





# Deeply Cultivate Niche Markets in Growth Areas

## Wide lineup of businesses

As a trading company mainly operating business in triangular market including Japan, China and ASEAN countries, a wholesaler Daimaru Kogyo provides a wide variety of products and services and strives to meet the needs of the times and markets to satisfy our customers with all our operations ranging from material procurement to after-sales care.

Our main products include food, electronic components, metal and resin products, packaging materials and chemicals. We also render various services including solution proposals concerning information systems and insurance services as a life and non-life insurance agent.

## Strengthen business in China and the ASEAN region

Daimaru Kogyo has a total of 13 business places including five domestic locations such as Tokyo, Nagoya and Osaka and eight foreign locations including Shanghai, Hong Kong, Nansha, Taipei, Bangkok, Ho Chi Minh, Yangon and Jakarta.

China and the ASEAN region where we operate have the population of approximately 1.9 billion people, which accounts for nearly 30% of the world's population of seven billion. Though their GDP is only approximately 15% of the world total, they are expected to further grow economically in the future against the backdrop of abundant labor force and natural resources.

In the past, the company mainly purchased raw materials and products from Japan and abroad and sold them to customers in Japan. In the future, we will use our strength of having many bases in China and the ASEAN region to reinforce overseas operations. In January 2012, Daimaru Kogyo (Thailand) Co., Ltd. was established in Thailand. In addition to the expansion of the product range of resin materials, automotive parts and food materials, its operations include buying and selling in Thailand and export and import. As a core base in the ASEAN region, the company will stimulate and expand transactions utilizing four bases in the same region.

For the Chinese market, based in Daimaru Kogyo International Trading in Shanghai, we will strive to expand our business in China by stepping up efforts to find new suppliers in the field of electronic devices, expanding the range of products related to vehicles and metals, industrial

materials, textiles and miscellaneous goods and others and developing new businesses.

Furthermore, in January 2105, our Taipei office was incorporated and Taiwan Daimaru Kogyo, Ltd. was established. The company imports metals and vehicles, chemicals and electronic components from Japan and expands transactions in Taiwan and export based in Taiwan.

## Focus on growth areas

We will strengthen businesses using these overseas bases and focus on the growth areas of each business to achieve sustainable growth.

Specifically, in the field of metalworking and resin processing, amid a major shift in automobile technological innovation to electric vehicles, we are actively working to supply mass produced components for eco-friendly cars, starting from trial production. In the field of chemicals, while selling raw materials including civil engineering materials as an agent for major raw material manufacturers, we buy products including containers made by manufacturers to which we sell raw materials and sell them to manufacturers of cosmetics, food and other products.

## Create synergy with other companies of the Group

Daimaru Kogyo jointly develops with Daimaru Matsuzakaya Department Stores the items suitable for mid-year and year-end gifts including seaweed, shiitake mushrooms, canned crab meat and seasonings to sell them at Daimaru and Matsuzakaya stores

across Japan. The company clarifies quality standards including the methods of selecting and processing raw materials and solely undertakes the entire process from production to delivery. And for consumers, Daimaru Kogyo provides reassurance by ensuring that certificates of origin and production evidence accompany these quality products.

The company also imports wine and food directly from France and Italy to sell them at Daimaru and Matsuzakaya stores. We select and import excellent products made with a focus on quality, scent and taste including wine recommended by a famous French chef Paul Bocuse.

Using such know-how, Daimaru Kogyo entered retail business that undertakes the operations of liquor departments of Daimaru Matsuzakaya Department Stores in March 2010. Starting from three locations including Daimaru Shinsaibashi, Kyoto and Kobe stores, we are gradually expanding locations. As of May 2015, the company is entrusted with the operation of liquor departments in nine flagship stores including Daimaru Umeda, Tokyo and Sapporo and Matsuzakaya Nagoya, Ueno and Shizuoka stores.

The undertaking of all operations from planning and procurement to sales also contributes to streamlining department store operations. In the future, while increasing the product range using direct import function and strengthening sales capabilities to further improve operating revenue, Daimaru Kogyo will deepen partnership with not only department stores but also direct marketing, design and construction, restaurants and other companies in the Group in pursuit of greater synergy.

