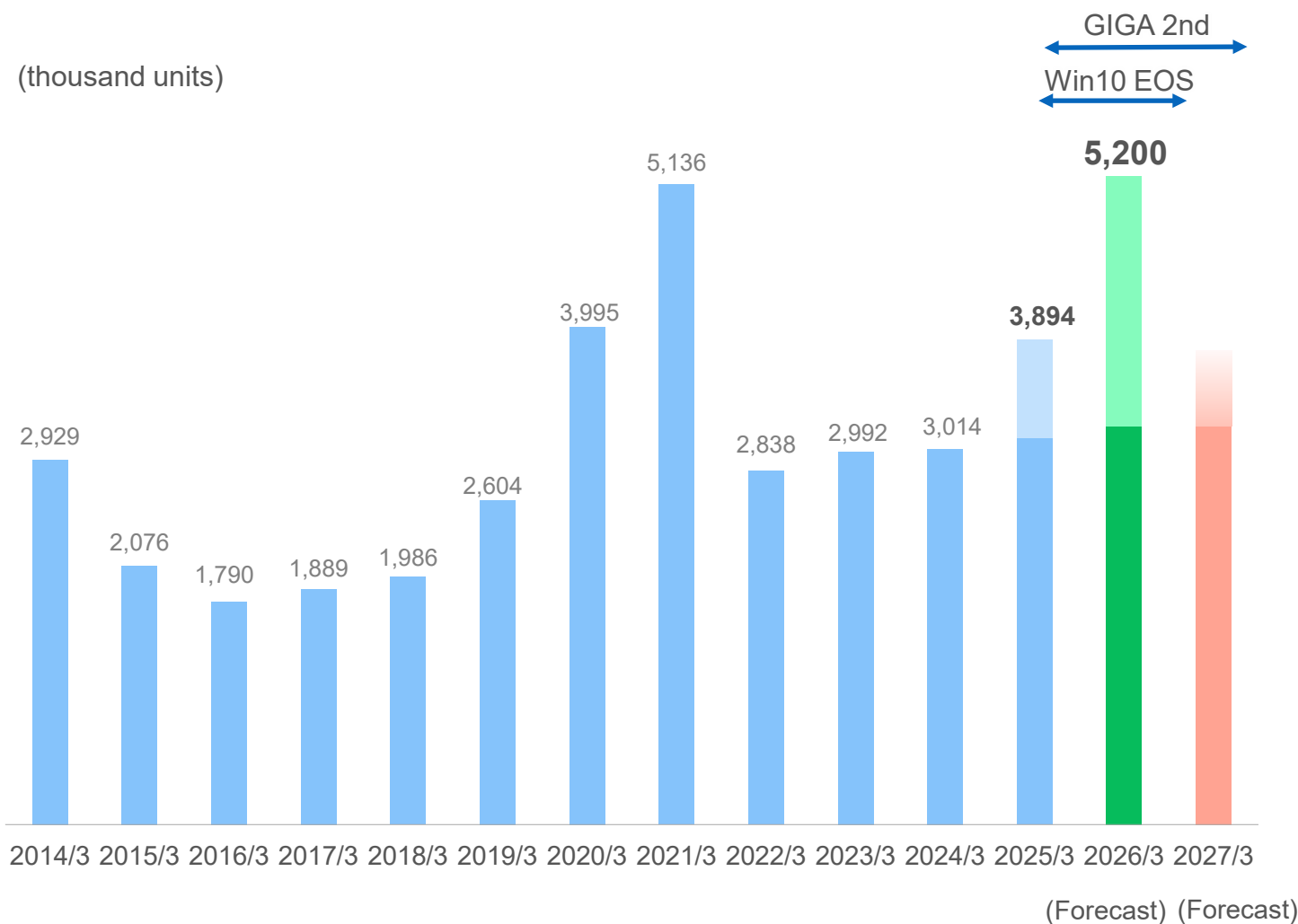


Image of PC Shipments

(thousand units)



FY2026 PC forecast: Approx. 5.2 million units

- Demand for Windows upgrades continued until October 2025
- Full-scale launch of the GIGA School Phase 2 in the current fiscal year
- Establish and strengthen sales and support systems at nationwide bases to contribute to smooth delivery

Windows10 is no longer supported

- Demand for upgrades to continue ahead of the end of Windows10 supports in October 2025
- Demand will be concentrated in the first half of this fiscal year, and a certain number will remain until 3Q.

the GIGA School program 2nd term

- There was a nationwide demand of about 10 million units in FY3/25-FY3/27, and we forecast a ※ of about 5.4 million units (about 54% of the total) to be renewed in this fiscal year.
※Company Estimates Based on Market Forecasts
- Company aims to achieve sales of approximately 100 billion yen including PC and tablets and related products/services.

PC Forecast for the Fiscal Year Ending March 2027

- Demand for replacement of Windows declined by about 0.8 million units
- The GIGA School demand is expected to be around 30% of the total
- Steady demand continues, including expected market-penetration in AI PC

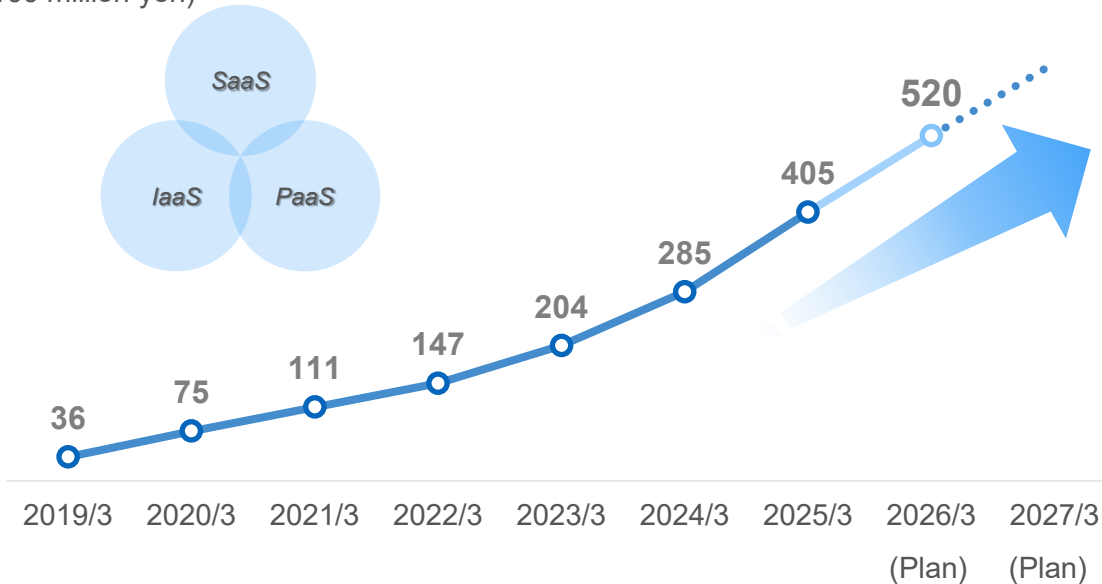
Sales target iKAZUCHI and trends in the number of registered dealers

Transaction volume via iKAZUCHI

Total sales amount to sales partners through subscription-managed portal "iKAZUCHI" (included in software category)

Aim to grow by more than CAGR30% 2024/3~2027/3

(100 million yen)

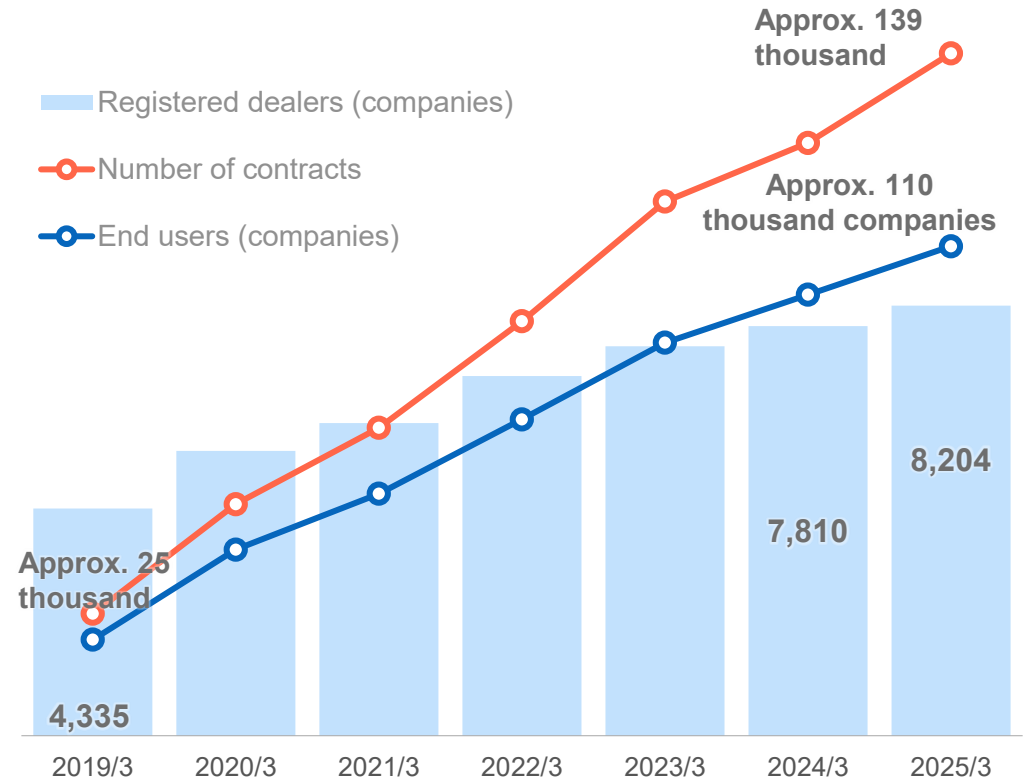


In the subscription business

Expanding the Marketplace and Strengthening the "Foundation" of recurring revenue



Changes in the number of registered dealers



Number of vendors



Industrial Machinery Business Business Strategy

(million yen)

Inventory sales strategy for machine tools

- Strengthen strategic and systematic inventory sales strategy by expanding the assembly plant at the Nagaoka Plant
- Expand sales in the U.S. and China markets by promoting sales of short-term delivery
- Conducted market research in areas with growth potential with the aim of expanding overseas markets
- Development of high-precision vertical lathes for the aviation and energy industries and implementation of proposals

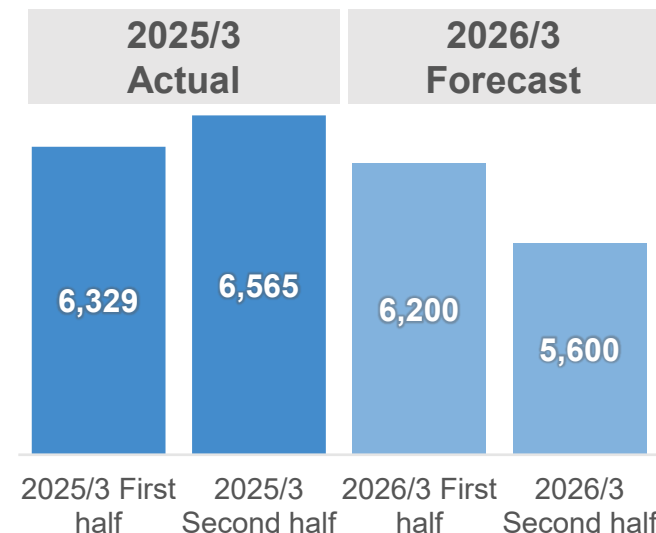
In automatic machines Capturing Profitability Improvement



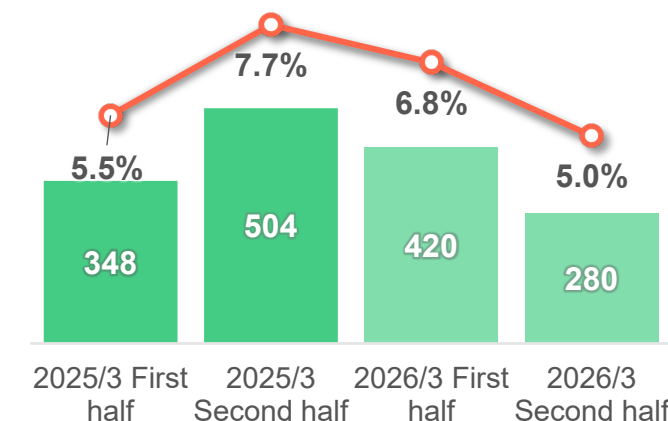
- In order projects
Standardization of production through appropriate risk assessment
- Improvement in cost of sales through promotion of contract manufacturing
- For the food, confectionery and pharmaceutical industries
Strengthen proposal-based sales in line with needs

By enhancing services To improve earnings

- As to improve customer satisfaction
Aim for stable earnings growth
- Focused on proposals for overhaul of installed machines
- For the development of partner companies and employees
Improving Technological Capabilities through Improved Skills



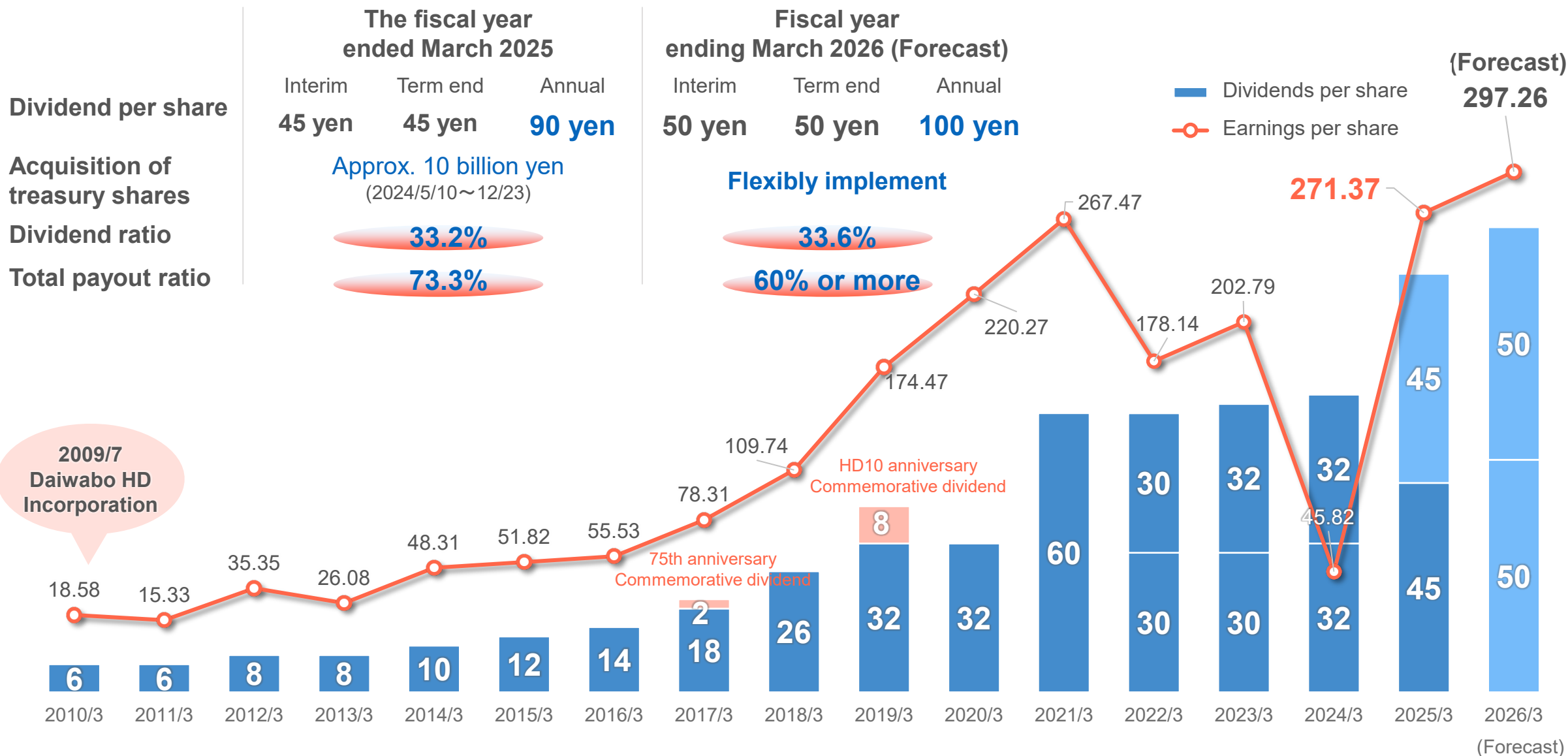
■ Net Sales ■ Operating income ■ Operating income margin



※Forecast lower Second Half FY03/2026 results due to sluggish sales activities and restoration work caused by Ransomware damage

| Shareholders return

Shareholders return



Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan <Operations>

Progress of Medium-Term Management Plan

				※Revised forecasts for the second year and beyond of the medium-term management plan			
(100 million yen)	FYE March 2025 (Plan)	FYE March 2026 (Plan)	FYE March 2027 (Plan)	(100 million yen)	FYE March 2025 (Actual)	FYE March 2026 (Forecast)	FYE March 2027 (Forecast)
Net sales	9,750	10,500	10,000	Net sales	11,368	12,658	11,400
Operating income	311	350	330	Operating income	348	385	360
Operating income margin	3.2%	3.3%	3.3%	Operating income margin	3.1%	3.0%	3.2%

Future Outlook

- Demand excluding special demand is expected to continue to grow steadily in line with the expansion of IT investment in response to labor shortages.
- Although the number of PC shipped in the marketplace seems to have leveled off, unit prices have increased due to AI PC and applications have expanded.
- Engaged mainly in iKAZUCHI in the cloud-related area, which has the highest growth rate, and expanded related services.
- Promote expansion into new areas, including through the use of M&A, and improve profitability

Progress of Medium-Term Management Plan <Group management indicators>

ROE 14% Or more

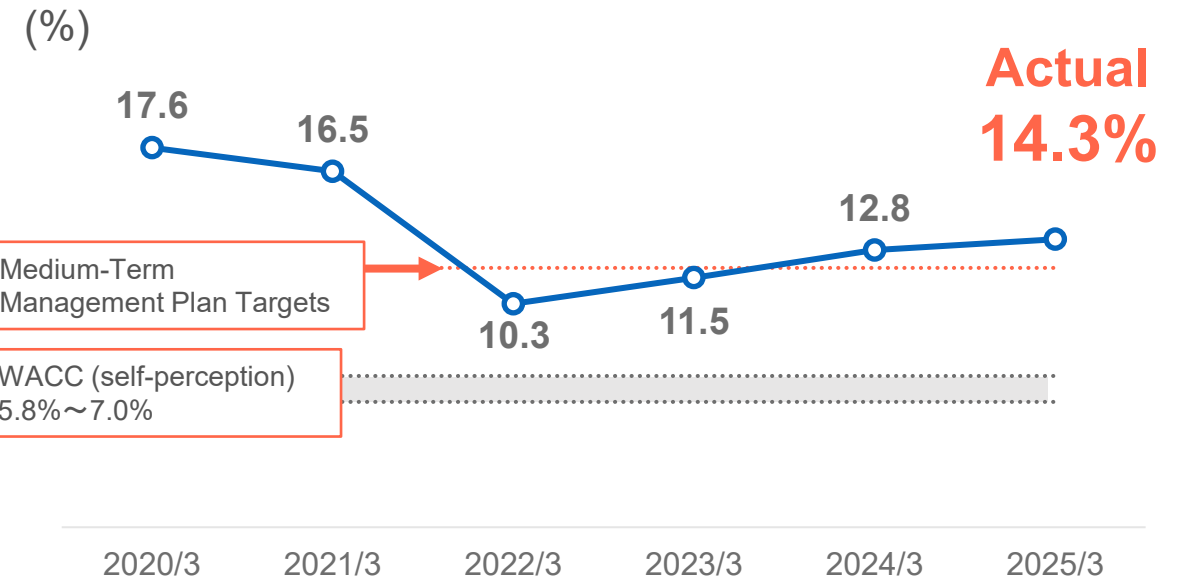
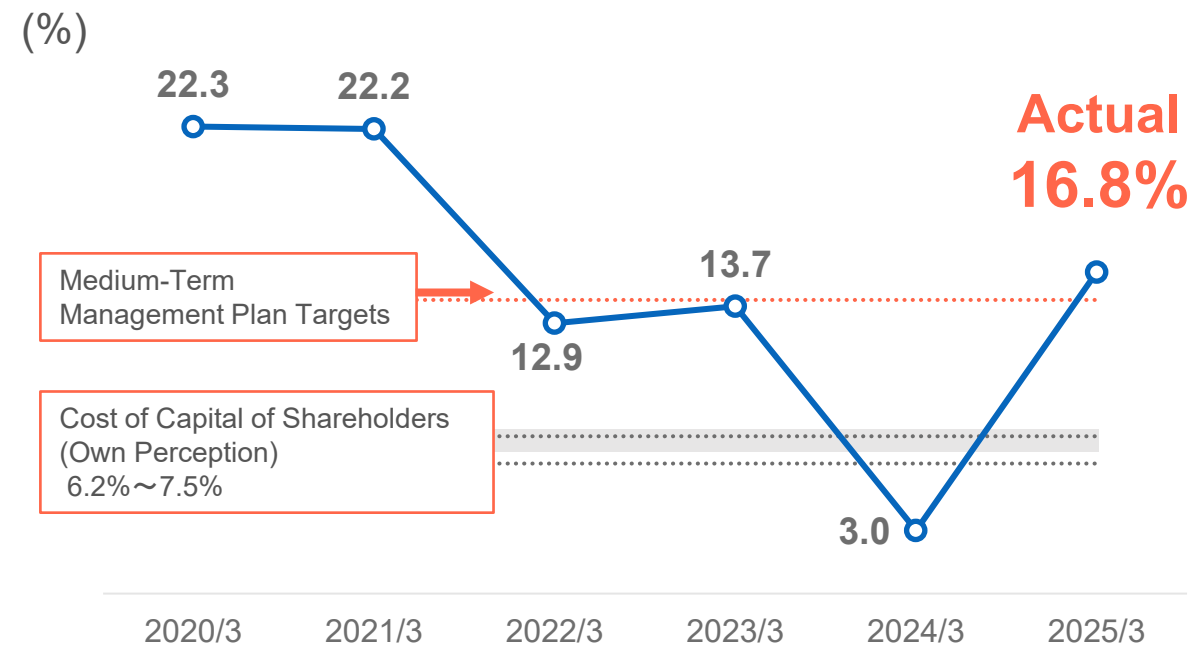
Return on Equity capital
<Returns on Shareholders' equity>

Decreased due to the posting of one-time extraordinary loss in FY03/2024, recovery to original profitability in the current fiscal year

ROIC 12% Or more

Return on Invested Capital
※After-tax Operating income/(Net assets + interest-bearing liabilities)
<Return on invested capital>

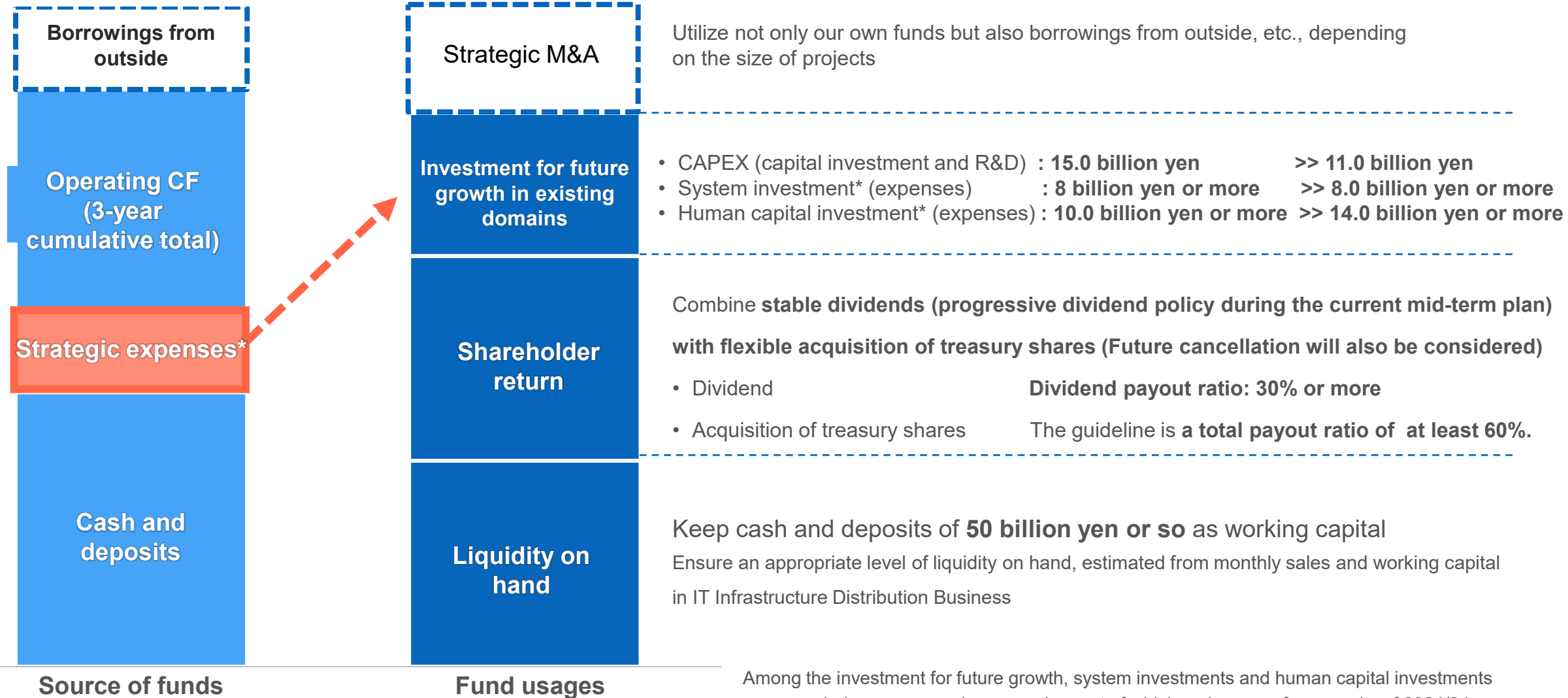
In addition to exceeding Cost of Capital of our own perception, clear the target level of the Mid-term Management Plan



— Actual
..... Target value
■ Company-recognized Cost of Capital

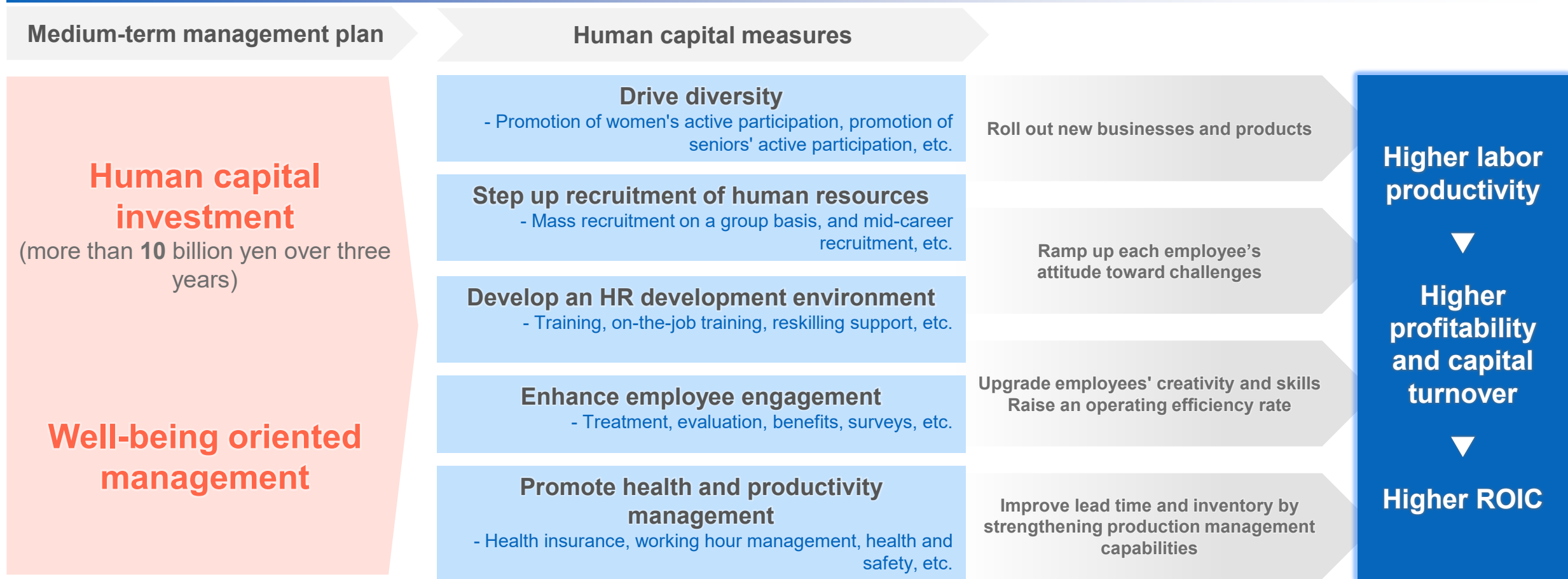
Capital Allocation Policy (2025/3 – 2027/3)

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

Sustainability Human Capital Strategy



TOPICS

- Large-scale base pay increase of salaries (including revisions to initial salaries) has been implemented at group companies since 2023
- In addition to substantial base pay increase, invest aggressively in educational and welfare programs in the current fiscal year
- Expand human capital expenditures of 10 billion yen or more to ※14 billion yen or more in the 3 years planned in the medium-term plan
- Certified as an Excellent Health/Productivity Management Corporation 2025 by DIS

Labor productivity on a group-wide basis

Target sales per employee : 3-year average +5.7% or more

Medium-to Long-Term Vision"2030 VISION"

Medium-to Long-Term Vision"2030 VISION"

2030 VISION

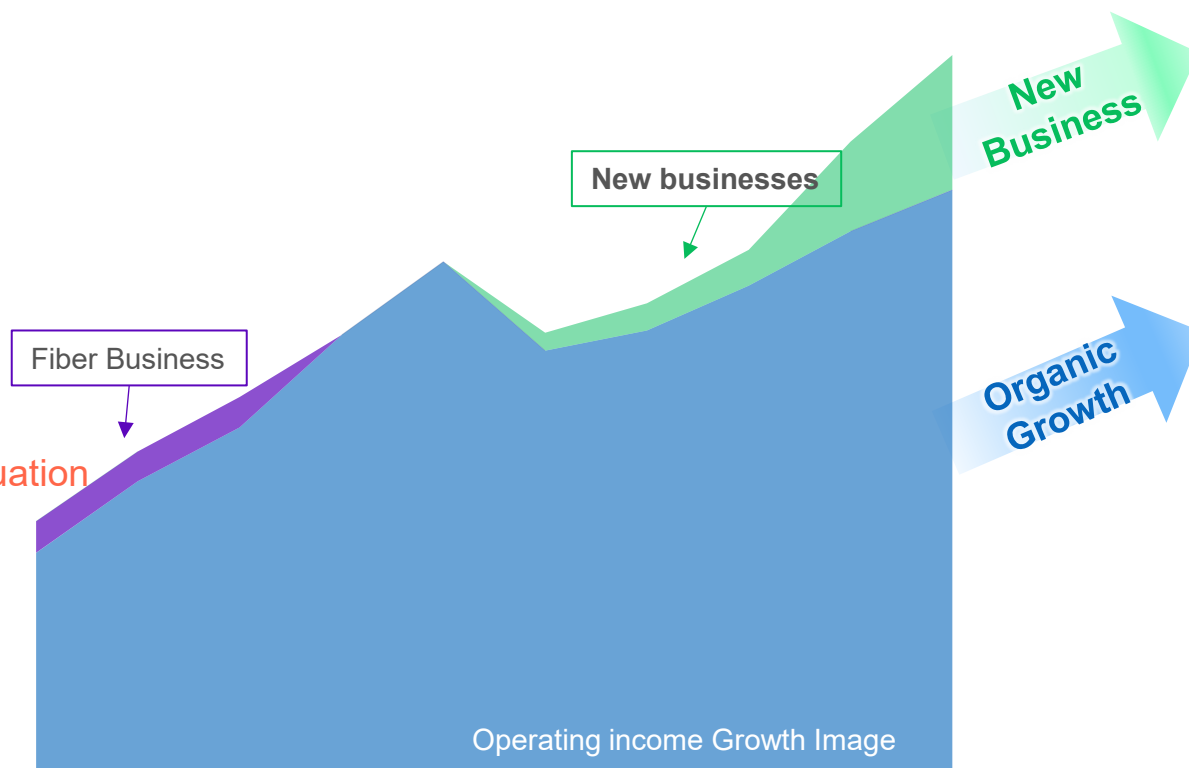
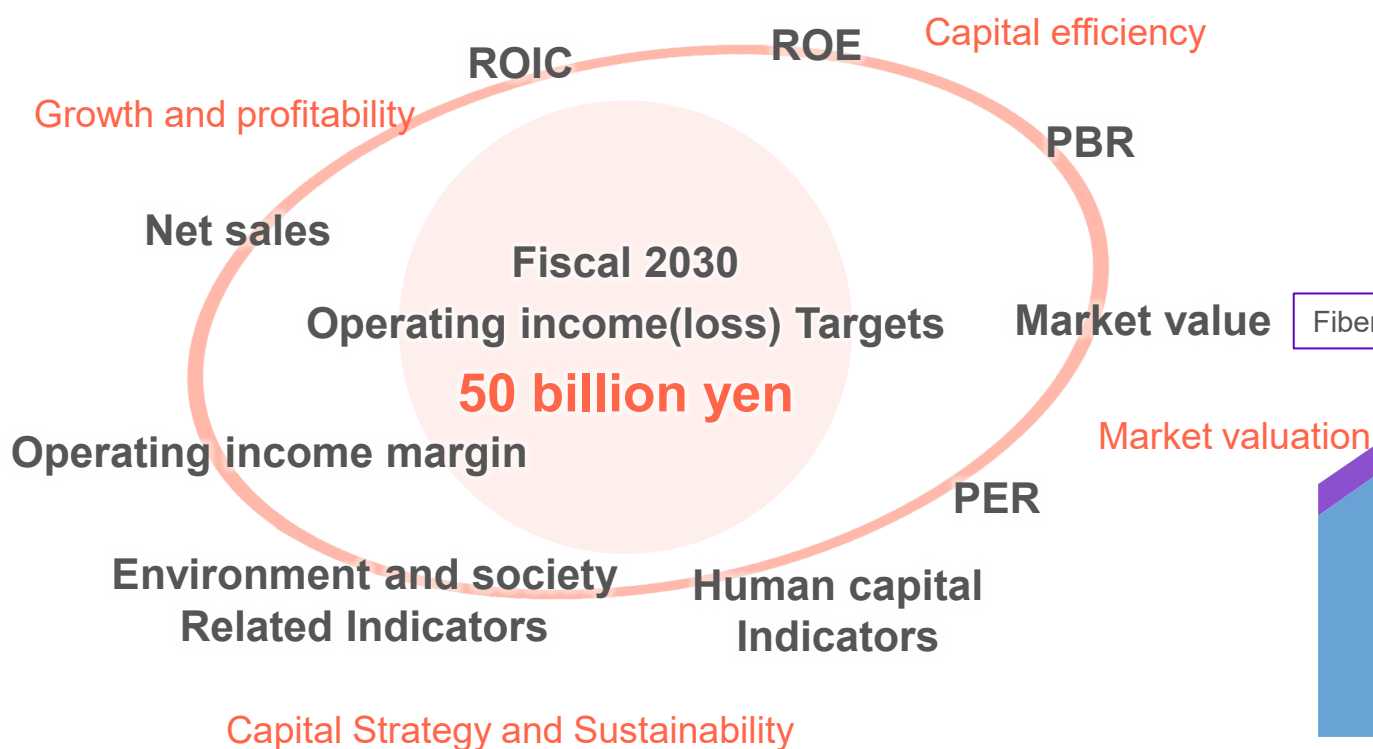
Equity story

The Way the Company
Should Be of Groups

By investing management resources in new business areas centered
on IT field

Build a Group structure that will lead to further development of the
value chain

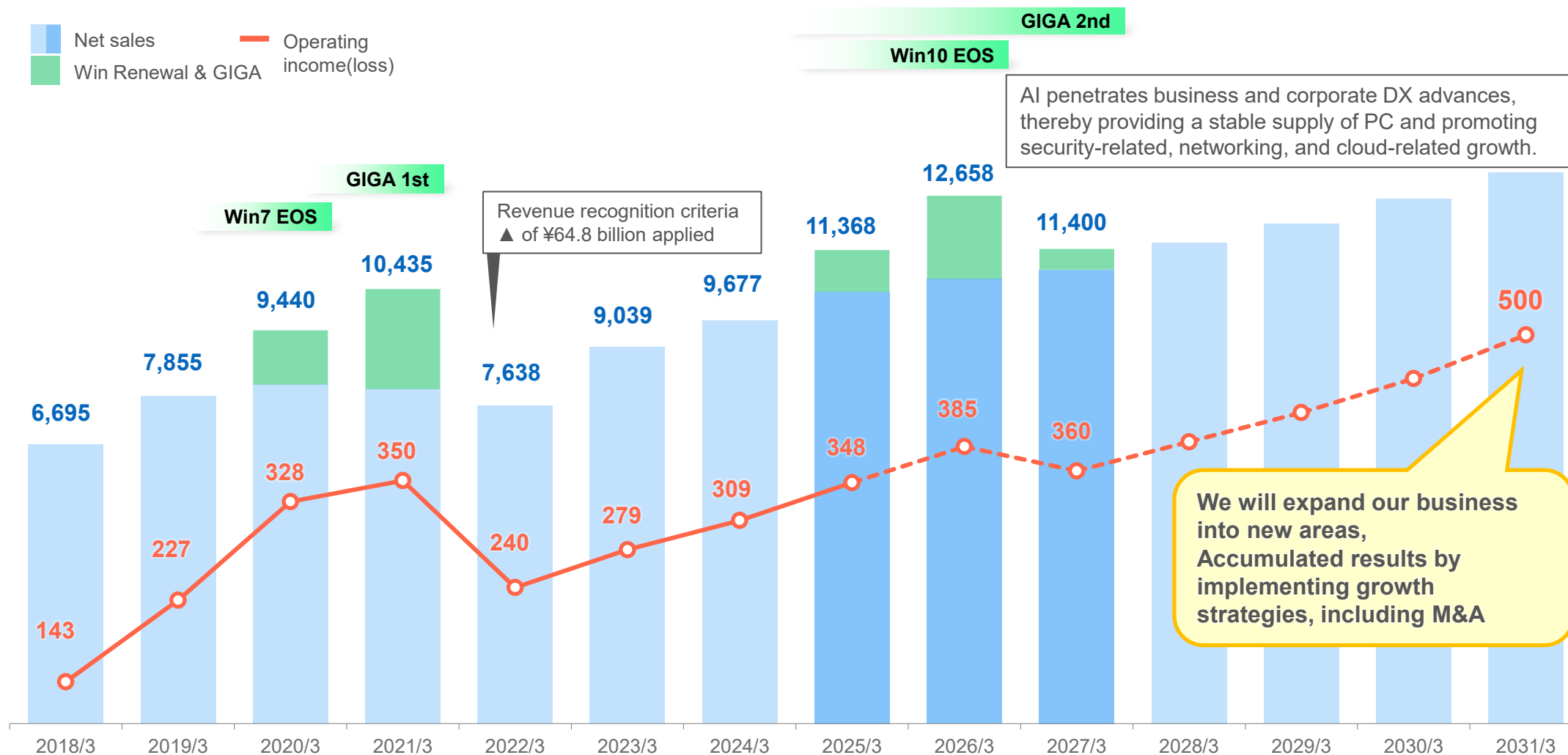
Becoming an indispensable corporate group
All-in-One Solution Company



Aim to the Medium-to Long-Term Vision "2030 VISION"

Sales and Operating income Growth Image

(100 million yen)



Interviews with Shareholders and Investors (April 2024 to March 2025)

Through timely and appropriate disclosure of information to shareholders and investors and constructive dialogue, Company aims to improve corporate value by building an appropriate understanding of Company's business conditions and feeding back the content of dialogue to management.

Status of interviews

SR・IR interviews: 221 (177 in the previous fiscal years year)

Major Activities

All shareholders

Meeting of shareholders and financial results briefing (twice a year)

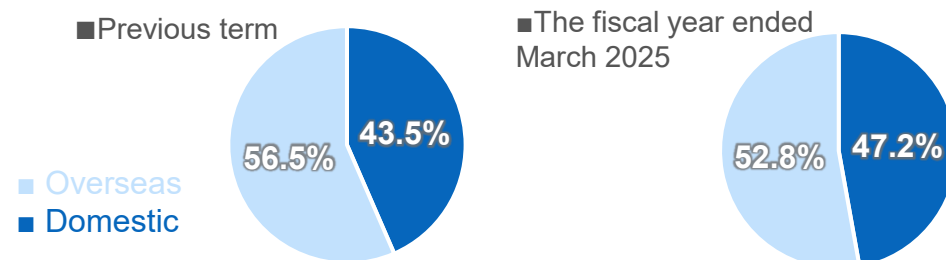
For institutional investors

IR interviews (quarterly) and SR interviews, Overseas road show

For Private Investors

Participated in various IR events and briefings for individual investors (5 times in total)

Outline of Shareholders and Institutional Investors Interviewed



Status of Feedback for Director Meetings

- Feedback to management on a quarterly basis at Director meetings
- Particularly significant matters are reported to Director meeting from time to time by Director in charge

Major themes of dialogue and interests of shareholders

- Latest trends in PC replacement demand in the second period of Windows10EOS and the GIGA School and its impact on Company results
- iKAZUCHI business model and track record
- AI PC demand trends
- About the decline in stock prices since February of this year
- Outlook for the fiscal year ending March 2026 and beyond
- Review of Medium-Term Management Plan (FY03/2025-FY03/2027)
- Whether shareholders return policy is reviewed
- Status of consideration and progress of new business creation and growth-strategy aimed at achieving 2030 VISION
- Considering changing the company name after independence of Fiber Business

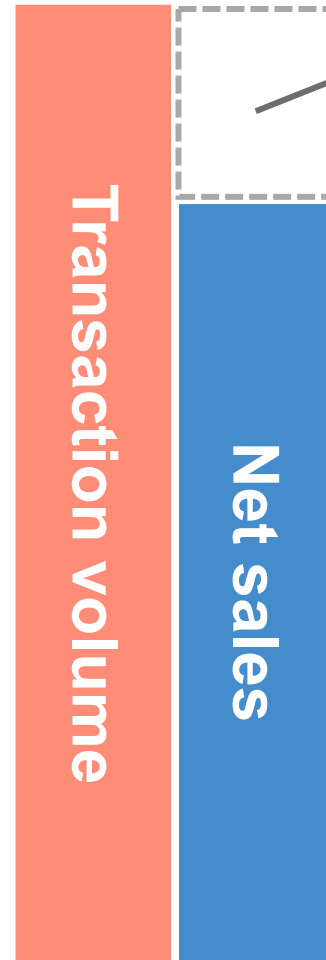
Reference Materials

- “Transaction Volume” of IT Infrastructure Distribution Business
- Business Overview
- Performance Graph

"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



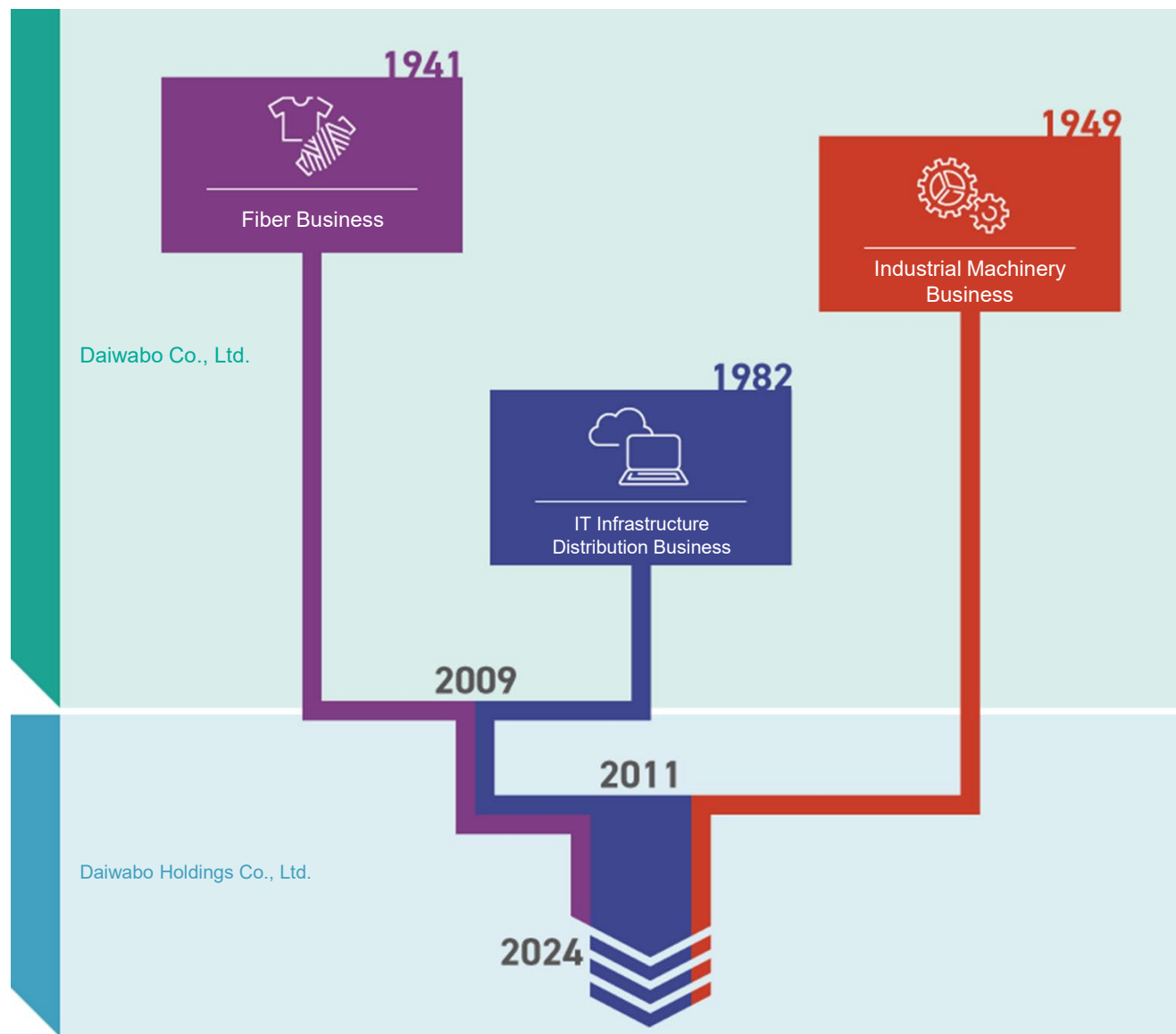
Impact due to application of the
"Accounting Standard for Revenue Recognition."
 (From the fiscal year ended March 31, 2022)

The company records as net sales the net amount of sales consideration for "agency transactions" under the accounting standards for some maintenance and warranty services, software sales due to iKAZUCHI, etc.

Net sales

- ❑ Net sales from the fiscal year ended March 2022
- ❑ Sales evaluations in financial accounting

Group History

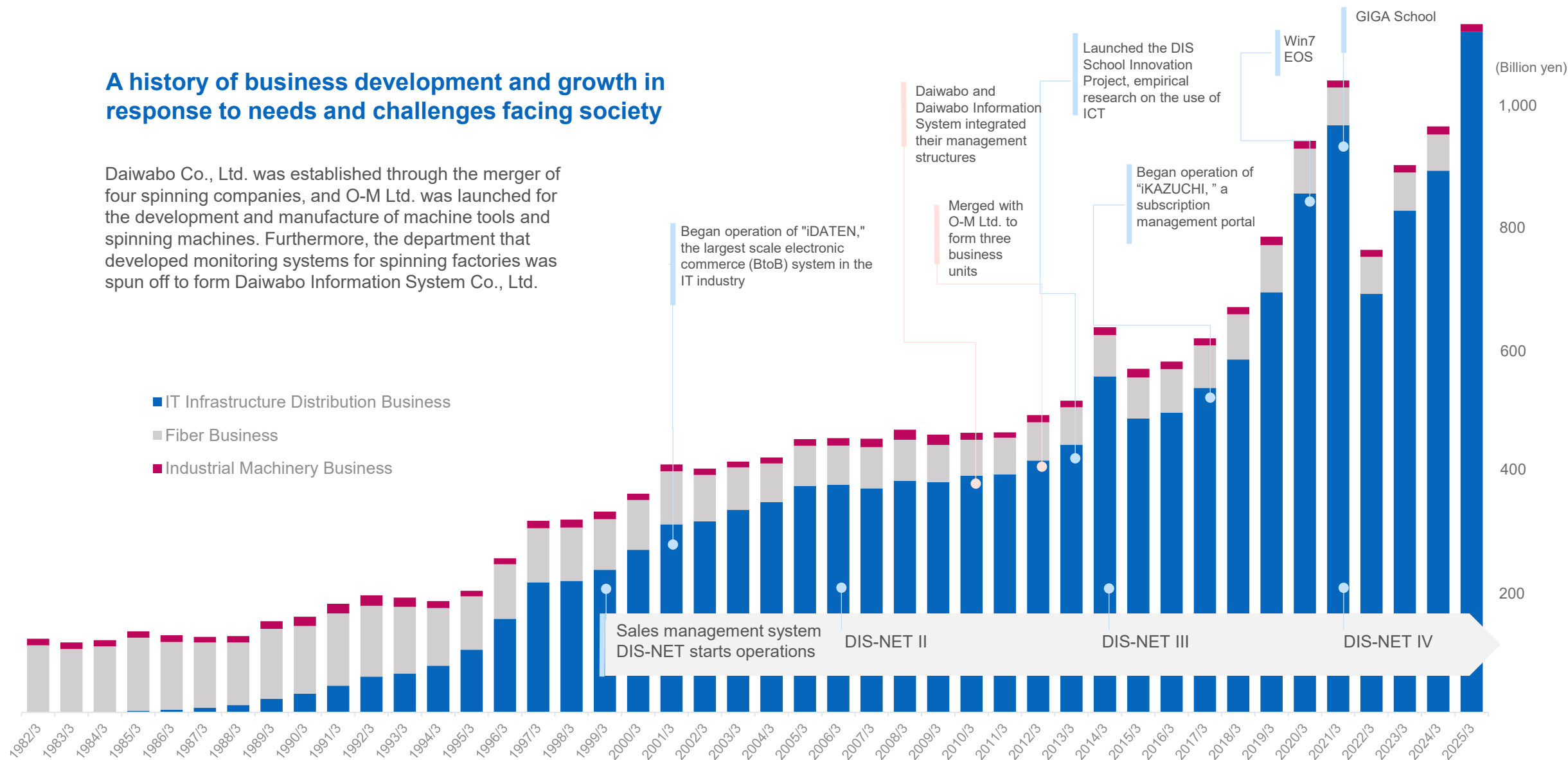


- 1941. 4** **Daiwabo** was established through the merger of four companies: Kinka Boseki, Hinode Boshoku, Izumo Seishoku, and Wakayama Boshoku
- 1949. 5** Daiwabo was listed on the First Section of the Tokyo Stock Exchange
- 1949. 7** Daiwabo spun off its Shinji Plant to establish Daiwa Machinery Co., 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's founding

2000 iDATEN starts operations

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

1996/3
Breaks through 100 billion yen

1999/3
Breaks through 200 billion yen

2003/3
Breaks through 300 billion yen

2000
DIS listed on the 1st
Section of the Tokyo Stock
Exchange

2003/3
Breaks through 400 billion yen

2014/3
Breaks through 500 billion yen

2012/3

2019/3
Breaks through
600 billion yen

2020/3
Breaks through
800 billion yen

2021/3
Breaks through
900 billion yen

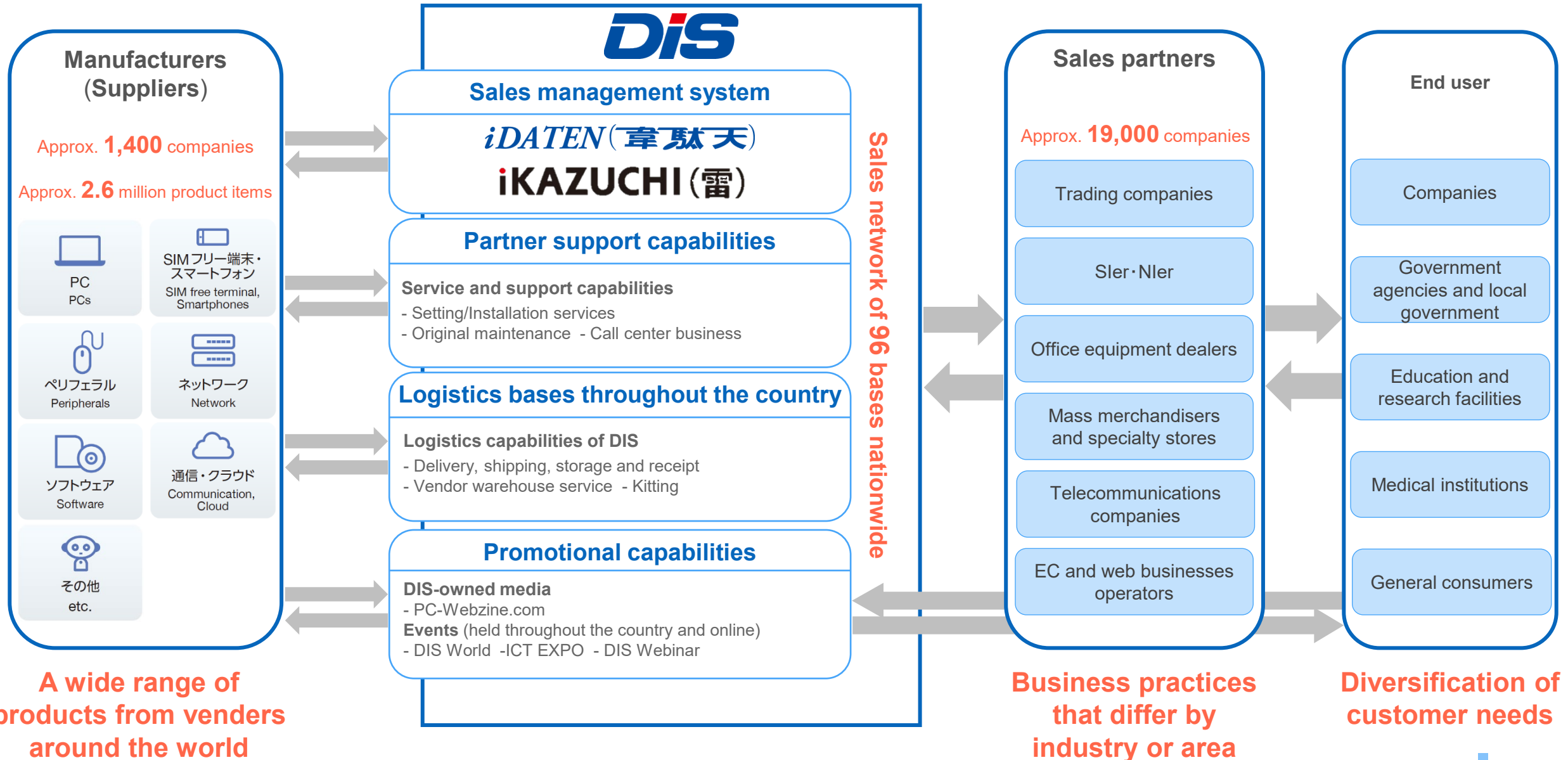
2025/3
Breaks through
1 Trillion yen

2009 Management integration

- Positioned as "IT Infrastructure Distribution Business" under the HD structure

**DIS non-consolidated
trend in net sales**

The Business Structure of IT Infrastructure Distribution Business



Role and Added Value of Distributors

Manufacturers (Suppliers)

Approx. 1,400 companies
Approx. 2.6 million product items

Product development
Sales / promotions
Orders / production
Inventory / shipment
Billing / collection

Expand sales channels and improve sales efficiency using DIS's sales network

- Through supply chain management developed over many years, **share demand and needs across the country and reflect them in manufacturers' production plans and promotions**
- By using the logistics center as a warehouse for vendors, **realize shipping combining kitting and combinations with other companies' products in addition to time and cost savings for vendors**
- Collaborate with vendors entering the Japanese market from overseas to **provide sales and distribution networks covering Japan**

Integration
/
collaboration
/
agency

DIS

Role of DIS

Integration
/
collaboration
/
agency

Sales network of
96 bases
nationwide

Logistics center

Product selection
/ proposal

Identification of
market needs

Kitting

Maintenance and
support

Selection	Setup
Proposal	Delivery
Estimate	Payment
Order	Customer handling

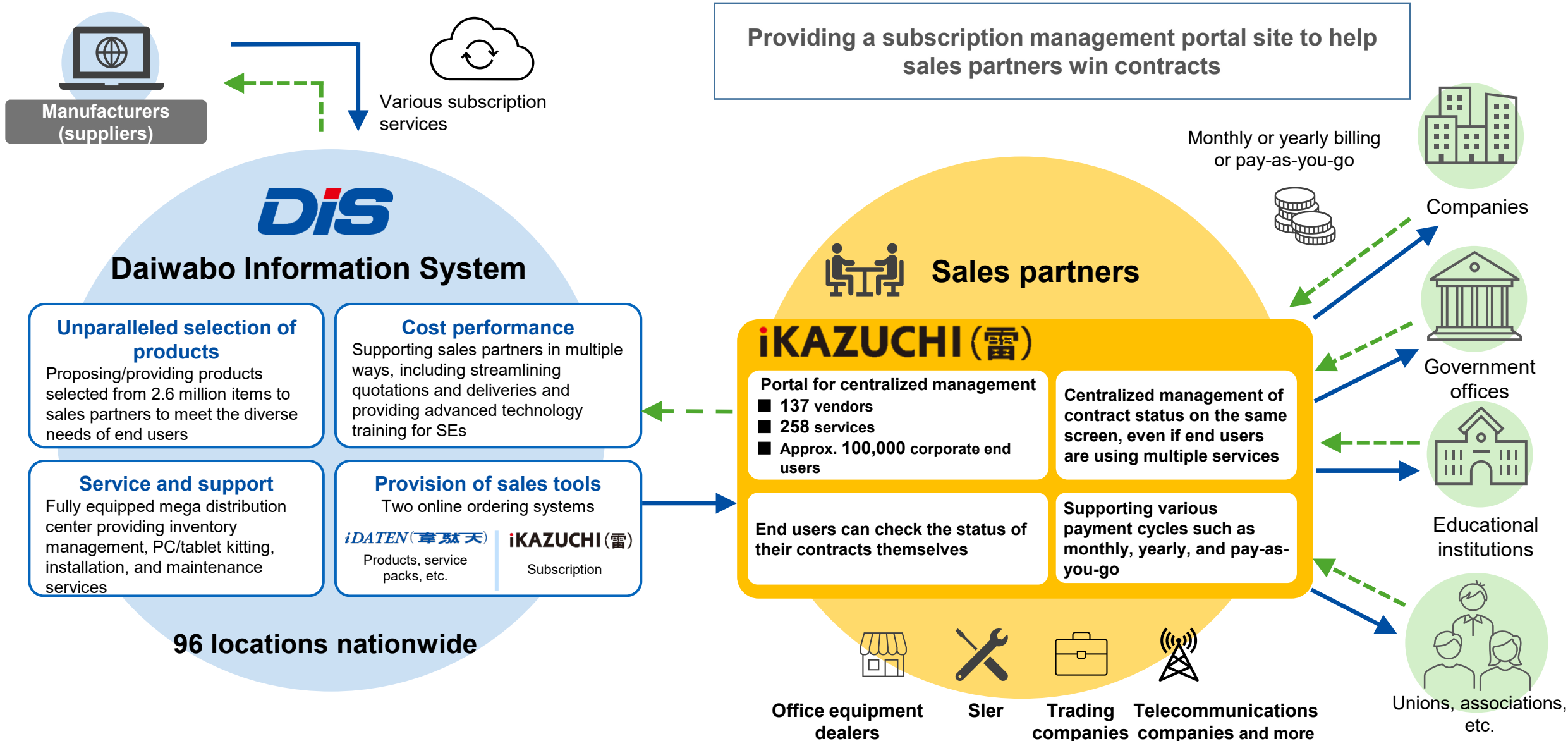
Sales partners

Approx. 19,000 companies

Focus on businesses they specialize in by effectively utilizing DIS functions

- Propose / offer products and information of various vendors **in the best mix**
- From extensive inventory, **deliver quickly to end users nationwide** on behalf of sales partners
- **Provide one-stop technical services** such as pre-shipment kitting, operation, maintenance, and extended warranty
- **Create demand using nationwide bases**, such as holding events and promotions tailored to regional characteristics

iKAZUCHI Business Model



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

Robot storage system

-> Greater work efficiency and optimization of space

[Number of robots operating]

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

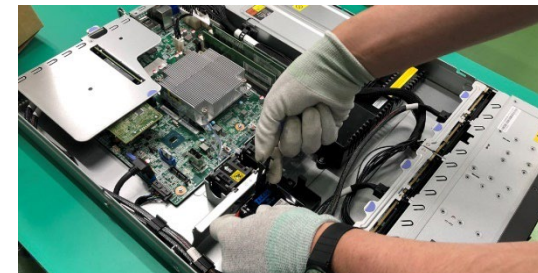
Also equipped with kitting centers

-> Arrival > work > quick handling for shipment

PCs and tablets : **262,000** units a year
Kitting results (2025/3)

Truck booking acceptance system

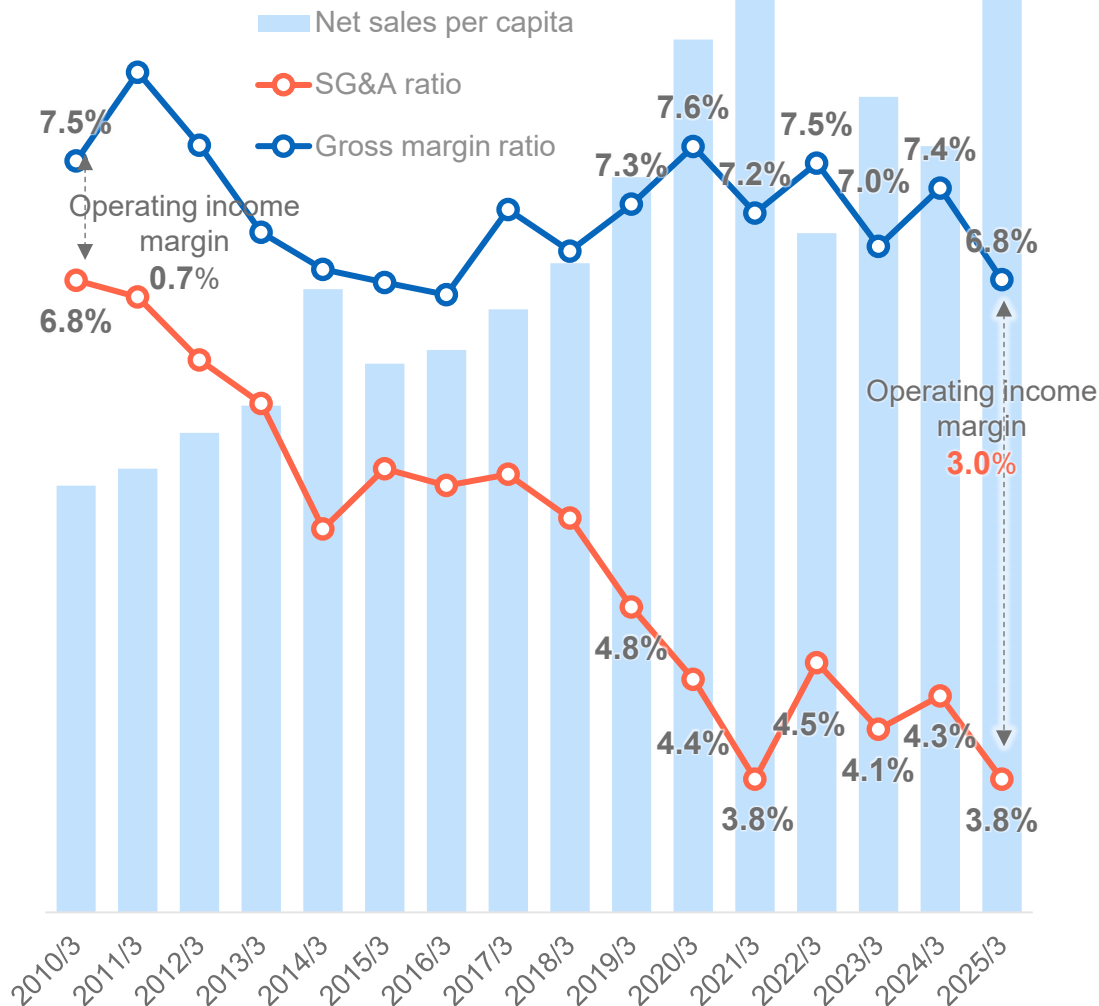
→ Sharing of incoming and outgoing information and vehicle leveling



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

Sales Efficiency Improvement and Low-Cost Operation

IT Infrastructure Distribution Business Results

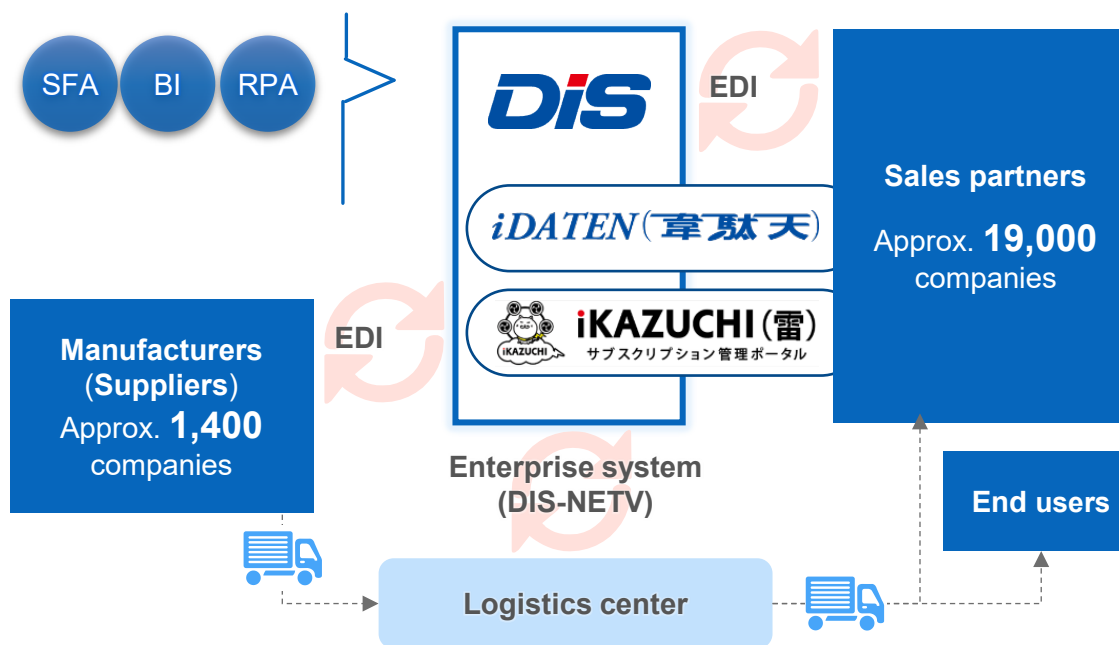


*The above results differ from segment results since consolidation adjustments are not reflected.

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.



Vertical lathes



- ❑ **No. 1 share in Japan** for both medium- and large-sized lathes (Cumulative shipments exceeded **7,700** 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

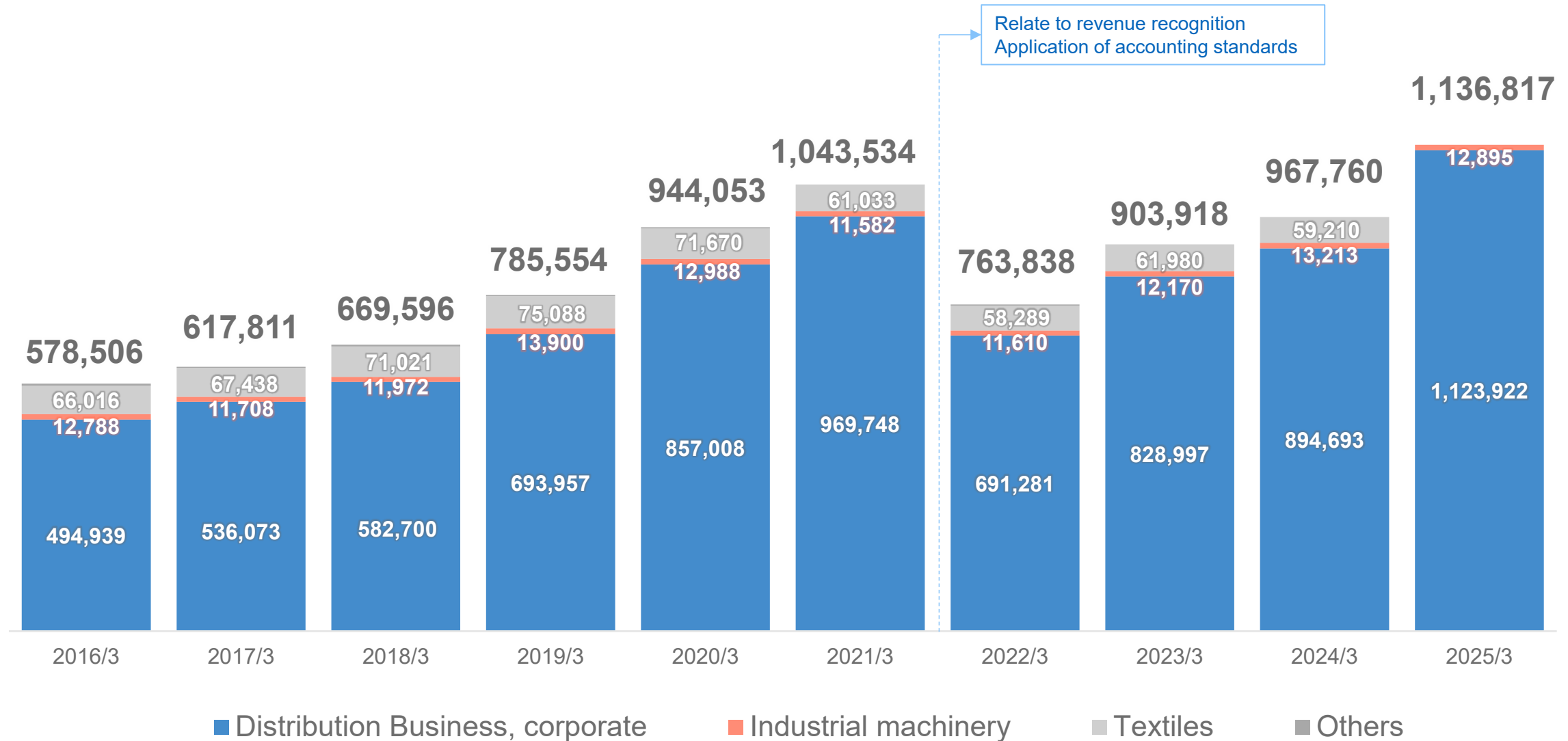
Automatic machinery



- ❑ 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

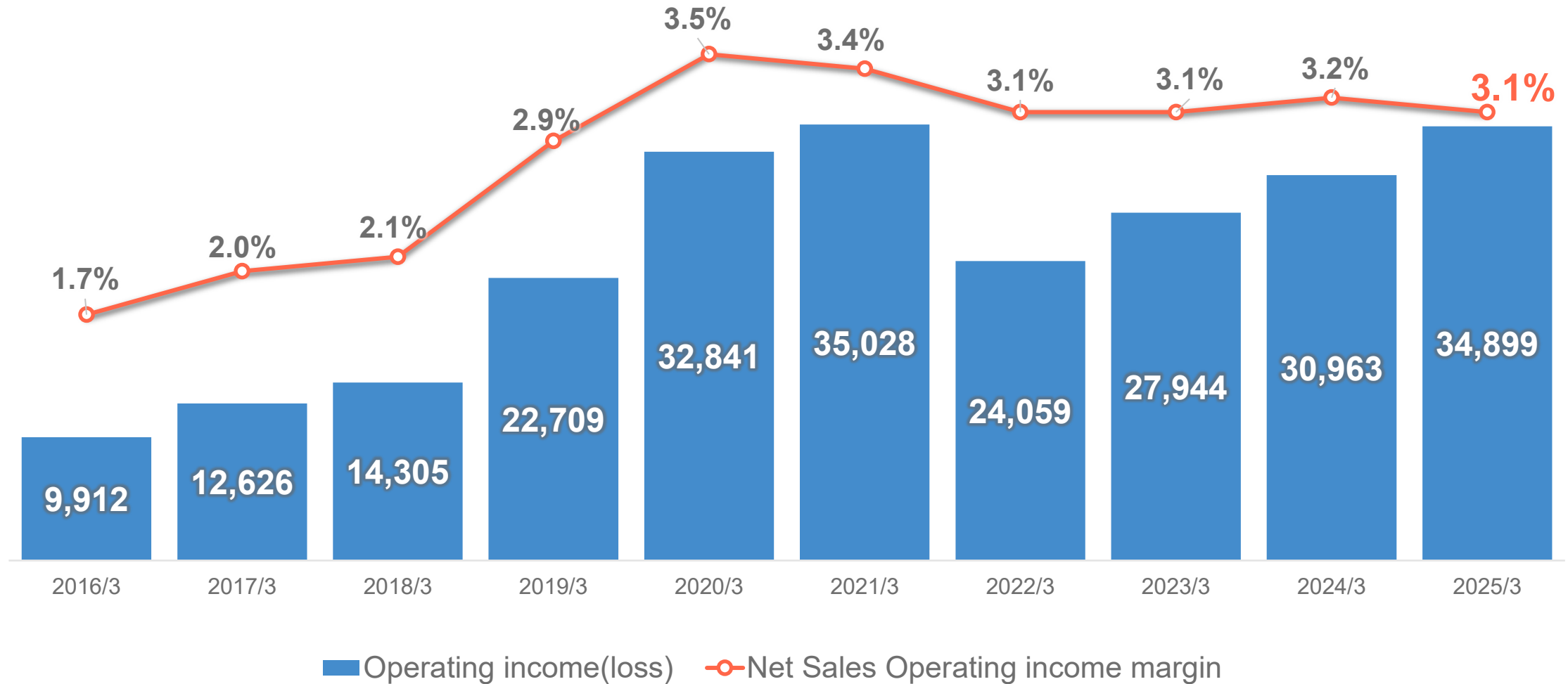
Consolidated net sales

(million yen)



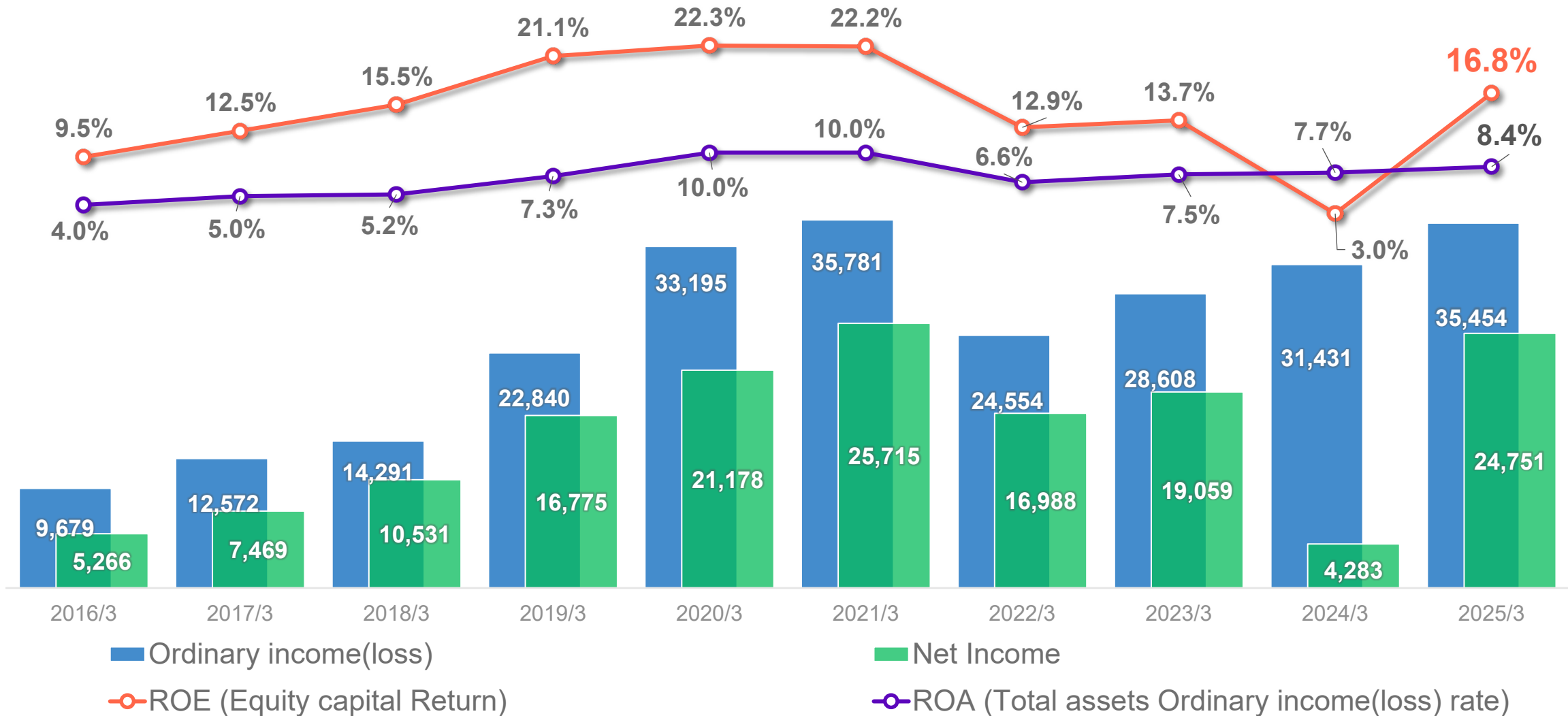
Consolidated Operating income

(million yen)

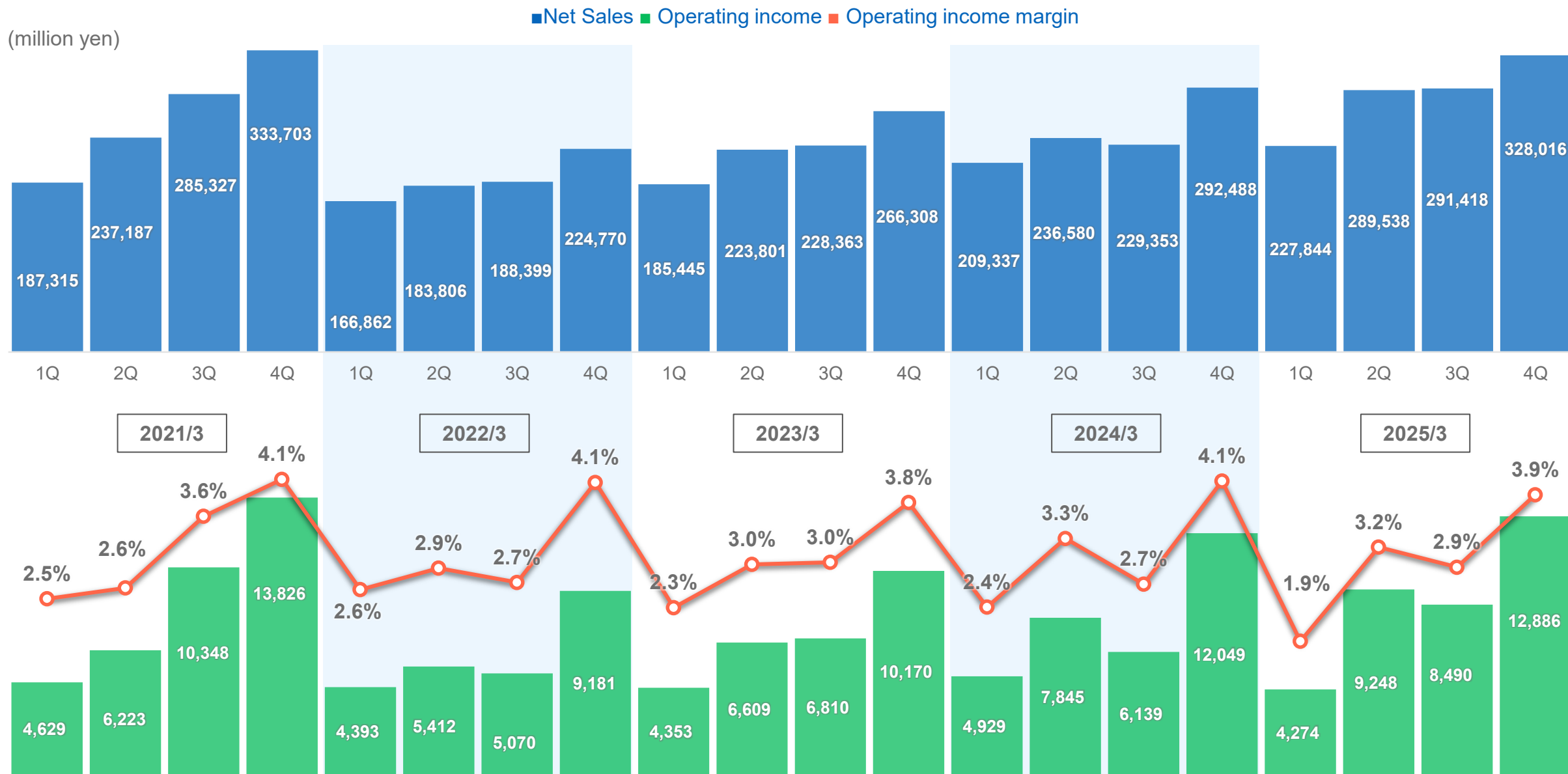


Consolidated Ordinary income and Consolidated Net Income

(million yen)

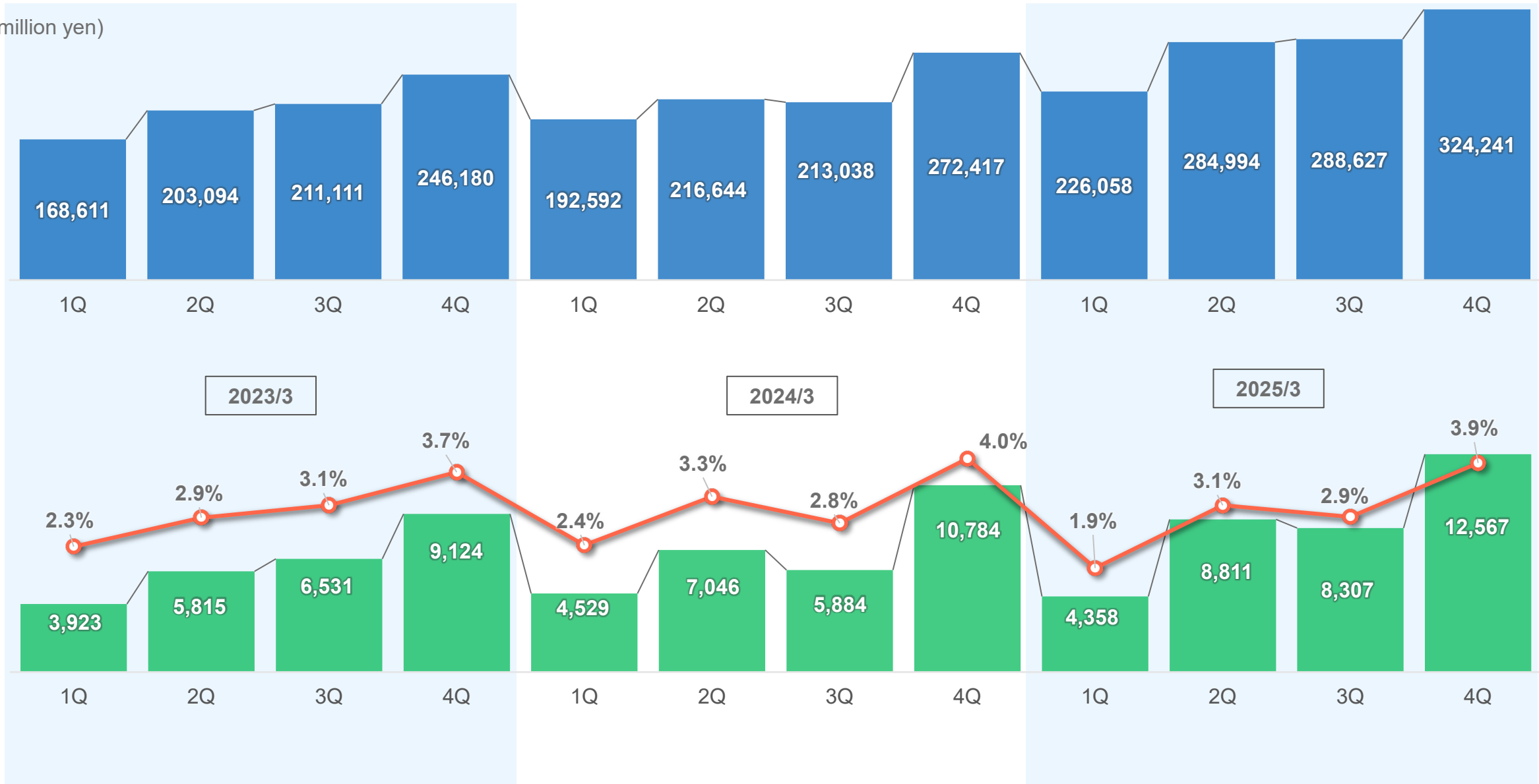


Quarterly performance



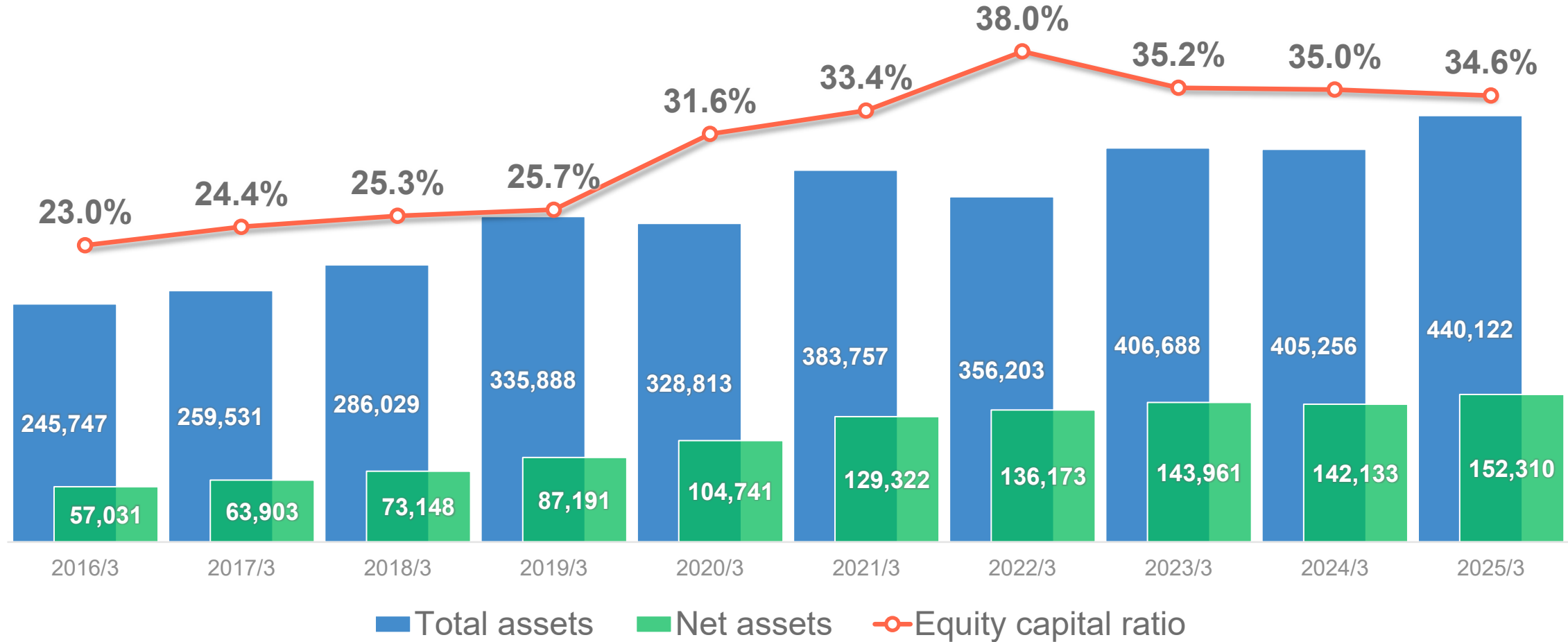
IT infrastructure Distribution Business Quarterly Results

(million yen)



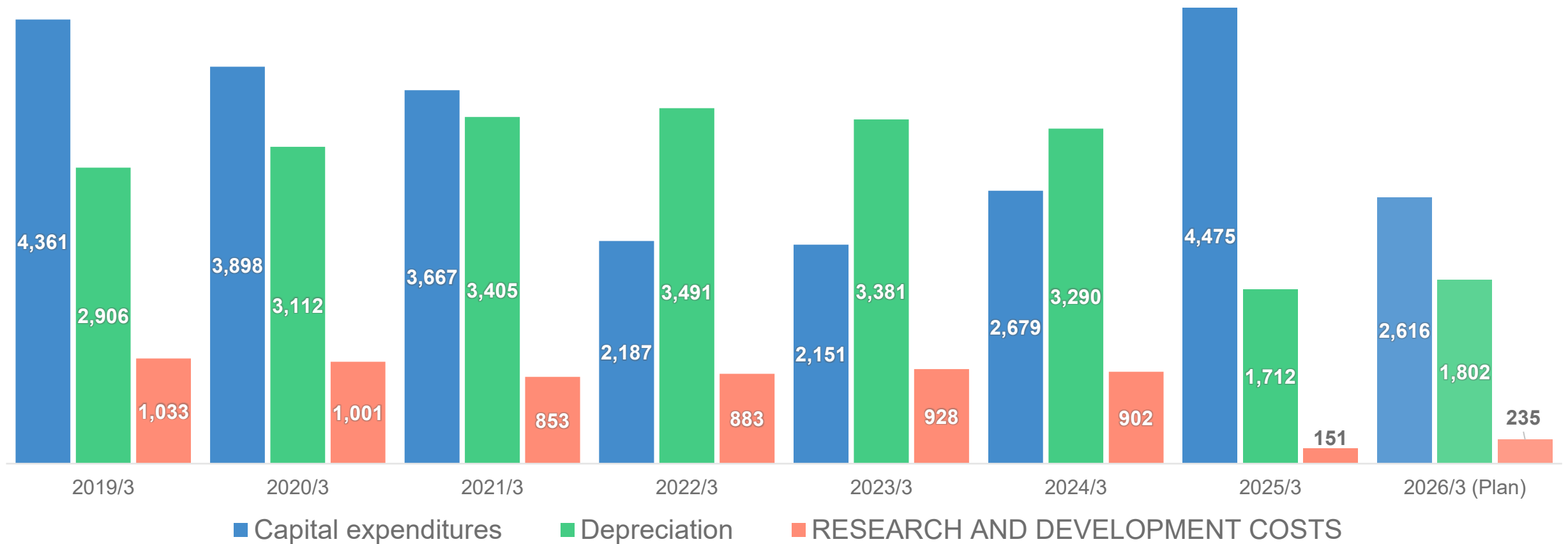
Consolidated Total assets, Consolidated Net Assets and Equity capital ratio

(million yen)

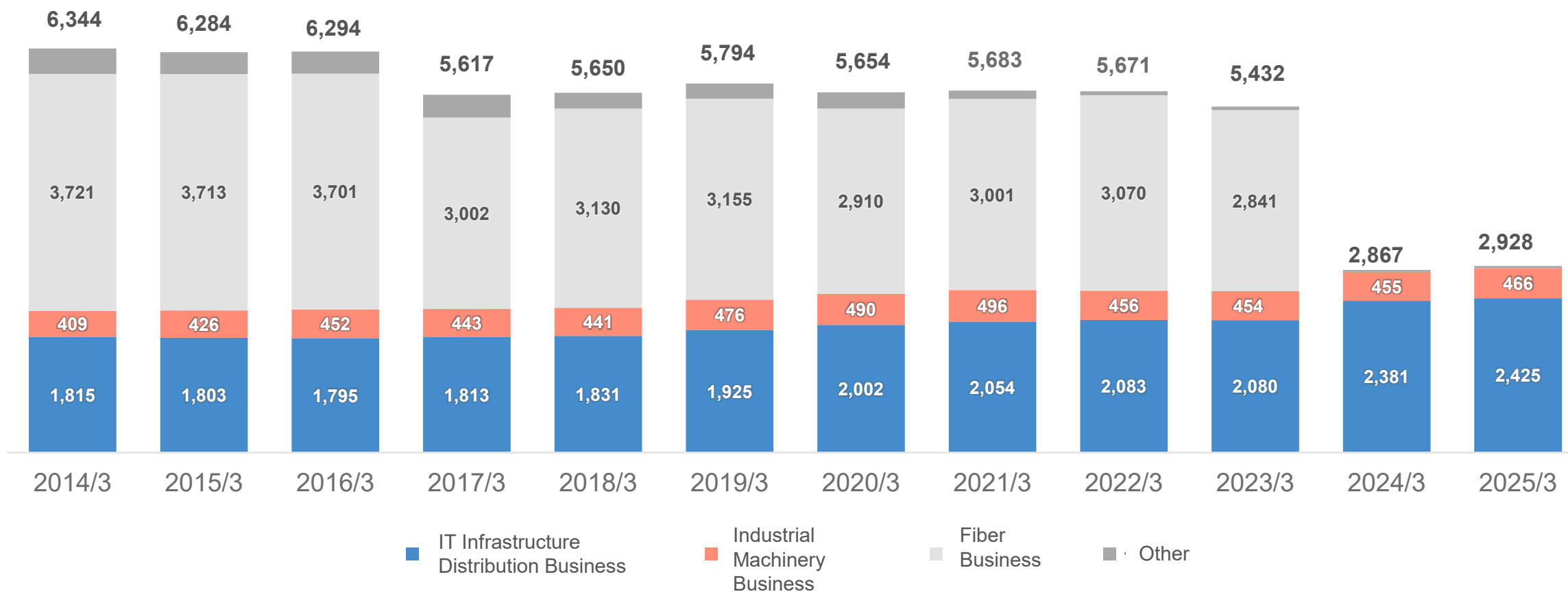


Capital Expenditures, Depreciation and R&D Expenses

(million yen)



Number of employees by segment



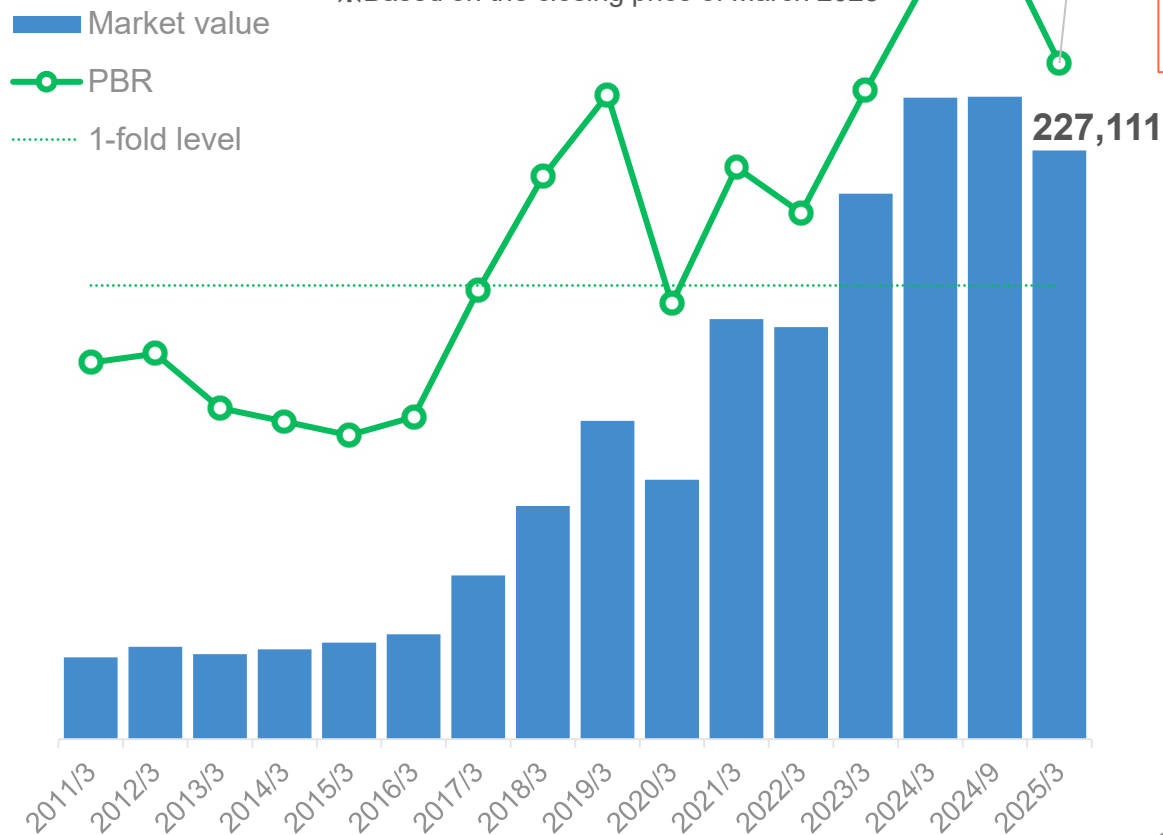
※Number of employees as of the last day of each fiscal year (March 31)

Stock Price Range

PBR 1.49 times

Market value 227.111 billion yen

※Based on the closing price of March 2025



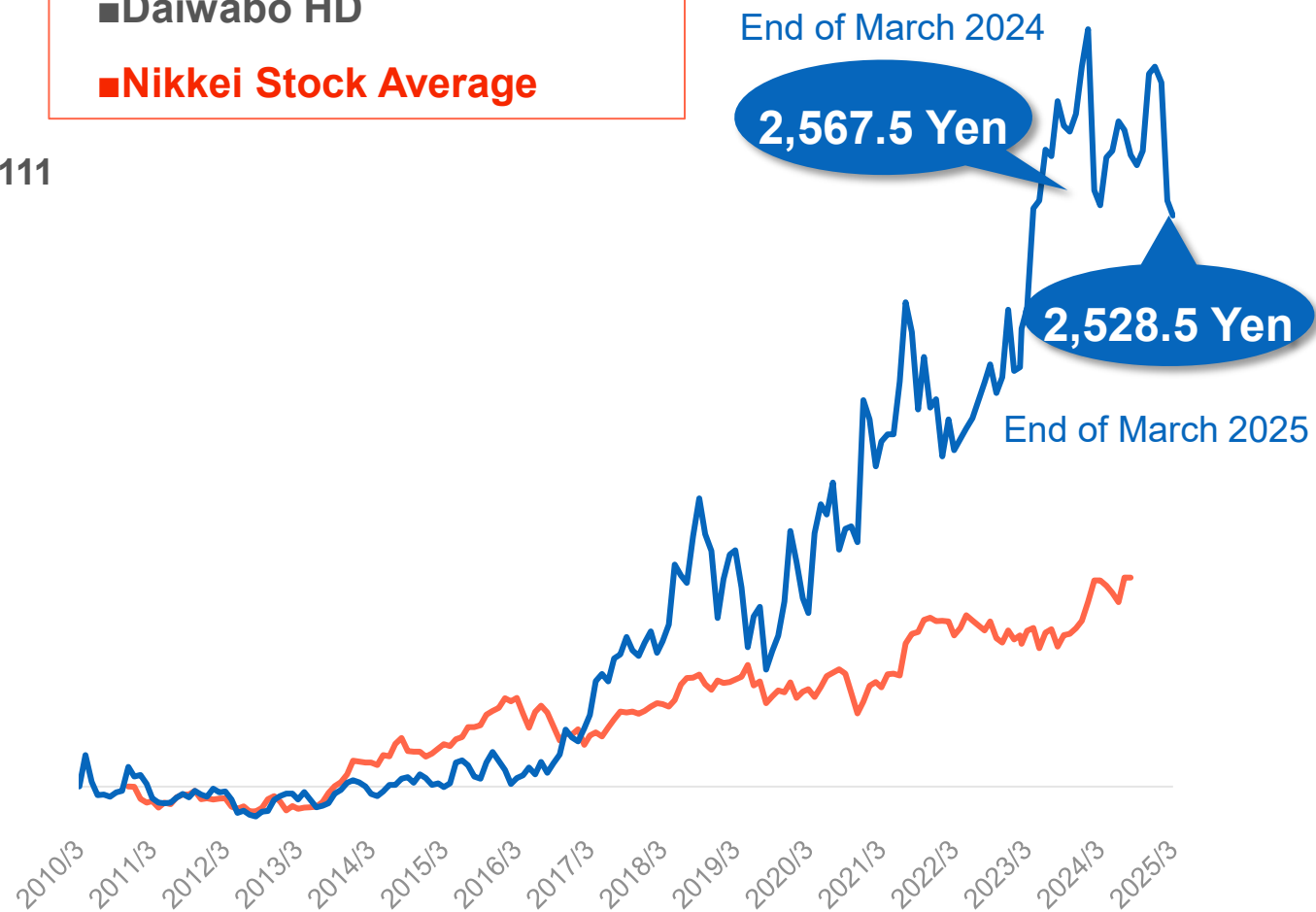
(million yen)

Relative stock price



(monthly/closing price basis)

■ Daiwabo HD

■ Nikkei Stock Average



※Company stock prices are retrospectively shown for a reverse stock split (2017/10/1) and stock split (2021/4/1)

Head Office	ZIP CODE 530-0005 Nakanoshima Festival Tower West, 3-2-4 Nakanoshima, Kita-ku, Osaka	
Date established	Founded as Daiwa Spinning	April 1, 1941
	Established Daiwabo Holdings Co., Ltd.	July 1, 2009
Number of Employees	2928 (as of March 31, 2025)	
Share capital	21,696,744.9 thousand yen	
Equity securities	TSE Prime Market Stock Code 3107/Industry: Wholesale Trade <JPX Nikkei Index 400 constituents>	
Business Activities	IT Infrastructure Distribution Business	Sales of computers, peripherals and software And logistics services
	[Core companies]  Daiwabo Information System Co., Ltd.	Introduction, maintenance and repair services of computer equipment, etc.
	Industrial Machinery Business	Manufacture and sale of machine tools, automatic machinery and casting products
	[Core companies]  O.M. Ltd.	

※Daiwabo Co., Ltd. became independent on March 27, 2024.
(85% of issued shares transferred to ASPARANT GROUP CO., LTD.)



Daiwabo Holdings Co., Ltd.

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



The 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>

[Disclaimer]

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