

Wholesale  
Wholesale Business



# 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 14 business places including five domestic locations such as Tokyo, Nagoya and Osaka and nine foreign locations including Shanghai, Hong Kong, Nansha, Yantai, 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 to build a business base in the ASEAN region. Its operations include buying and selling and export and import in Thailand. As a core base in the ASEAN region, the company will stimulate and expand transactions utilizing our four bases in the same region. For 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 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, we concluded a distributorship agreement with a chemical material manufacturer in Taiwan to expand the lineup of raw materials and boost sales. Our initiatives in the field of food include expansion of the range of Nordic processed marine products imported to Japan through Chinese processors, supply of fresh vegetables from Japan and other countries to restaurants and expansion of export business of Japanese beef.

## 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 2013. Starting from three locations including Daimaru Shinsaibashi, Kyoto and Kobe stores, we are increasing locations in stages. As of May 2014, the company operates 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 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 of the Group in pursuit of greater synergy.

