

# Wholesale

Wholesale Business



# Using Diversity to Deeply Cultivate Niche Markets

## Wide lineup of businesses

As a trading company mainly operating business in the three regions of Japan, China and ASEAN countries, a wholesaler Daimaru Kogyo provides a wide variety of products and services and tries to meet the needs of the times and markets to satisfy customers in every business field ranging from the procurement of materials to after-sales care.

Our main products include chemicals, packaging materials, metal/resin products, housing/building materials, electronic parts and food products. And we render various services including the proposal of solutions concerning information systems and insurance services as a non-life/life insurance agent. Liquor retail is also included in our business portfolio and we are entrusted with the operations of liquor departments at department stores.

## Strengthening businesses in China and the ASEAN region

Daimaru Kogyo has a total of 15 business places including six domestic locations such as Tokyo, Nagoya and Osaka and nine overseas locations including Shanghai, Dalian, Nansha, Hong Kong, 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, nearly 30% of the world's population of seven billion. Though their GDP is only approximately 12% of the world total, they are expected to further economically grow in the future against a 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 to build a business base in the ASEAN region. Its operations include buying/selling and export/import in Thailand. The company will stimulate and expand transactions utilizing our four core bases in the ASEAN region.

With regard to the Chinese market, we will enhance electronic devices and expand our business in China, based in Daimaru Kogyo International Trading in Shanghai.

## Focus on growth areas

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

Specifically, in the field of metal/resin products, amid a major shift in automobile technological innovation to electric vehicles, we will work actively to supply mass produced parts for eco-friendly cars, starting from trial production. In the field of chemicals, we will conclude a distributorship agreement with a chemical material manufacturer in Taiwan to increase the handling of raw materials and boost sales. In the field of food products, we will increase the range of Nordic processed marine products imported to Japan through Chinese processors and consider entering the feed and fertilizer business.

## Creating synergy with other businesses 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, which are sold at Daimaru and Matsuzakaya stores throughout 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. Daimaru Kogyo prepares reliable certificates of origin and production evidence and provides consumers with carefully manufactured products together with reassurance.

Daimaru Kogyo imports wine and food directly from France and Italy to sell them at Daimaru and Matsuzakaya stores and the supermarkets of Peacock Stores. The company selects and imports 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 undertook the operations of liquor departments in some locations of Daimaru Matsuzakaya Department Stores in fiscal 2010 and entered the retail field. And the company aims to operate in more locations. The undertaking of all operations from planning and procurement to sales contributes to the streamlining of department store operations as well.

In pursuit of greater synergy, Daimaru Kogyo will deepen partnership with other companies of the Group including direct marketing, design and construction and a restaurant chain as well as department store and supermarket chains.

