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Financial Results Materials for the Six Months of the Fiscal Year Ending March 31, 2027

November 11, 2026

Daiwabo Holdings Co., Ltd.

(Securities Code: 3107)

Agenda

1. Financial Results for the Q2 of the Fiscal Year Ending March 31, 2027 _P 2

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- Outline of Medium-Term Management Plan (March 2025 to March 2027)
- Business Overview
- “Transaction Volume” of IT Infrastructure Distribution Business
- Performance Graph

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Financial Results for the Six Months of the Fiscal Year Ending March 31, 2027 (Interim Period)

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Consolidated Financial Results Highlights

Strong first-half sales performance, exceeding prior-year with contributions from large server&network orders
Full-year guidance raised on robust orders and expected benefits from strategic procurement

First-Half Results Consolidated Net Sales

677.3 billion yen

Year-on-year change	+3.1%
Progress toward full-year forecast	49.5%

First-Half Results Consolidated Operating Income

20.7 billion yen

Year-on-year change	(7.4%)
Progress toward full-year forecast	48.3%

First-Half Results Operating profit margin

3.1%

First-Half of previous year: 3.4%

Full-Year Forecast (Revised) Consolidated Net Sales

1.369 trillion yen

Year-on-year change	+1.3%

Full-Year Forecast (Revised) Consolidated Operating Income

43.0 billion yen

Year-on-year change	(2.6%)

Year-end Forecast Key Management Indicators

ROE	17.0%
ROIC	14.9%

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Summary of the Q2 of the Fiscal Year Ending March 31, 2027

The Group

- ❑ Strengthening the earnings base beyond PC unit sales through large server and network orders, strategic procurement to stabilize earnings, and new AI-related demand capture
- ❑ Branding initiatives underway ahead of the adoption of the new trade names "MUSUBITE" and "DIS" on April 1, 2027

IT Infrastructure Distribution Business

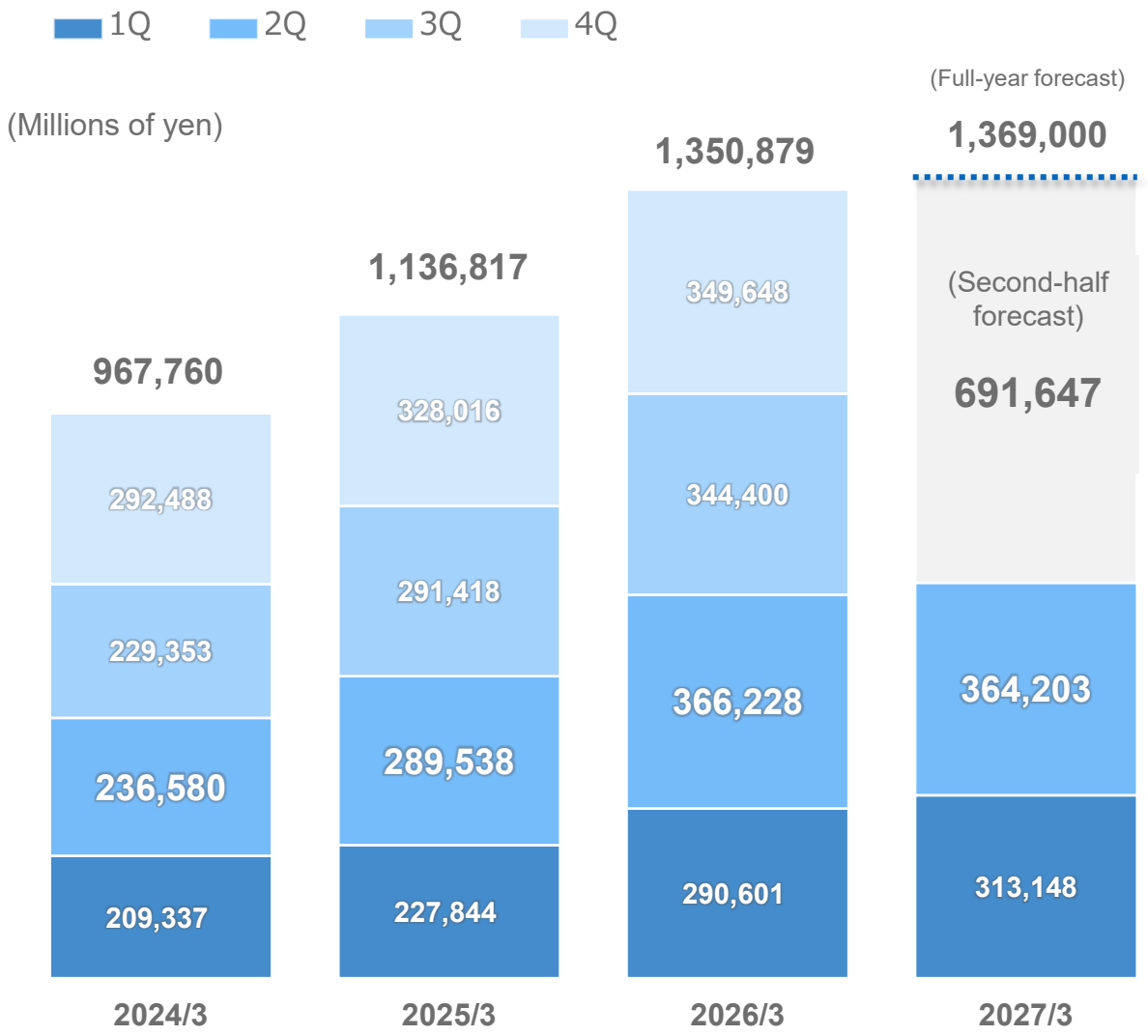
- ❑ PC unit prices excluding the GIGA School program up approx. 45% from the previous fiscal year-end. Strategic procurement continuing in anticipation of further price increases and resilient demand. Server delivery delays easing, with higher selling prices also contributing to performance
- ❑ AI-related sales promotion conducted jointly with sales partners has paid off, with demand materializing mainly for AI PCs and generative AI. Steady growth in results

Industrial Machinery Business

- ❑ Following Q1, orders received in the machine tool business increased significantly in Q2 as well, driven by demand from the mainstay aircraft industry as well as the strong shipbuilding and energy industries. Progress in sales from orders received in the previous fiscal year
- ❑ Stepped-up sales promotion for in-stock machines, with orders also secured at overseas trade shows

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Net Sales for the Q2 of the Fiscal Year Ending March 2027



Net sales **677.352 billion yen**

YoY change **+3.1%**

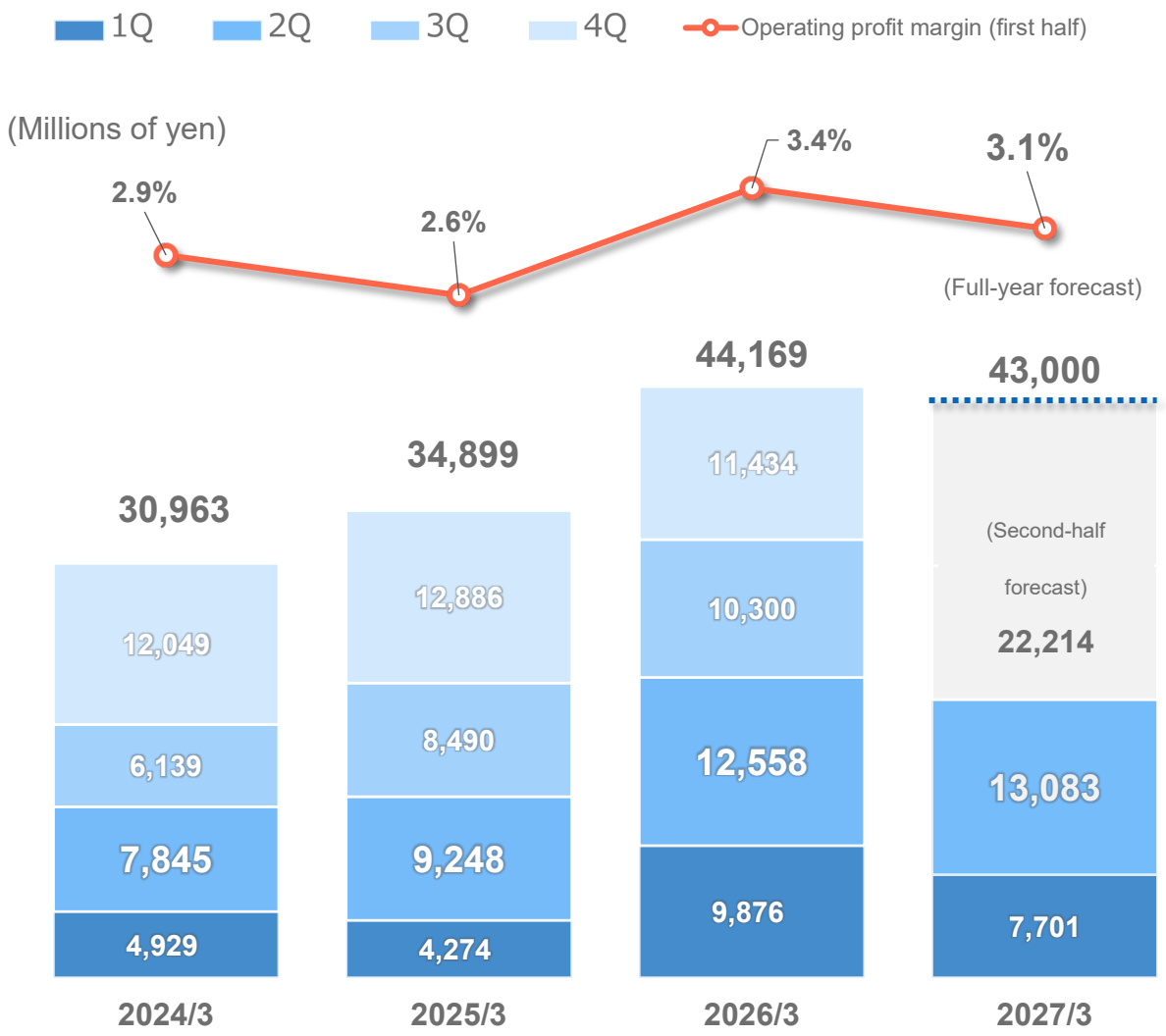
Progress rate : Full Year 49.5%

Surpassing prior-year's first-half record

Record-high first-half net sales

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Operating Income for the Q2 of the Fiscal Year Ending March 2027



Operating income **20.785 billion yen**

YoY change **(7.4%)**

Operating profit margin **3.1%**

Progress rate : Full year forecast 48.3%

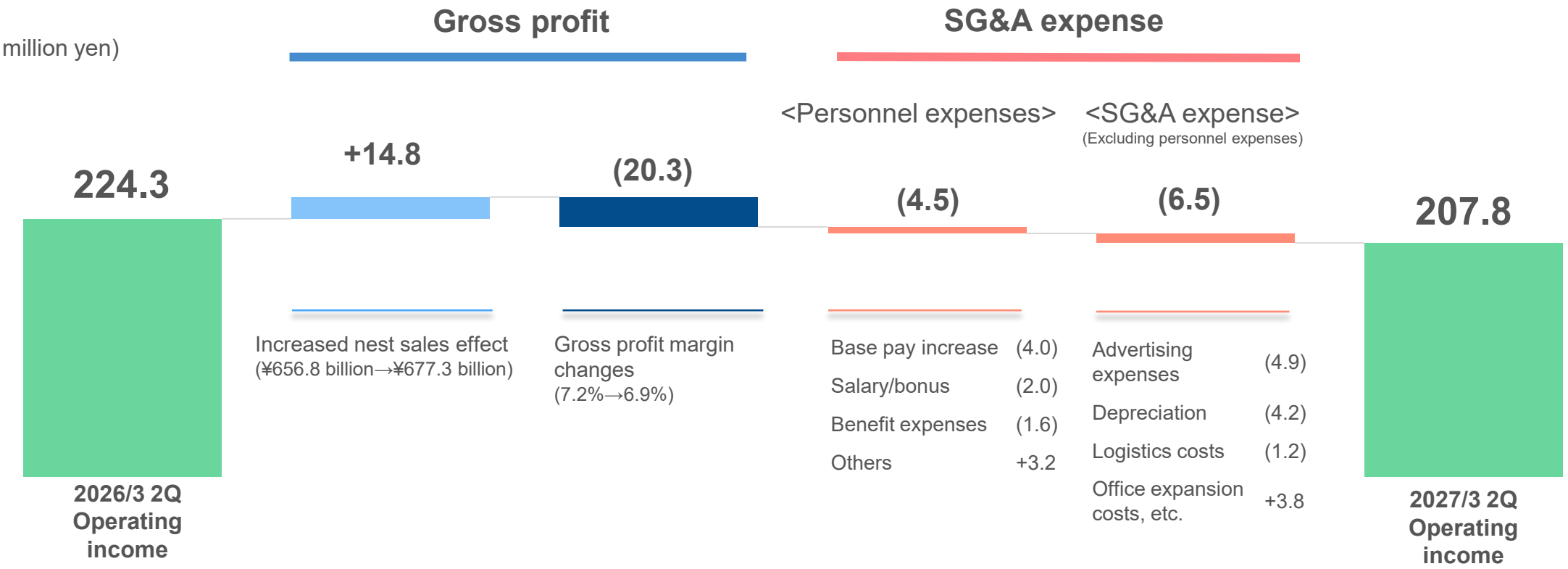
Second-highest level ever for a first half

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Operating Income Trend in Q2 for the Fiscal Year Ending March 2027

- Gross margin improved to 7.2% in Q2 (Jul–Sep) from 6.6% in Q1 (Apr–Jun), but the decline from the high level in Q1 of the previous fiscal year had a negative impact of ¥2.03 billion
- SG&A expenses up ¥1.1 billion due to base pay increases and higher advertising expenses, including rebranding initiatives

(100 million yen)



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Consolidated Financial Results of Q2 for the Fiscal Year Ending March 31, 2027

(Millions of yen)	2026/3 2Q	2027/3 2Q	Change	YoY Changes	Revised Full-Year Forecast	Progress rate
Net sales	656,830	**677,352**	+20,522	+3.1%	1,369,000	49.5%
Operating income	22,435	**20,785**	(1,649)	(7.4%)	43,000	48.3%
Ordinary income	22,608	**20,786**	(1,821)	(8.1%)	43,050	48.3%
Profit attributable to owners of parent	15,736	**14,572**	(1,164)	(7.4%)	30,500	47.8%
Earnings per share (yen)	176.04	**168.95**	(7.10)			

(Millions of yen)	2026/3	2026/9	Change	Main reasons for change
Total assets	462,072	**545,556**	+83,483	Increase goods and products inventory
Net assets	169,829	**175,239**	+5,410	Increase in retained earnings
Capital adequacy ratio	36.8%	**32.1%**		

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Performance by Segment in the Q2 of the Fiscal Year Ending March 31, 2027

- Net sales increased due to large servers and networks orders in the IT infrastructure distribution business and growth in machine tool sales in the Industrial Machinery Business
- Operating income decreased, reflecting a gross profit margin in the IT infrastructure distribution business that fell below the high level of Q1 of the previous year

(Millions of yen)		2026/3 2Q	2027/3 2Q	Rate	Change	YoY change
Net sales	IT Infrastructure Distribution	649,692	**669,980**		+20,287	+3.1%
	Industrial Machinery	7,137	**7,372**		+234	+3.3%
	Total	656,830	**677,352**		+20,522	+3.1%
Operating income	IT Infrastructure Distribution	21,843	**19,985**	3.0%	(1,858)	(8.5%)
	Industrial Machinery	585	**792**	10.8%	+207	+35.4%
	(Adjustments and eliminations)	5	7		+1	+29.5%
	Total	22,435	**20,785**	3.1%	(1,649)	(7.4%)

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Consolidated Balance Sheet for Q2 of the Fiscal Year Ending March 31, 2027 (P.3-4 on Brief of Consolidated Settlement of Account)

(Millions of yen)	2026/3	2026/9	Change
Current assets	426,508	**508,872**	+82,363
Cash and deposits	45,152	**10,708**	(34,443)
Notes and accounts receivable - trade	302,472	**337,831**	+35,358
Goods and products	58,720	**130,979**	+72,259
Tangible fixed assets	12,555	**11,748**	(806)
Intangible assets	6,351	**5,777**	(573)
Investments and other assets	16,657	**19,158**	+2,500
Total assets	462,072	**545,556**	+83,483

	2026/3	2026/9	Change
Current liabilities	278,035	**355,861**	+77,825
Notes and accounts payable	234,698	**268,448**	+33,749
Short-term loans payable	10,904	**56,068**	+45,164
Non-current liabilities	14,208	**14,455**	+247
Long-term loans payable	7,465	**7,233**	(231)
Total liabilities	292,243	**370,316**	+78,073
Total net assets	169,829	**175,239**	+5,410
Treasury shares	(4,288)	**(9,805)**	(5,516)
Total liabilities and net assets	462,072	**545,556**	+83,483

Goods and products	58,720	→	**130,979**	+72,259	Increase in merchandise inventory
Notes and accounts receivable - trade	302,472	→	**337,831**	+35,358	Increase trade receivables in DIS
Notes and accounts payable	234,698	→	**268,448**	+33,749	Increase trade payables in DIS

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Consolidated Statement of Operations for Q2 of the Fiscal Year Ending March 31, 2027 (P.5 on Brief of Consolidated Settlement of Account)

(Millions of yen)	2026/3 2Q		2027/3 2Q		Change	YoY Change
	Actual	Rate	Actual	Rate		
Net sales	656,830		**677,352**		+20,522	+3.1%
Gross profit	47,579	7.2%	**47,034**	**6.9%**	(545)	(1.1%)
SG&A expense	25,144	3.8%	**26,248**	**3.9%**	+1,103	+4.4%
Operating income	22,435	3.4%	**20,785**	**3.1%**	(1,649)	(7.4%)
Ordinary income	22,608	3.4%	**20,786**	**3.1%**	(1,821)	(8.1%)
Extraordinary income	270		**590**		+319	+117.8%
Extraordinary loss	-		**-**		-	-
Profit attributable to owners of parent	15,736	2.4%	**14,572**	**2.2%**	(1,164)	(7.4%)

Extraordinary income	Gain on sale of fixed assets related to a logistics center, and gain on sale of investment securities

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Consolidated Statement of Cash Flows for the Q2 of the Fiscal Year Ending March 2027

(Millions of yen)	2026/3 2Q	2027/3 2Q	Change	YoY change
	Actual	Actual		
Total net cash provided by (used in) operating activities	6,512	**(69,541)**	(76,054)	-
Total net cash provided by (used in) investing activities	(4,795)	**1,528**	+6,324	-
Total net cash provided by (used in) financing activities	(8,000)	**34,550**	+42,550	-
Cash and cash equivalents at beginning of period	55,221	**43,852**	(11,368)	(20.6%)
Cash and cash equivalents at end of interim period	48,808	**10,408**	(38,400)	(78.7%)

* Figures are provisional as the audit review was still in progress as of November 11.

Cash flows from operating activities	Increase in inventories, etc.
Cash flows from investing activities	Decrease in system investment of DIS, sale of tangible fixed assets, etc.
Cash flows from financing activities	Increase in short-term loans payable, etc.

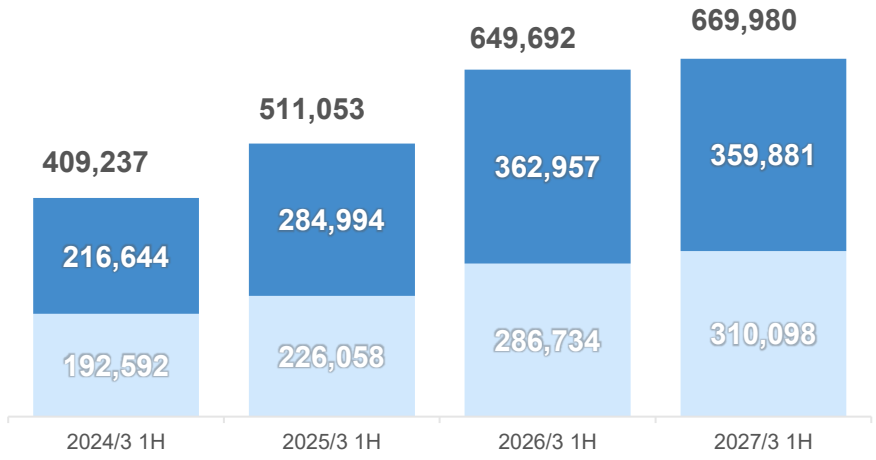
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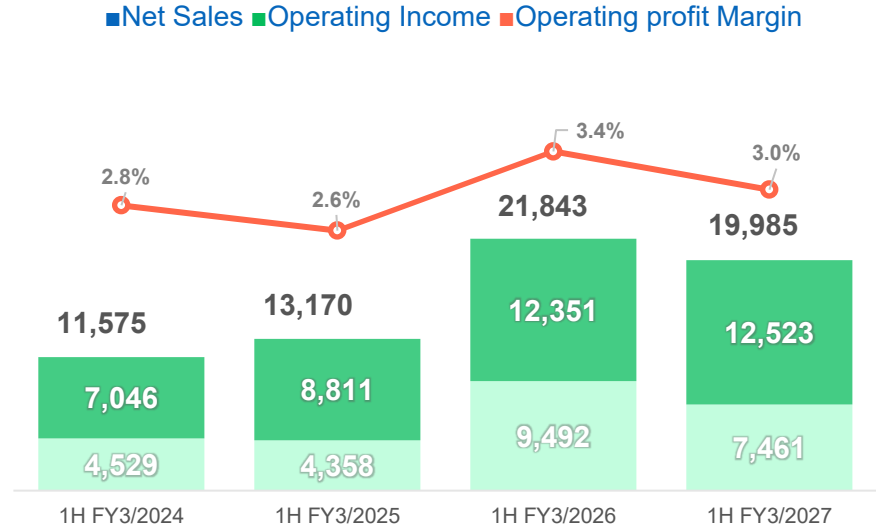
IT infrastructure distribution business

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IT infrastructure distribution business

(Millions of yen)





Transaction volume (based on former accounting standard)	**715.558 billion yen** +3.3% YoY
Net sales	**669.980 billion yen** +3.1% YoY
Operating income	**19.985 billion yen** (8.5%) YoY

PC shipments	**Approx. 2.144 million units** (31.1%) YoY
Servers shipments	**Approx. 20,000 units** (26.2%) YoY
iKAZUCHI transaction volume	**34.492 billion yen** +31.9% YoY

Overview of Results

Q2 (July-September) Results

- Easing of server delivery delays advanced the conversion of orders received into revenue. Large data center-related server and network projects won in Q1 continued to be recorded as sales in Q2. PC sales supported by stronger-than-expected selling price increases and large order wins, but shipment volume and transaction value down year on year in Q2. Sales decreased in Q2 on a standalone basis
- Gross margin improved on lower GIGA School shipment volume year on year in Q2 and benefits from strategic procurement, driving Q2 profit growth on a standalone basis

First-Half Results

- First-half revenue up on large order wins, but profit down as gross margin declined from the high level in prior-year Q1, driven by strong PC replacement demand

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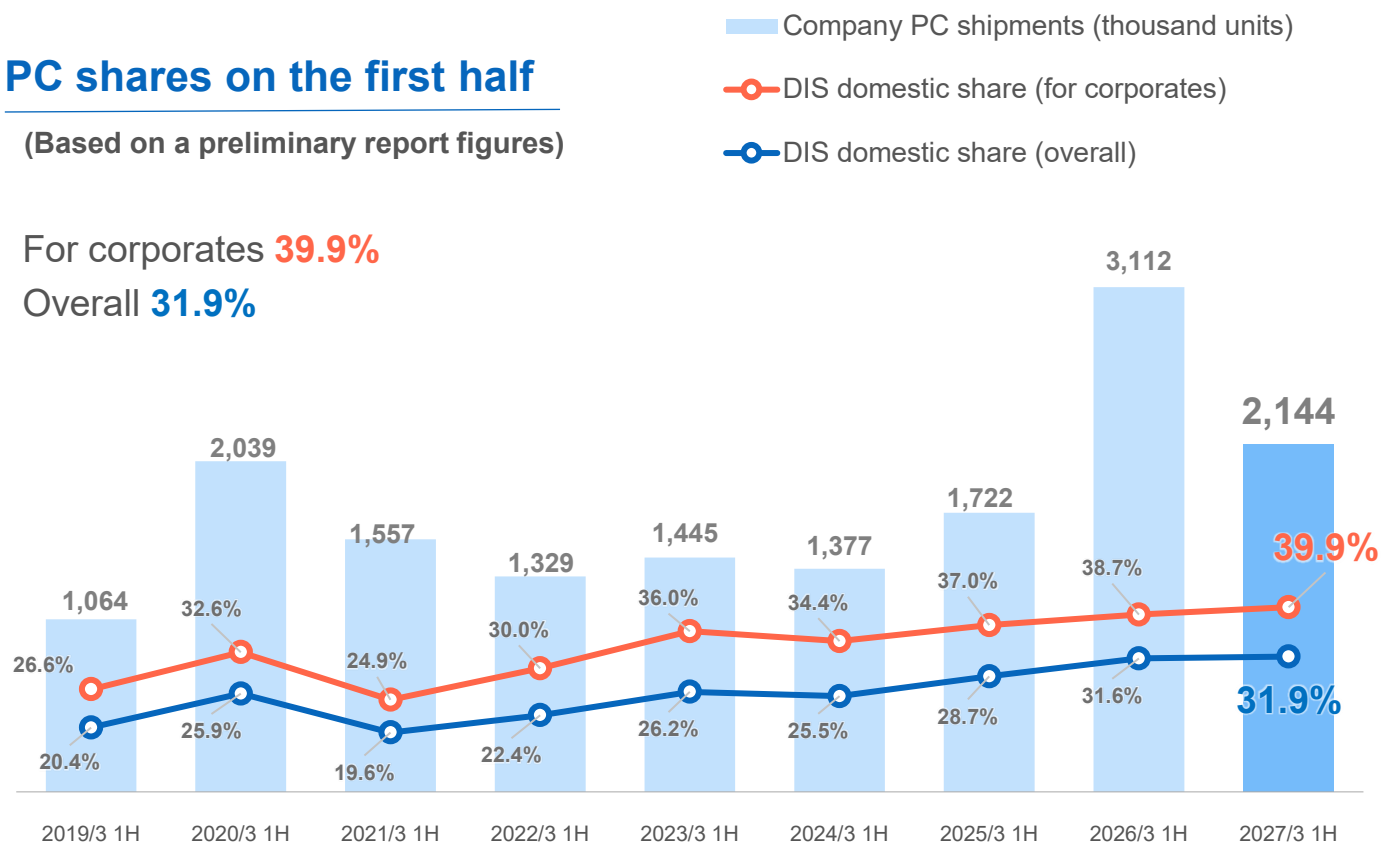
Domestic PC market share

Involved in more than 1 in 3PCs for domestic market

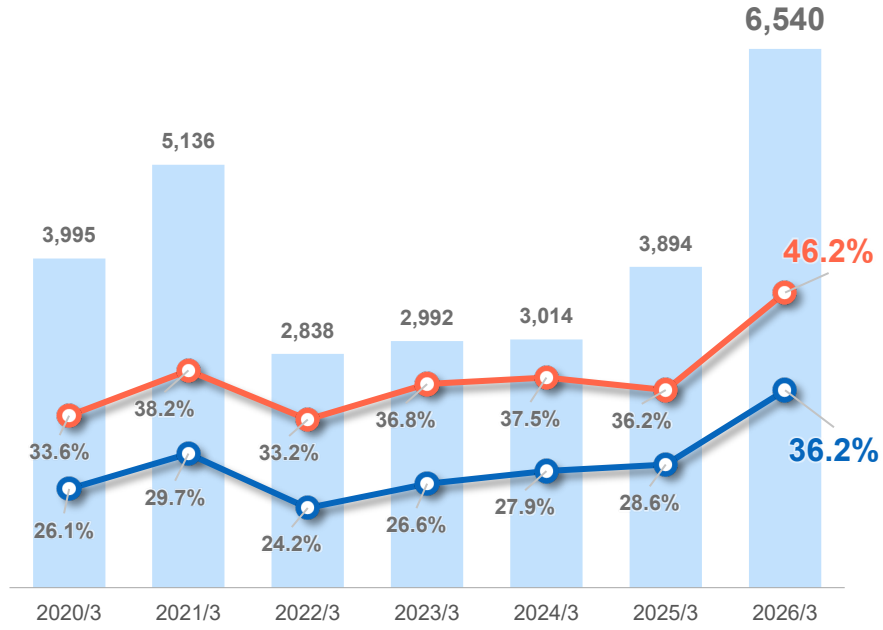
PC shares on the first half

(Based on a preliminary report figures)

For corporates **39.9%**
Overall **31.9%**



Full-year PC share trends

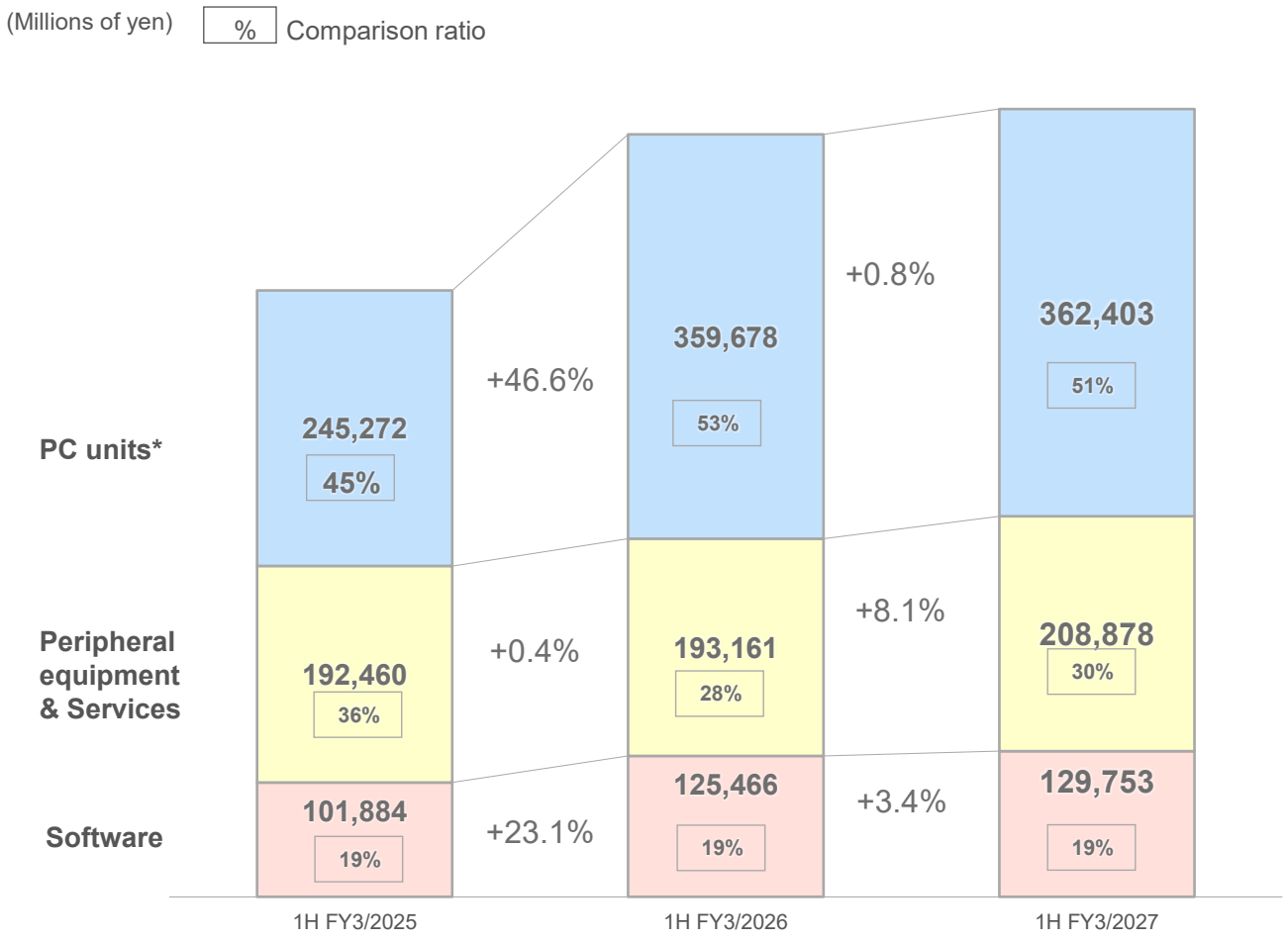


* Calculated based on the results of a survey by MM Research Institute
(As figures for 1H FY3/2027 are based on the research firm's preliminary report, the published share figures may be revised)

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Product Category for the Q2 of the Fiscal Year Ending March 2027

<DIS Transaction Volume Trend by Category>



*PC units ... Devices such as PCs, servers, tablets, and smartphones

Transaction volume for the Q2 FY2026

PC units

- PC ... (11.5%)
- Servers ... +102.8%

Peripherals & services, etc.

- Network ... +30.8%
- Storage ... +31.4%
- Monitors ... (12.7%)
- Other peripherals ... △6.7%
- Services & support ... +0.4%

Software

- Software (non-cloud) ...(8.3%)
- Software (cloud) ... +23.4%
- iKAZUCHI** ... +31.9%

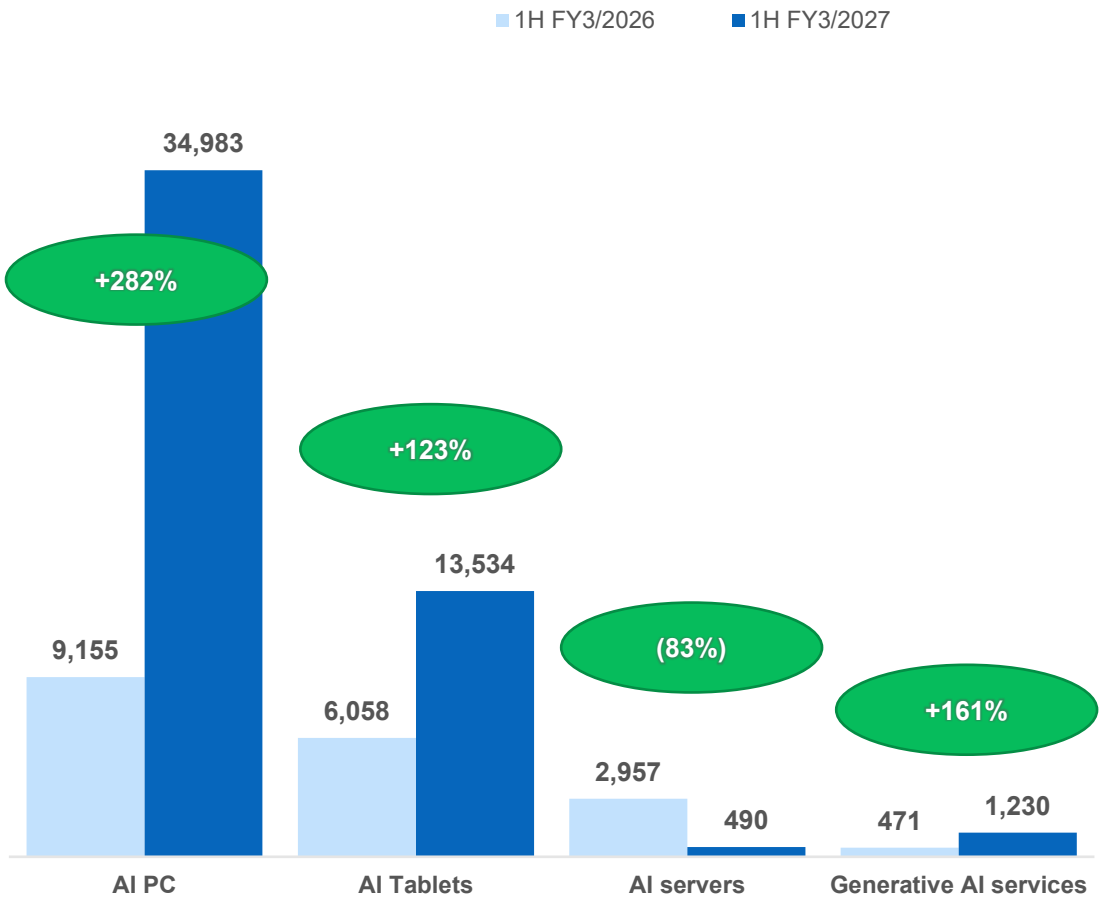
** iKAZUCHI is included in cloud

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AI Transaction for the Q2 of the Fiscal Year Ending March 2027

<AI-Related Products: Transaction Volume Results>

(Millions of yen)



Transaction volume for the Q2 FY2026

- **AI PC (Equipped with NPU)**
  Both unit volume and unit price grew, raising the comparison ratio within the PC category to 13.4%

- **AI tablet (Equipped with NPU)**
  The number of eligible models is increasing, raising the comparison ratio within the tablet category to 47.4%

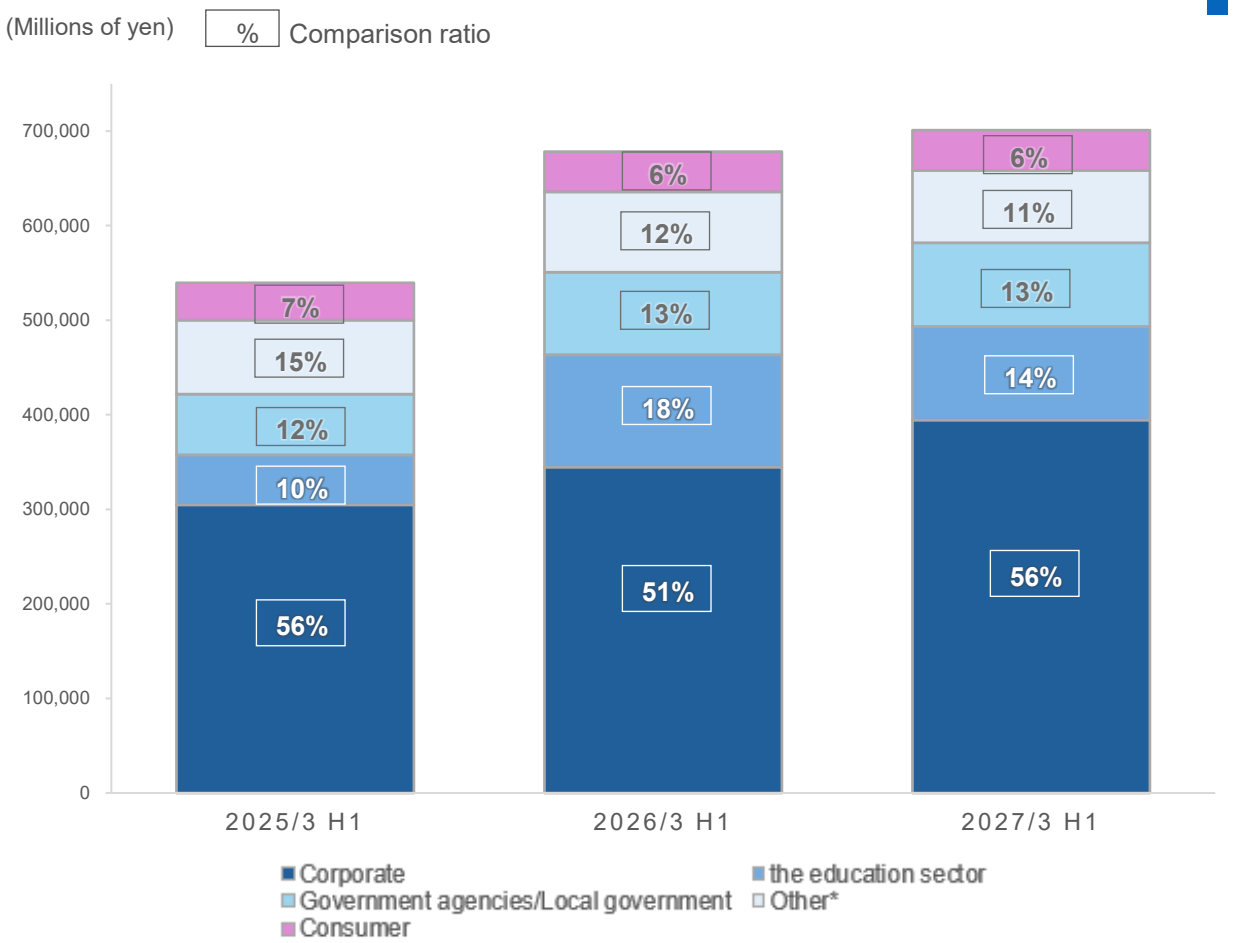
- **AI server (Equipped with GPU)**
  Decreased significantly in the first half due to the pullback from large-scale projects in the same period of the previous year and price increases.
  Servers overall performed strongly at +102.8%

- **Generative AI services (AI content generation apps)**
  Current offerings centered on task-specific services
  Offered as part of the iKAZUCHI service lineup

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Transaction by end users for the Q2 of the Fiscal Year Ending March 2027

<Transaction Volume Trend by End Users>



*Others ... Total of small-scale transactions in the corporate segment (including all of corporate, education sector, and government agencies/local governments)

Transaction volume for the Q2 FY2026

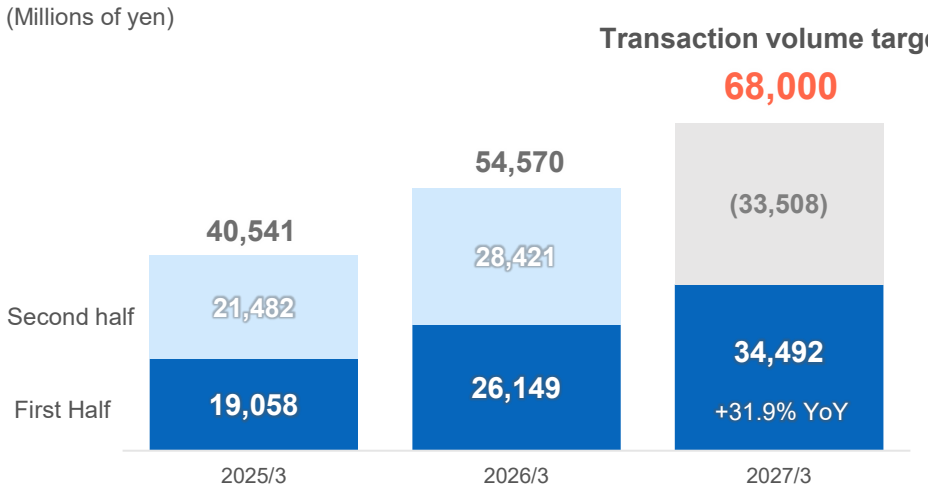
- **For corporates +14.4%**
  Although PCs saw a pullback following the peak of Windows 10 EOS replacements, sales increased year on year driven by large-scale data center-related server and network projects, as well as steady growth in cloud sales centered on generative AI
- **Education sector (16.7%)**
  The GIGA School declined due to the pullback from the previous year's shipment peak. Orders for this fiscal year's deployments continue to be received, but some purchases and deliveries deferred amid rising prices; developments being closely monitored. Large-scale network and PC projects for high schools and school administration supported results
- **Government agencies +1.4%**
  Increased due to the acquisition of multiple large-scale PC and storage projects
- **Consumers +0.3%**
  Sales expansion initiatives with sales partners proved successful, with both mass retailer and e-commerce channels performing solidly, resulting in a slight increase

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Subscription Business: Transaction of iKAZUCHI

Transaction volume via iKAZUCHI

Total sales to sales partners through the subscription management portal “iKAZUCHI” (included in software category)



Number of supported vendors and services

148 vendors
301 services
(as of end Jun 2026)

▶

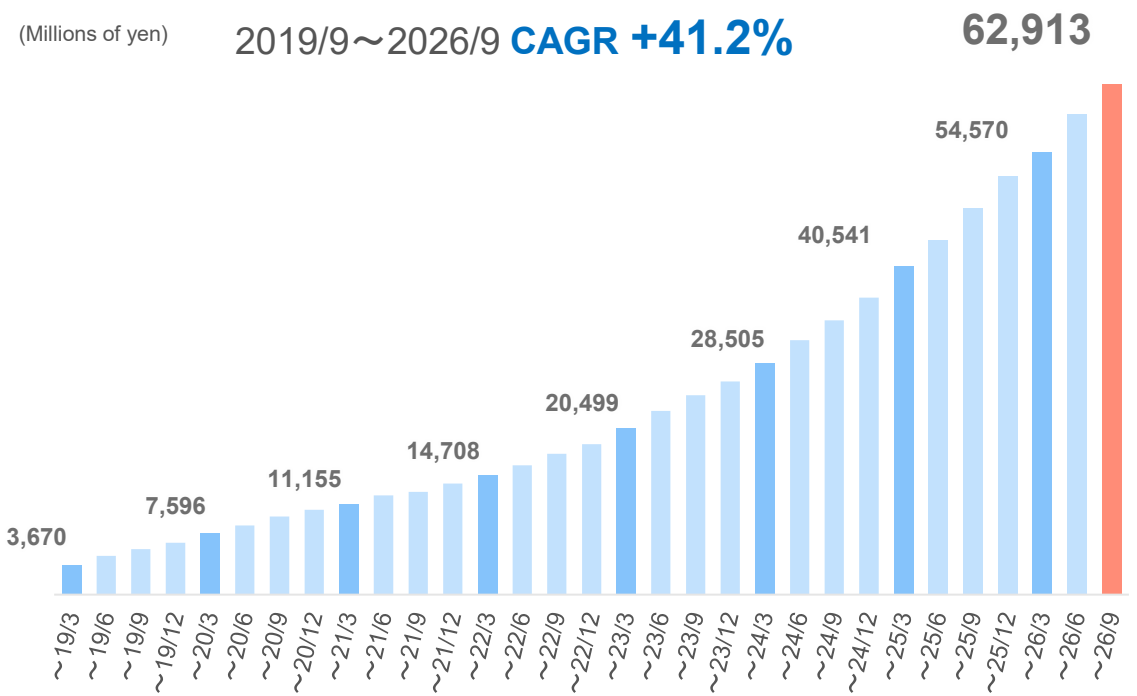
153 vendors
318 services
(as of end Sep 2026

Expanding the Marketplace and Strengthening the “Foundation” of recurring Revenue in the subscription business



■ iKAZUCHI

Trend in 12-month cumulative transaction volume (Annual billing, etc. considered)



iKAZUCHI growth trajectory

As the high purchasing of the annual payment, steady growth can be confirmed by looking at trends in the cumulative 12 months instead of quarterly.

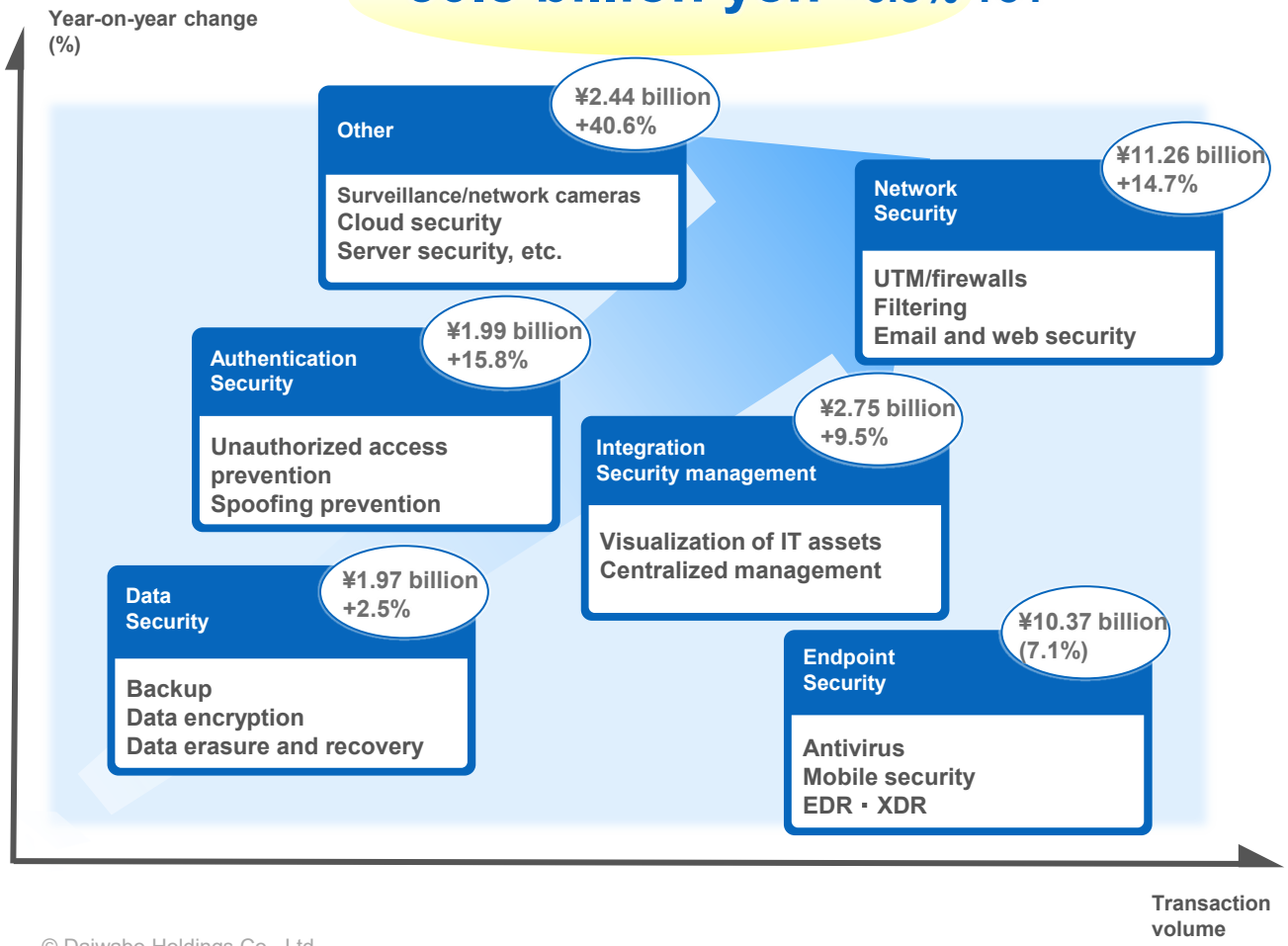
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Security products for the Q2 of the Fiscal Year Ending March 2027

Demand for security measures is projected to grow driven by "the Supply Chain Security (SCS) Measures Evaluation System.“ of METI.

Transaction result for Q2 FY2026

30.8 billion yen +6.8% YoY



Strengthening services provided and support corresponding to NIST Cyber Security Framework* Functional Classification

Governance → Risk identification → Attack detection → Attack protection → Incident response → Recovery

- Currently, companies are focused on analyzing their own status ahead of the launch of the SCS evaluation system
- In the future, whether a company has obtained ★ ratings under the evaluation system will become a condition for business transactions
- Projects introducing security products to obtain ★ ratings are expected to increase over the next 3 to 5 years

* A framework for managing cybersecurity risks provided by the U.S. National Institute of Standards and Technology (NIST). Updated to version 2.0 in 2024

Definition of star rating

★3	★4	★5 (Tentative)
[Threats] General cyberattacks [Countermeasures] Basic countermeasures covering organizational and technical aspects [Evaluation] Self-assessment with expert verification	[Threats] Attacks on companies causing significant damage [Countermeasures] Standard countermeasures covering organizational and technical aspects [Evaluation] Third-party evaluation	[Threats] Advanced and unknown cyberattacks [Countermeasures] Advanced countermeasures based on international standards, etc. [Evaluation] Third-party evaluation

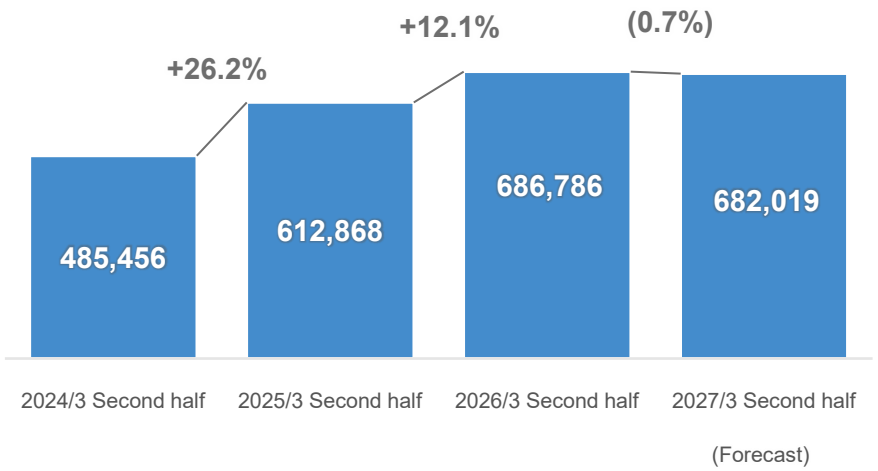
Star rating acquisition becomes a common measure for business transactions

Source: Ministry of Economy, Trade and Industry website, "Cybersecurity Otasuketai Service (New Classification)" https://www.meti.go.jp/policy/netsecurity/otasuketai_jissho.html

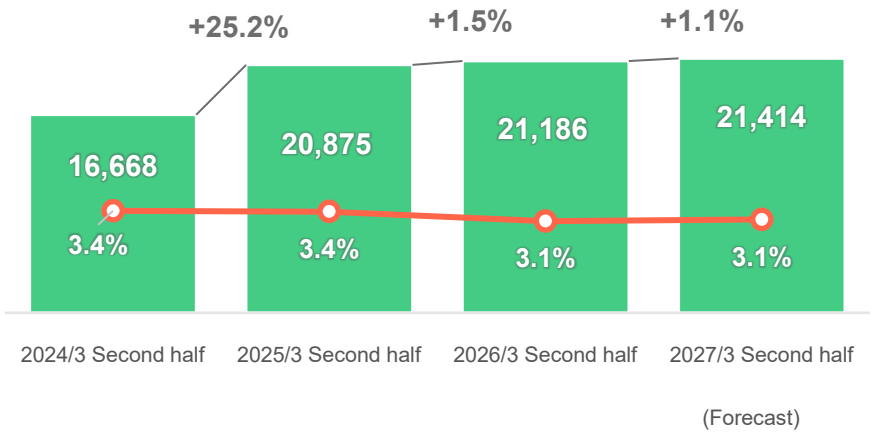
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IT Infrastructure Distribution Business: Outlook for Second Half (Oct - End of March 2027)

(Millions of yen)



■Net Sales ■Operating Income ■Operating profit Margin



Outlook for Second Half

- PC Trends
  The rise in unit prices due to soaring prices of memory and other components is expected to continue in H2. As a result of pull-forward demand in H1, shipments in H2 are expected to be slightly lower than in H1

- Net Sales
  Concerns over price-driven purchase restraint remain, but robust current orders and higher selling prices expected to limit the decline following previous year's GIGA School demand peak. H2 sales expected to remain broadly in line with the previous year

- Operating Profit Margin
  While the impact of the GIGA School program, whose shipments peaked in H2 of the previous year, is weakening and benefits from strategic procurement are expected, the operating profit margin is expected to remain flat year on year due to increased SG&A expenses

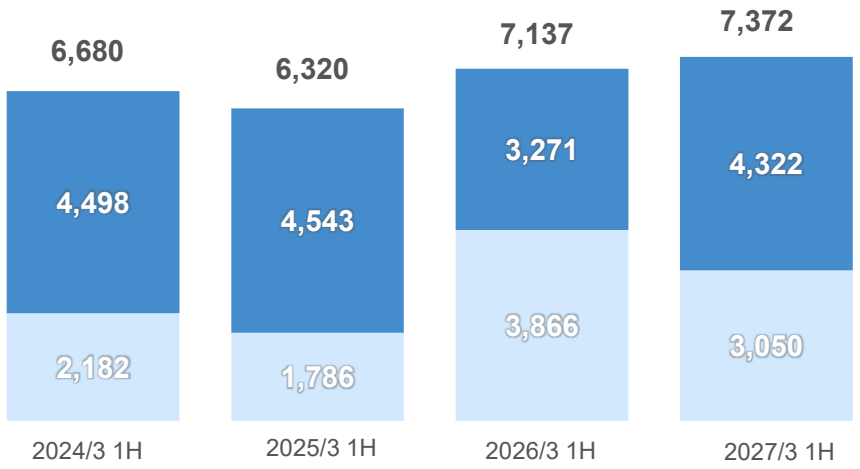
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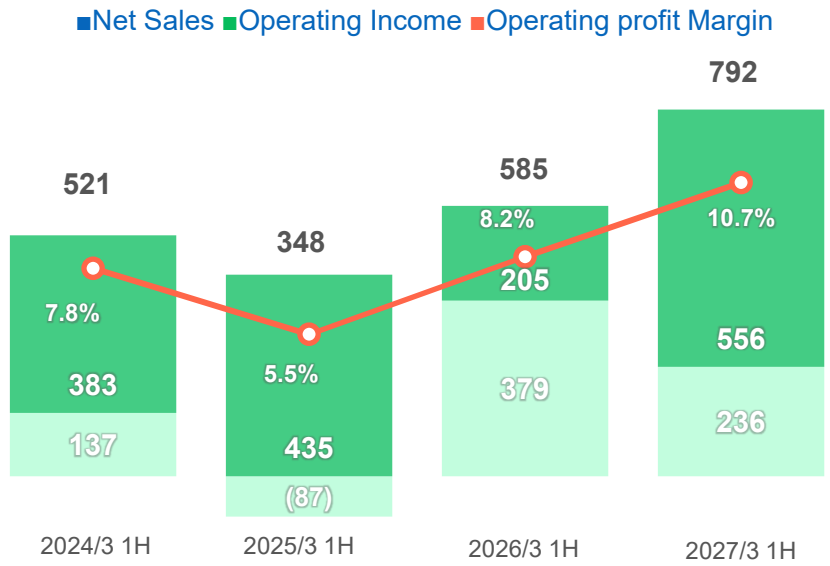
Industrial Machinery Business

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Industrial Machinery Business

(Millions of yen)





Net sales	**7.372 billion yen** +3.3% YoY
Operating income	**792 million yen** +35.4% YoY
Orders received	**8.312 billion yen** +26.3% YoY

Business Overview

Machine Tools Division	■ Total orders reported by the Japan Machine Tool Builders' Association (JMTBA) for April to September increased 57.3% from the previous fisccal year ■ Orders increased from its core aircraft industry as well as from the shipbuilding and energy industries. 39.5% increased year on year ■ Strengthened overseas sales promotion, including exhibiting at trade shows in Australia and the U.S., winning orders for in-stock machines ■ In addition to progress in deliveries of orders received in the previous fiscal year, sales of in-stock machines ordered in the current fiscal year also increased. Offset the pullback from large machine sales in H1 of the previous year, resulting in increased sales and profit
Automatic Machinery Division	■ Although demand for labor-saving solutions continued, customers remained cautious about capital investment amid soaring raw material and energy prices. Orders received decreased year on year, and sales also decreased year on year, resulting in decreased sales and profit

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Performance Forecasts for the Fiscal Year Ending March 31, 2027 (Revision)

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Performance Forecasts for the Fiscal Year Ending March 31, 2027 < Upward Revision >

(Millions of yen)	2026/3 (Actual)		2027/3 1. Initial forecast (Disclosed May 13) Amount	Rate	2027/3 2. Revised forecast (Disclosed November 11) Amount	Rate	Change 2. – 1.	YoY	YoY Change
Net sales	1,350,879		1,189,000		**1,369,000**		+180,000	+18,120	+1.3%
IT Infrastructure Distribution	1,336,479		1,174,500		**1,352,000**		+177,500	+15,520	+1.2%
Industrial Machinery	14,400		14,500		**17,000**		+2,500	+2,599	+18.0%
Operating income	44,169	3.3%	36,500	3.1%	**43,000**	**3.1%**	+6,500	(1,169)	(2.6%)
IT Infrastructure Distribution	43,030	3.2%	35,000	3.0%	**41,400**	**3.1%**	+6,400	(1,630)	(3.8%)
Industrial Machinery	1,127	7.8%	1,500	10.3%	**1,600**	**9.4%**	+100	+472	+41.9%
Ordinary income	44,943	3.3%	36,700	3.1%	**43,050**	**3.1%**	+6,350	(1,893)	(4.2%)
Profit attributable to owners of parent	32,030	2.4%	25,300	2.1%	**30,500**	**2.2%**	+5,200	(1,530)	(4.8%)
Earnings per share (yen)	362.07		291.09		**355.44**		+64.35	(6.62)	

Reasons for Revision

In addition to winning large projects, H1 results exceeded the forecast due to rising PC prices and pull-forward orders
As IT demand for corporates is expected to remain strong in H2, the full-year forecast has been revised upward

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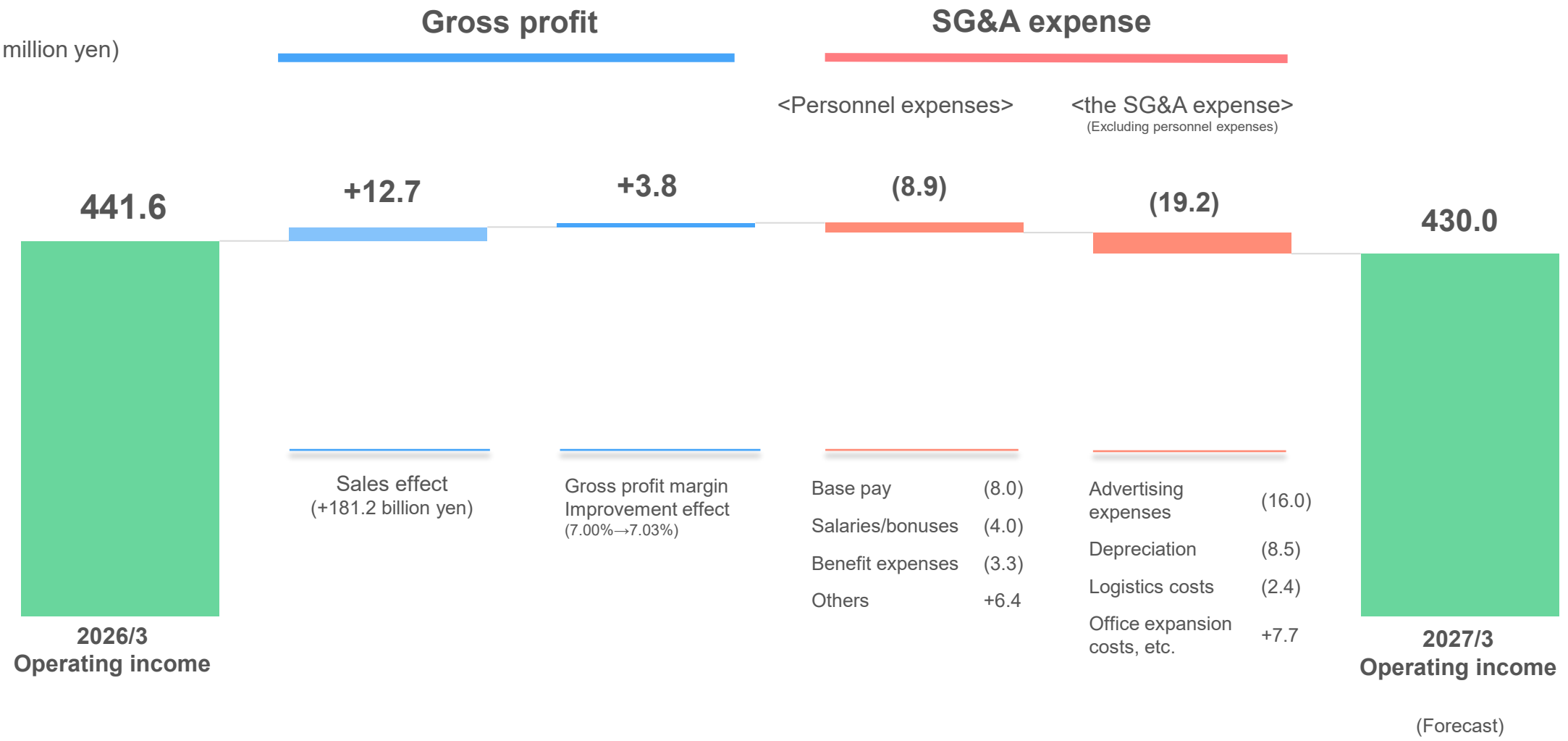
Performance Forecasts for H2 of the Fiscal Year Ending March 31, 2027 < Upward Revision >

(Millions of yen)	2026/3 (Actual)		2027/3 1. Initial forecast (Disclosed May 13)		2027/3 2. Revised forecast (Disclosed November 11)		Change 2. – 1.	YoY	YoY Change
			Amount	Rate	Amount	Rate			
Net sales	694,049		621,950		**691,647**		+69,697	(2,401)	(0.3%)
IT Infrastructure Distribution	686,786		614,500		**682,019**		+67,519	(4,766)	(0.7%)
Industrial Machinery	7,262		7,450		**9,627**		+2,177	+2,364	+32.6%
Operating income	21,734	3.1%	20,000	3.2%	**22,214**	**3.2%**	+2,214	+480	+2.2%
IT Infrastructure Distribution	21,186	3.1%	19,200	3.1%	**21,414**	**3.1%**	+2,214	+228	+1.1%
Industrial Machinery	541	7.5%	800	10.7%	**807**	**8.4%**	+7	+265	+49.0%
Ordinary income	22,335	3.2%	20,100	3.2%	**22,263**	**3.2%**	+2,163	(72)	(0.3%)
Profit attributable to owners of parent	16,293	2.3%	13,900	2.2%	**15,927**	**2.3%**	+2,027	(366)	(2.2%)
Earnings per share (yen)	184.18		159.92		**185.61**		+25.68	+1.43	

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Operating Income Trends: Full-Year Forecast

(100 million yen)



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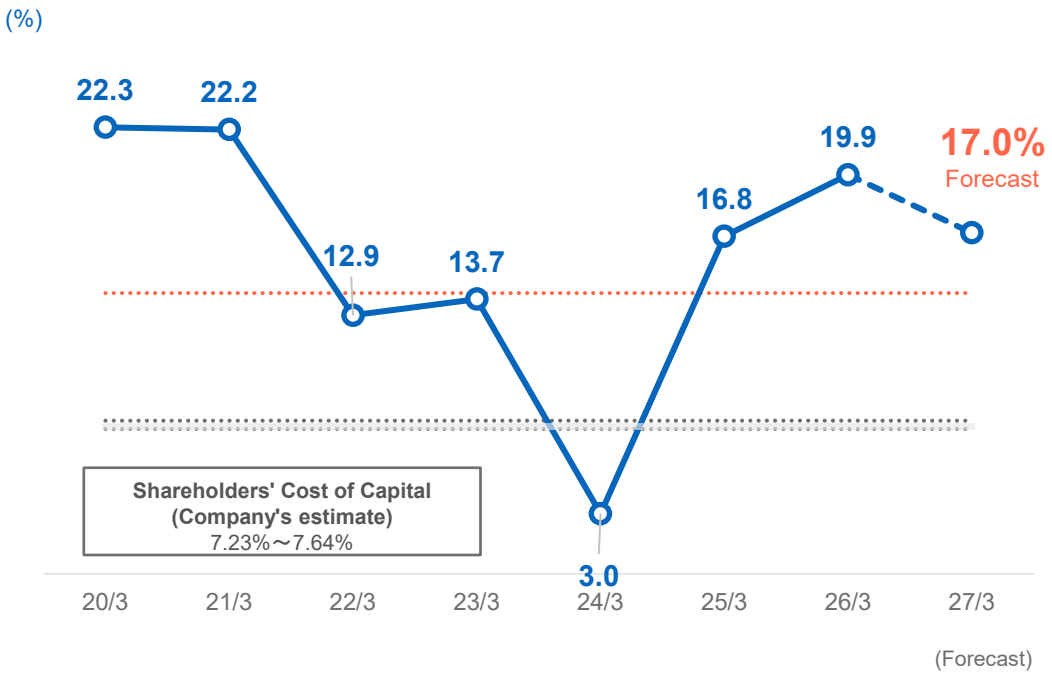
Progress of the Medium-Term Management Plan <Group Management Indicators>

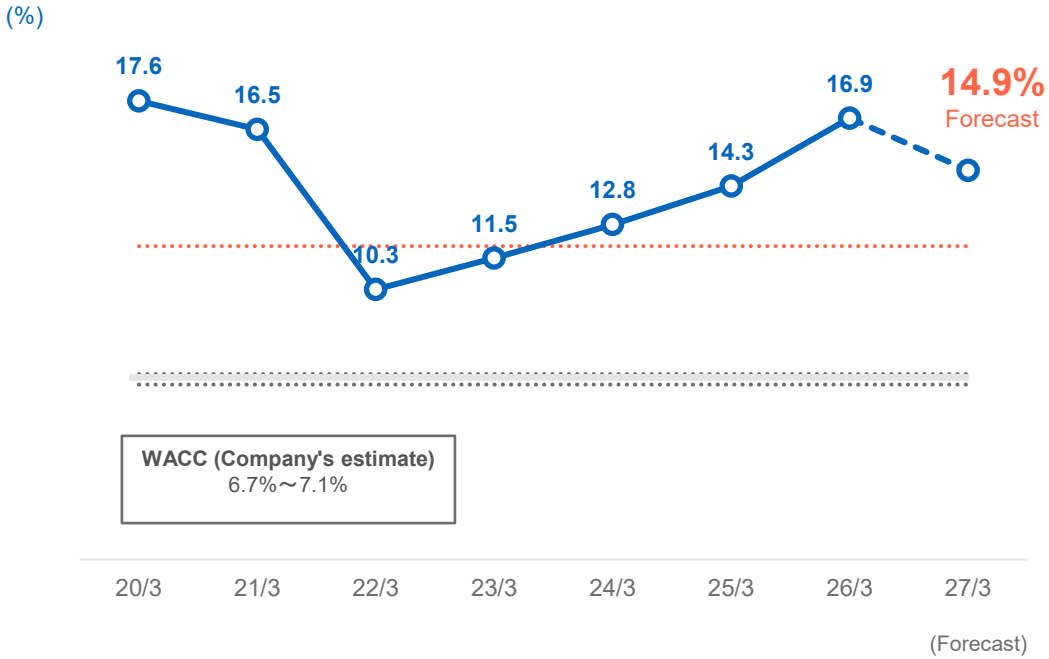
ROE : 14% or higher

<Return on shareholders' equity>

ROIC : 12% or higher

<Return on invested capital>
* Operating income after tax / (Net assets + Interest-bearing liabilities





ROE and ROIC results | Cost of capital (Company's estimate) | Target

On the back of strong performance forecast meeting the Plan's target level in both ROE and ROIC

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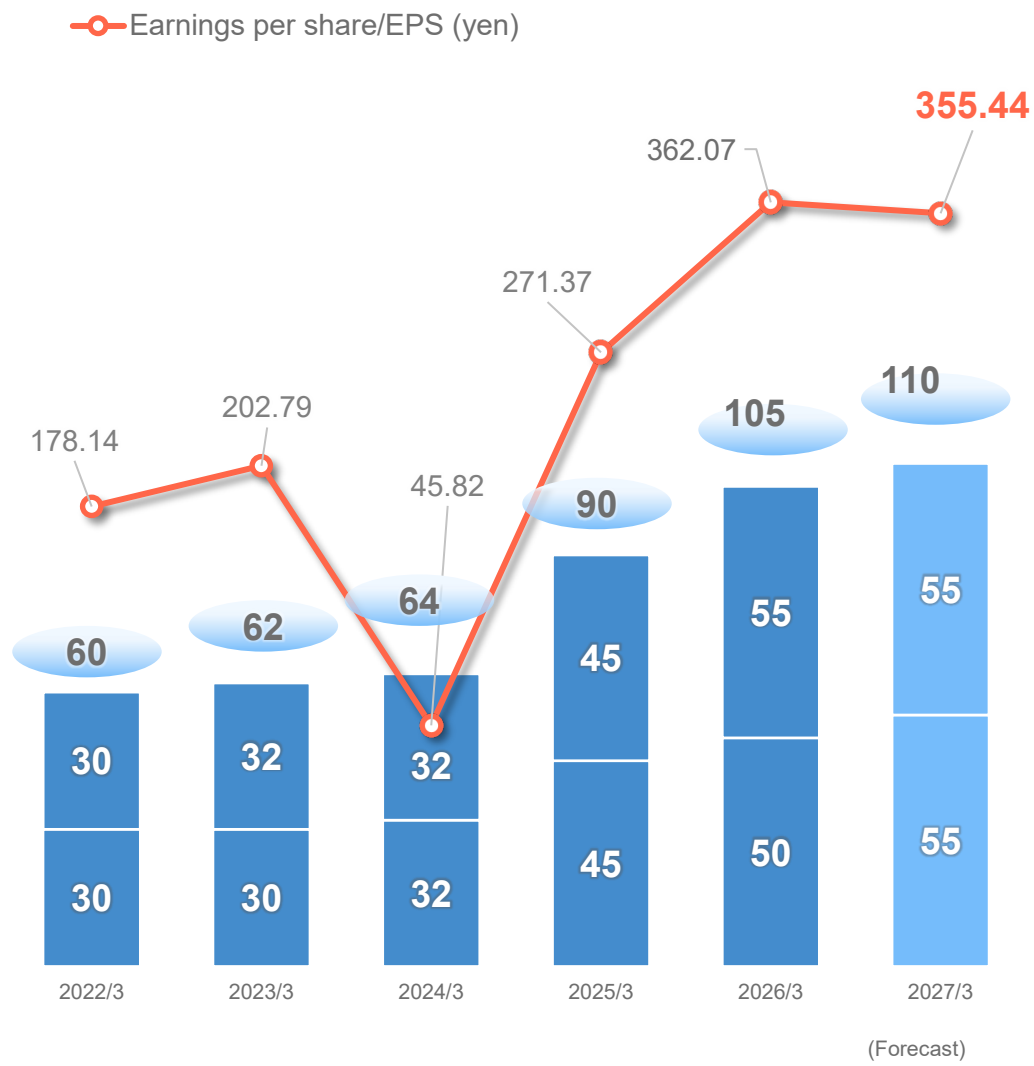
Shareholder Returns

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Shareholder returns Policy

Shareholder returns policy	
Dividends	Dividend ratio of 30% or higher **Policy of progressive dividends** during the current Medium-Term Management Plan period
Acquisition of treasury shares	Target total payout ratio of 60% or higher **Combined with flexible acquisition of treasury shares**

	FY2026/3			FY2027/3 (Forecast)		
	Interim	Year-end	Annual	Interim	Year-end	Annual
Dividend per share	**¥50**	**¥55**	**¥105**	**¥55**	**¥55**	**¥110**
Acquisition of treasury shares	**Approx. 8.0 billion yen**			**Approx. 6.0 billion yen** * Acquisition completed (May 14, 2026 – October 8, 2026) * Retirement of 2.98 million shares (October 30, 2026)		
Dividend ratio	**29.0%**			**30.9%**		
Total payout ratio	**53.8%**			**50.6%**		



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Reference Materials

- Outline of Medium-Term Management Plan (March 2025 to March 2027)
- Business Overview
- “Transaction Volume” of IT Infrastructure Distribution Business
- Performance Graph

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Progress of the Medium-Term Management Plan <Operations>

Progress of the Medium-Term Management Plan

* Planned figures at the time of the Medium-Term Management Plan announcement

(100 million yen)	FY2025/3 (Plan)	FY2026/3 (Plan)	FY2027/3 (Plan)
Net sales	9,750	10,500	10,000
Operating income	311	350	330
Operating profit margin	3.2%	3.3%	3.3%

* Earnings forecast revised on November 11

(100 million yen)	FY2025/3 (Actual)	FY2026/3 (Actual)	FY2027/3 (Forecast)
Net sales	11,368	13,508	13,690
Operating income	348	441	430
Operating profit margin	3.1%	3.3%	3.1%

Outlook

- While uncertainty in the business environment is increasing due to trends in component prices such as memory and SSDs, as well as rising interest rates and geopolitical risks, IT investment is expected to remain firm not only among corporations but also among government agencies, local governments, and the education sector
- Against the backdrop of the urgent need to strengthen cybersecurity measures and the use of AI getting underway in earnest to address labor shortages and improve productivity, IT investment has become established as an essential infrastructure investment
- Although domestic PC shipments are expected to plateau due to factors such as population decline, the Company will promote the creation of new demand by developing and proposing emerging vendors and new products
- Going beyond the distribution business, we will continue to expand our business domains, including through M&A, and strengthen our earnings structure

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The Way the Company Should Be that We Hope to Reach through “2030 VISION” <Previously disclosed>

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

FY2030 target
Consolidated operating income
50 billion yen

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

IT Products | IT Distribution | IT Solutions | IT Services | Industrial Machinery

Value Chain in the IT Sector

Expand and reinforce functions with a focus on 3S [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**

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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

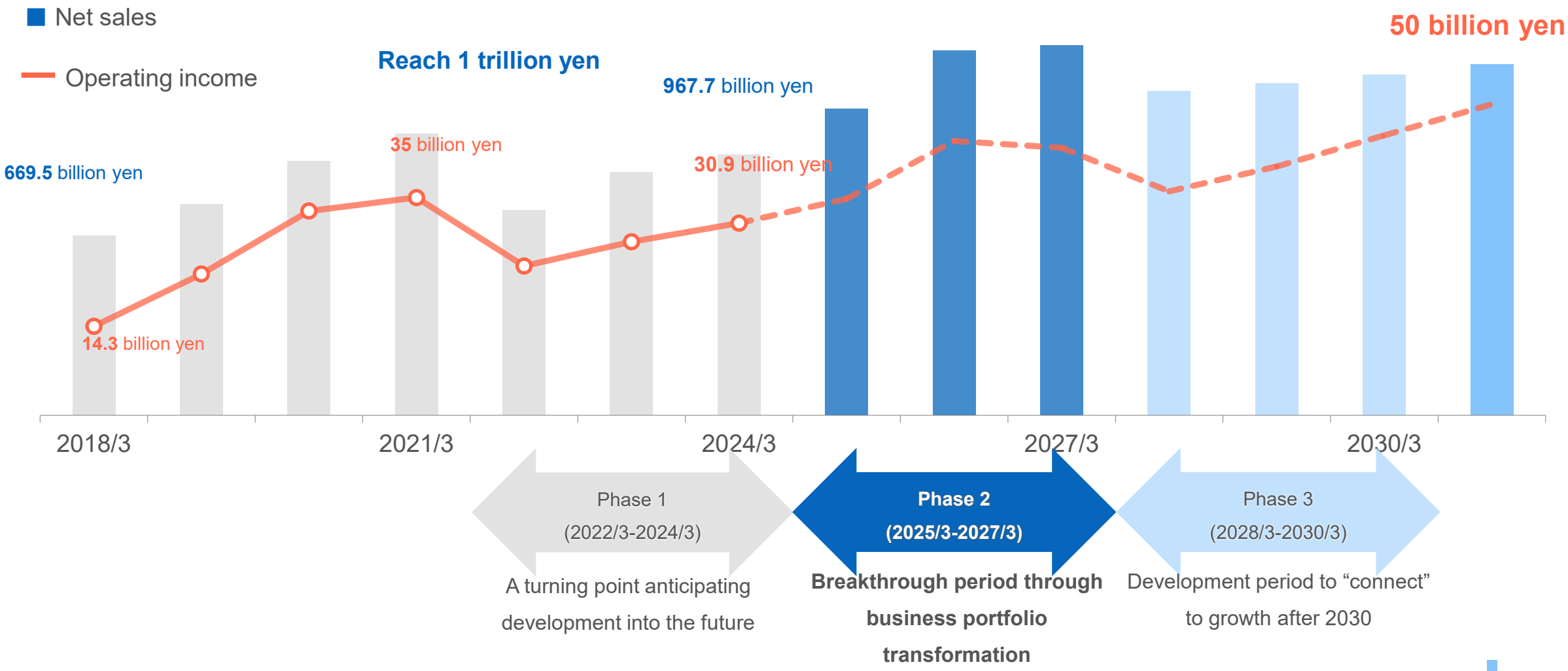
Enhancement of stakeholder engagement

- 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

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Positioning of Medium-Term Management Plan <Previously disclosed>

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



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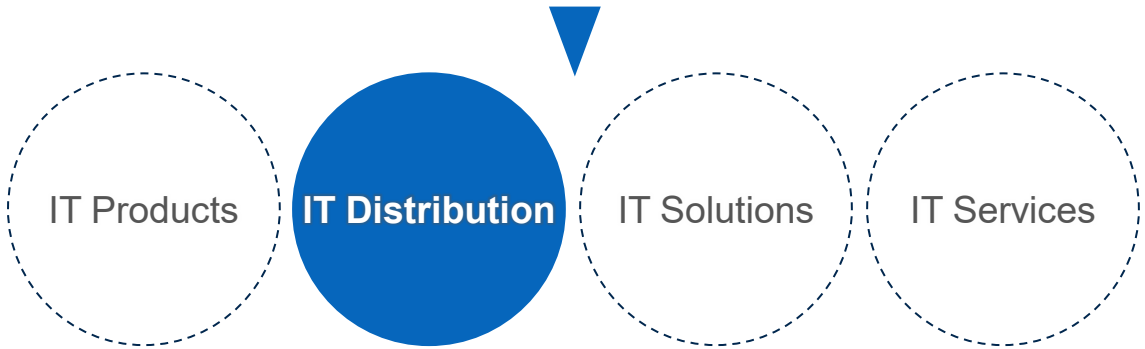
Approach to M&A <Previously disclosed>

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: 7.23% to 7.64% WACC: 6.7% to 7.1%

Will it contribute to improving EPS in the long term?
Compare with acquisition 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

* A Long-Term Issuer Rating by Japan Credit Rating Agency, LTD.(JCR)

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Sustainability Human Capital Strategy <Previously disclosed>

Medium-term management plan	Human capital measures		
Human capital investment (more than **10** billion yen over three years) **Well-being oriented management**	**Drive diversity** - Promotion of women's active participation, promotion of seniors' active participation, etc.	Roll out new businesses and products	**Higher labor productivity** ▼ **Higher profitability and capital turnover** ▼ **Higher ROIC**
	Step up recruitment of human resources - Mass recruitment on a group basis, and mid-career recruitment, etc.	Ramp up each employee's attitude toward challenges	
	Develop an HR development environment - Training, on-the-job training, reskilling support, etc.		
	Enhance employee engagement - Treatment, evaluation, benefits, surveys, etc.	Upgrade employees' creativity and skills Raise an operating efficiency rate	
	Promote health and productivity management - Health insurance, working hour management, health and safety, etc.	Improve lead time and inventory by strengthening production management capabilities	

TOPICS

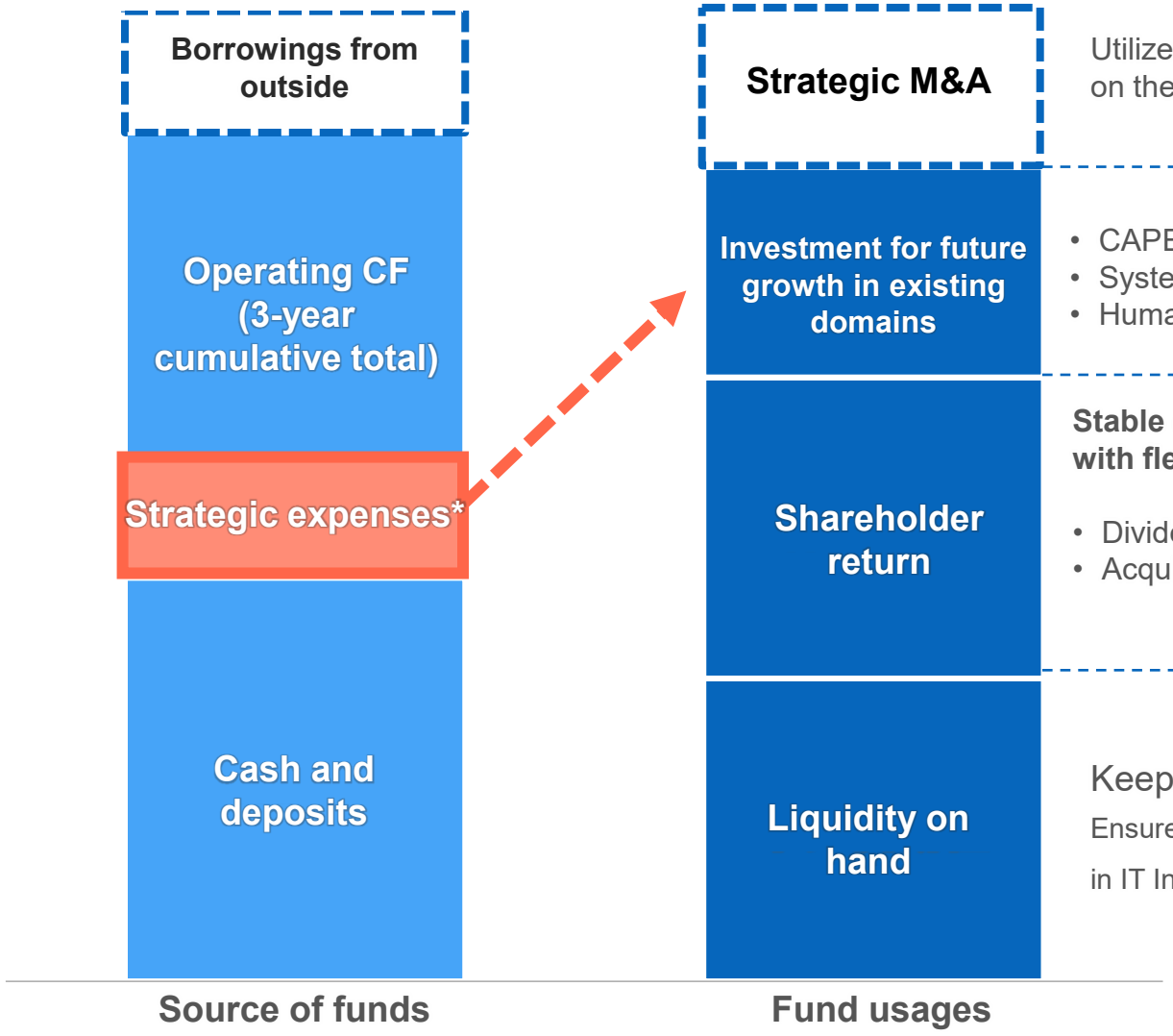
- Large-scale base pay increase of salaries (including revisions to initial salaries) has been implemented at group companies since 2023
- In addition to substantial base pay increase, invest aggressively in educational and welfare programs in the current fiscal year
- Expand human capital expenditures of 10 billion yen or more to ※**15.5 billion yen or more** in the 3 years planned in the medium-term plan
- Certified as the KENKO Investment for Health program 2026 (promoted by METI) by DIS

Labor productivity on a group-wide basis
Target sales per employee : 3-year average **+5.7% or more**

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Capital Allocation Policy <Previously disclosed>

Images of capital allocation over a three-year cumulative period



Utilize not only our own funds but also borrowings from outside, etc., depending on the size of projects

- CAPEX (capital investment and R&D) **: 15.0 billion yen** **>> 11.0 billion yen**
- System investment* (expenses) **: 8 billion yen or more** **>> 8.0 billion yen or more**
- Human capital investment* (expenses) **: 10.0 billion yen or more** **>> 15.5 billion yen or more**

Stable dividends (Progressive dividend policy during the current mid-term plan) with flexible acquisition of treasury shares

- Dividend : **Dividend payout ratio: 30% or more**
- Acquisition of treasury shares : **A total payout ratio of at least 60%**

Keep cash and deposits of **50 billion yen or so** as working capital

Ensure an appropriate level of liquidity on hand, estimated from monthly sales and working capital in IT Infrastructure Distribution Business

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

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Key Factors for the Next Medium-Term Management Plan <Previously disclosed>

Key considerations organized in preparation for the next MTP scheduled to be announced in May 2027

Recognition of current issues

Based on dialogue with capital markets and rapid changes in the business environment, the following are recognized as the most important issues for the next leap forward

- **Presenting a "discontinuous growth story" that dispels concerns about dependence on special demand**
  - Following the capital and business alliance with BCC Corporation, which operates an IT human resources business, as a first step, executing inorganic growth (M&A) in the IT value chain
- **Formulating an aggressive capital allocation policy (including priorities) consistent with the equity story and management targets**
- **Building a sustainable and resilient earnings base (recurring revenue) that exceeds Cost of Capital over the medium- to long-term**

Considerations

Growth Strategy (including M&A)

- **Strategic direction: Aiming to become an All-in-One Solution Company in the IT field, expanding existing businesses and extending into new business areas through M&A**
  - Formulating a business portfolio strategy to evolve into a "platformer" that comprehensively supports the entire IT value chain, with awareness of the entire IT lifecycle including operation, renewal, and end-of-life (collection/recycling), to build more sustainable relationships with sales partners and users
- **KPIs to be achieved through growth strategy: Profit levels to achieve ROE of 20% at an early stage, and enhancement of corporate value (market capitalization) through realization of the equity story**

Capital Allocation Policy

- **Capital allocation: Pursuing "optimal capital structure" that maximizes capital efficiency while prioritizing investment for future growth**
  - For strategic investment for future growth (M&A), actively utilizing external debt (leverage) backed by an "A" credit rating in addition to internal funds
  - Using the current capital adequacy ratio of around 35% as a guideline for financial discipline while restraining excessive accumulation of equity capital
  - Regarding shareholder returns, in addition to continuing progressive dividends, we are considering flexible acquisition of treasury shares according to funding requirements for M&A and other purposes

Cost of Capital Reduction

- **Examining measures to raise market expectations and reduce Cost of Capital**
  - Dispelling concerns about earnings volatility through enhanced IR materials
  - Enhancing governance to improve management transparency

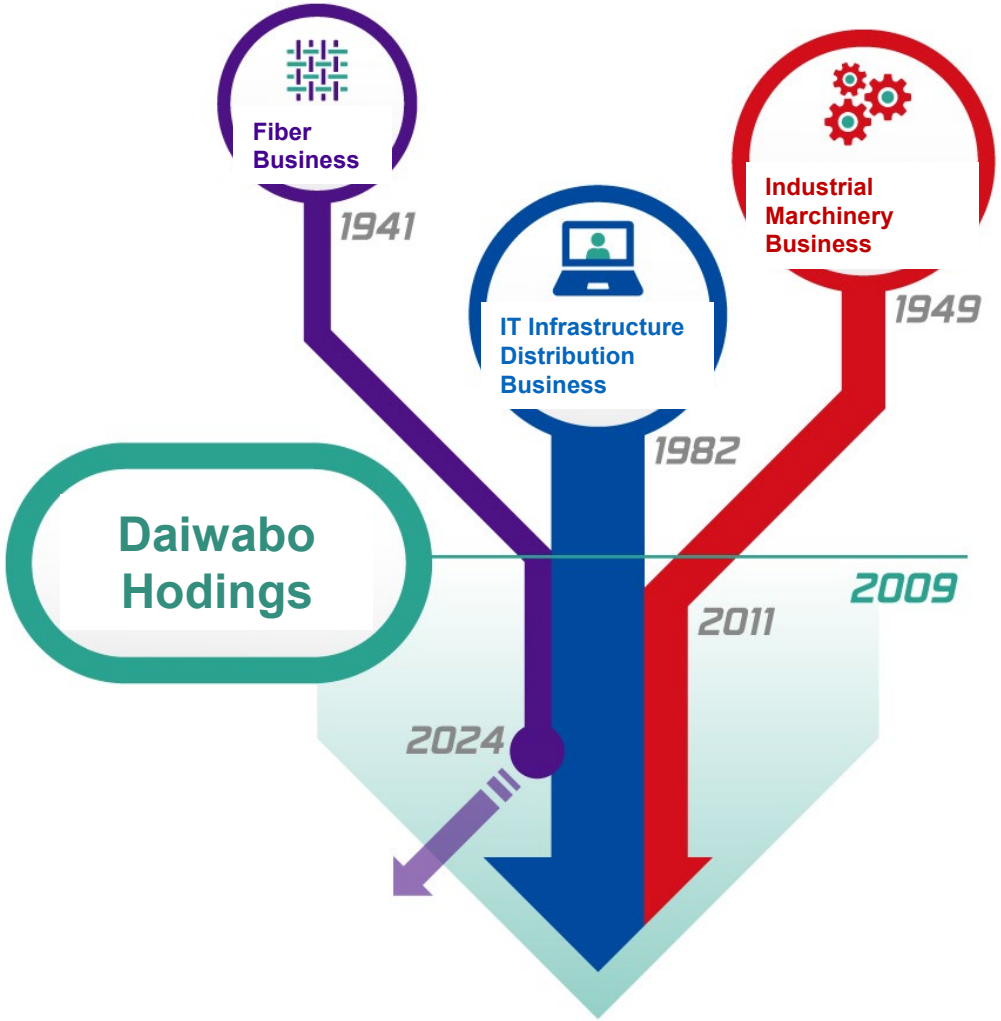
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Group History



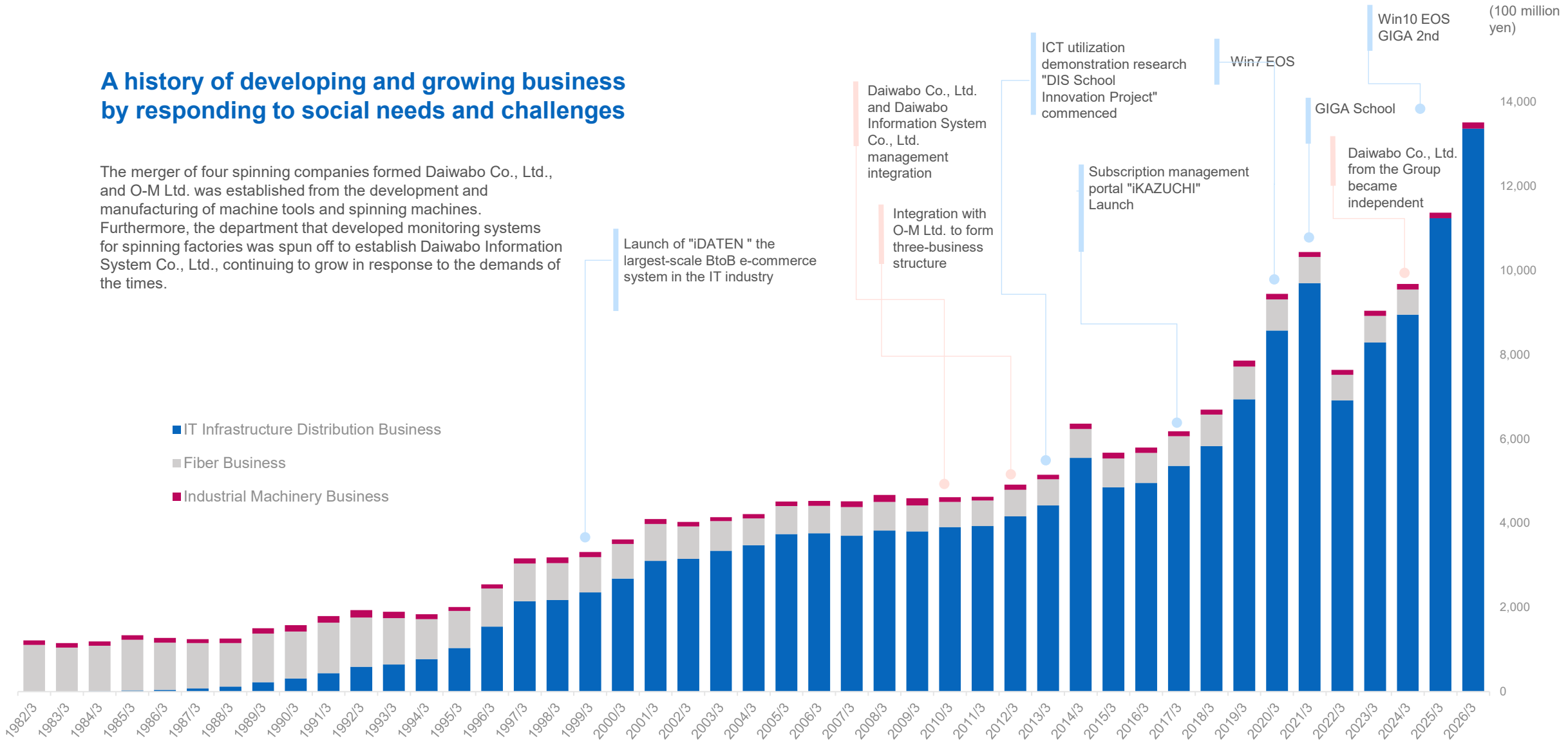
1941. 4	**Daiwabo** was established through the merger of four companies: Kinka Boseki, Hinode Boshoku, Izumo Seishoku, and Wakayama Boshoku
1949. 5	Daiwabo was listed on the First Section of the Tokyo Stock Exchange
1949. 7	Daiwabo spun off its Shinji Plant to establish Daiwa Machinery Co., Ltd. (currently **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**
2024. 3	**Daiwabo Co., Ltd. became independent** through a share transfer
2027. 4	**Trade name shall be change to "MUSUBITE Inc."**

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History of Value Creation

A history of developing and growing business by responding to social needs and challenges

The merger of four spinning companies formed Daiwabo Co., Ltd., and O-M Ltd. was established from the development and manufacturing of machine tools and spinning machines. Furthermore, the department that developed monitoring systems for spinning factories was spun off to establish Daiwabo Information System Co., Ltd., continuing to grow in response to the demands of the times.



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IT Infrastructure Distribution Business Strategies

(million yen)

1 Deepening core areas as a leading company

- Restraining the decline due to pullback from special demand (capturing remaining demand from the AI PC market and the GIGA School 2nd Phase)
- Growth in next-generation infrastructure business areas (managed service proposals aimed at reducing IT operational burden)

2 Expanding market share in the cloud domain, a growth area

- Strengthening the growth foundation in the IaaS/PaaS domain (proposals for AWS/Azure/Google Cloud)
- Expanding SaaS market share (strengthening promotion of services listed on iKAZUCHI)

3 Strengthening sales partner relationships through DX promotion

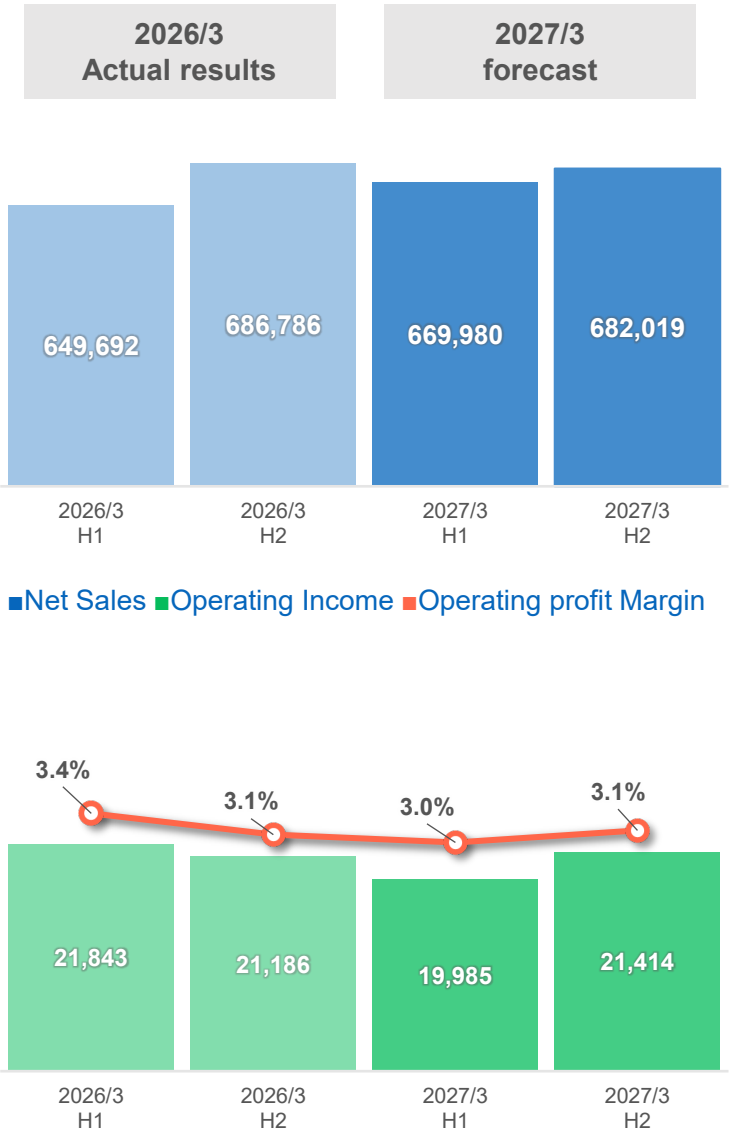
- Improving sales partners productivity (supporting resolution of engineer shortages through original service offerings)
- Business area expansion through deployment of advanced technologies (developing overseas vendors not yet deployed domestically)

4 Implementation of strategic investment

- Investment for business strengthening (consideration of the next system)
- Investment for industry optimization (consideration of next-generation logistics strategies aimed at improving efficiency across the entire IT distribution industry, etc.)

5 Corporate branding that enhances DIS value

- Rebuilding the corporate brand (promoting rebranding project including company name change)
- Raising public awareness of DIS (expanding communications through media utilization)



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History of Daiwabo Information System (DIS)

1982 DIS Founded

- Daiwabo Co., Ltd. leveraged its expertise from in-house development of production site monitoring systems using PCs, starting with just 10 employees
- Shifting from system development&sales to the sale of information equipment, including PCs.

1983-1984 Chain-store Expansion

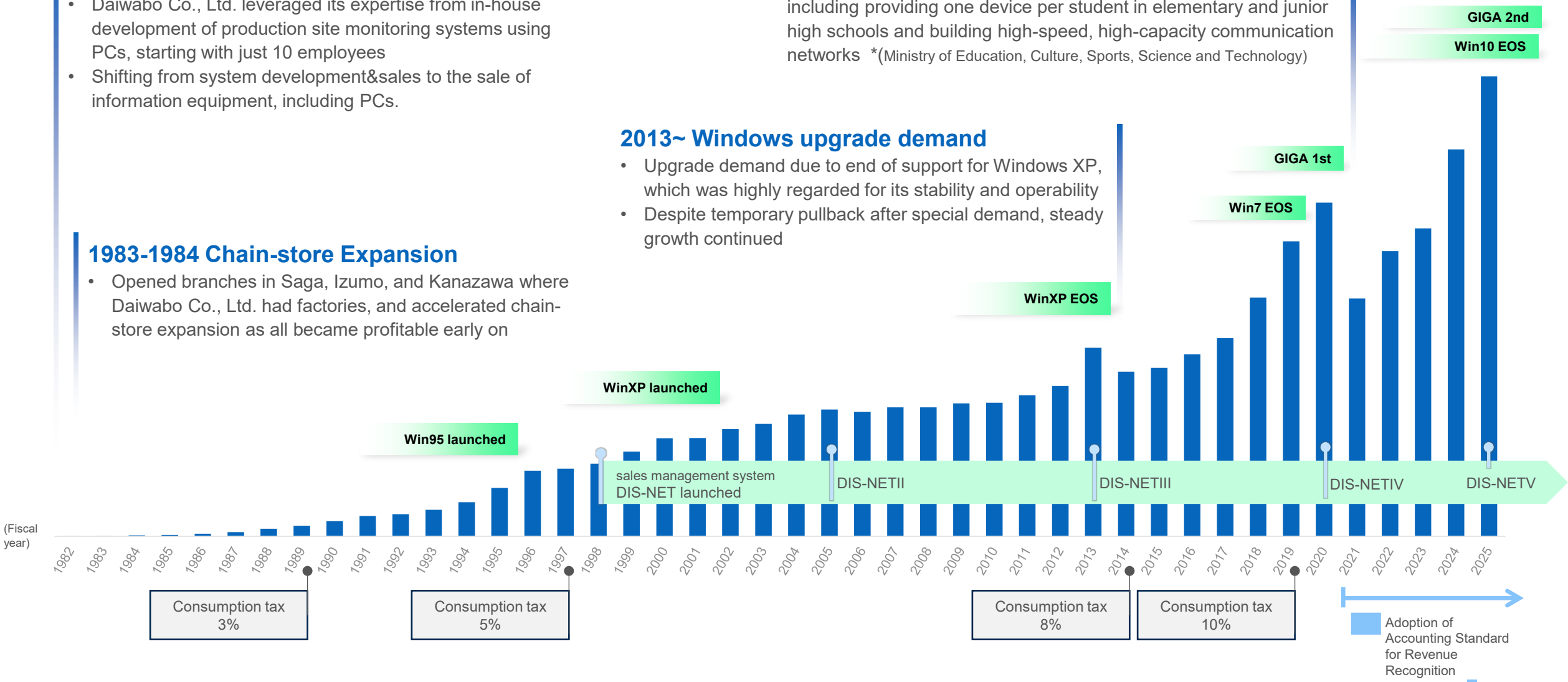
- Opened branches in Saga, Izumo, and Kanazawa where Daiwabo Co., Ltd. had factories, and accelerated chain-store expansion as all became profitable early on

2013~ Windows upgrade demand

- Upgrade demand due to end of support for Windows XP, which was highly regarded for its stability and operability
- Despite temporary pullback after special demand, steady growth continued

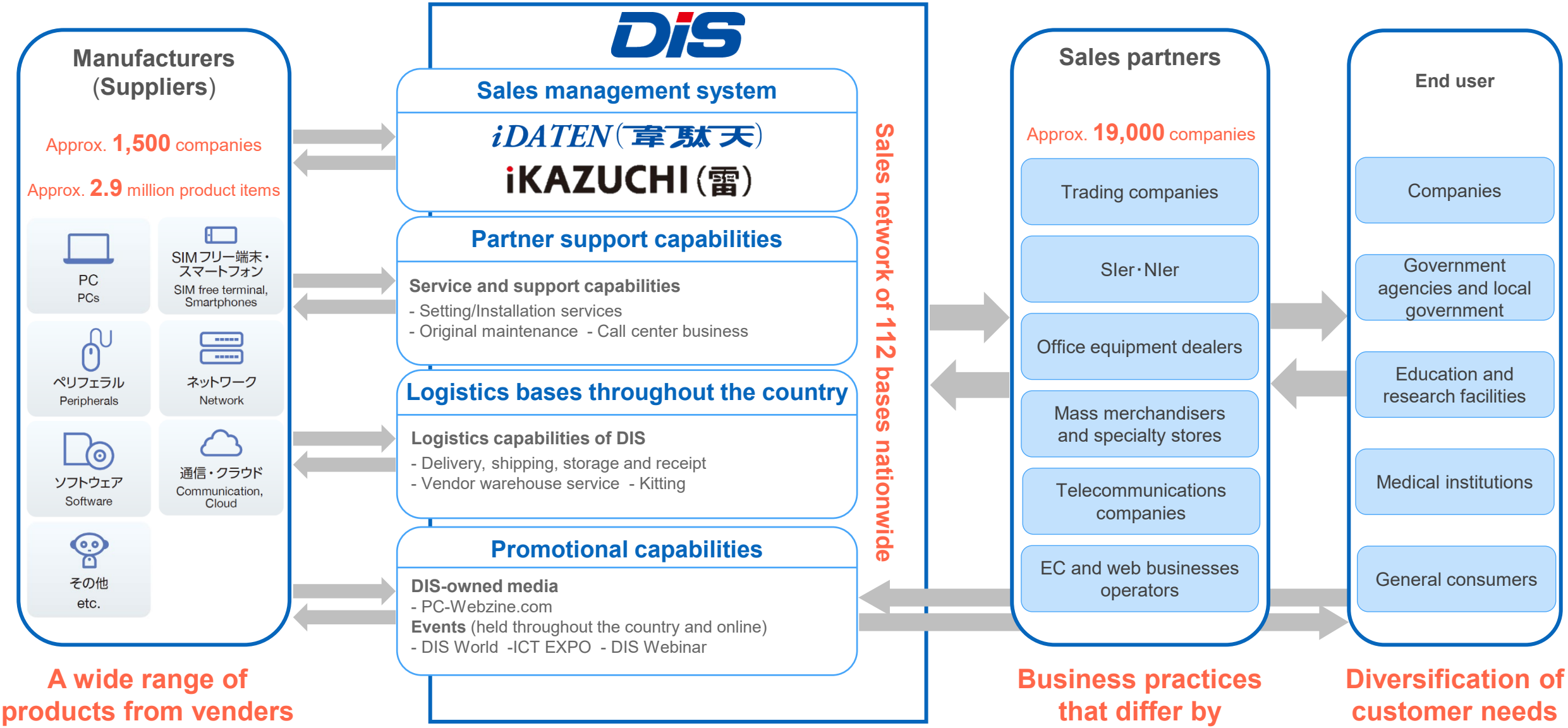
2020~ GIGA School Program

- An initiative by the MEXT* to develop ICT environments in schools, including providing one device per student in elementary and junior high schools and building high-speed, high-capacity communication networks *(Ministry of Education, Culture, Sports, Science and Technology)



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The Business Structure of IT Infrastructure Distribution Business



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Role and Added Value of Distributors

Manufacturers (Suppliers)

Approx. 1,500 companies

Approx. 2.9 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

Role of DIS

DIS

Integration / collaboration / agency

- **Sales network of 112 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

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Greater Efficiency of Distribution Centers

Kansai Center (Kobe City)



May 2020 Full-scale operation

Warehouse area: 36,342 m^2

Kanto Central Center (Yoshimi Town, Saitama Prefecture)



June 2016 Full-scale operation

Warehouse area: 44,753 m^2

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

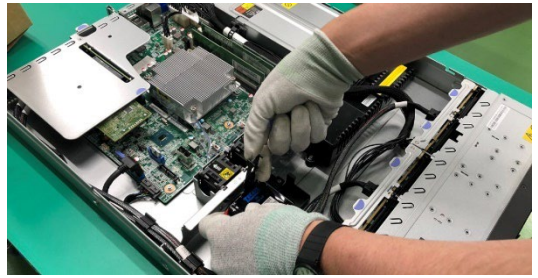
-> Arrival > work > quick handling for shipment

PCs and tablets Kitting results : **482,000** units a year (2026/3)

Truck booking acceptance system

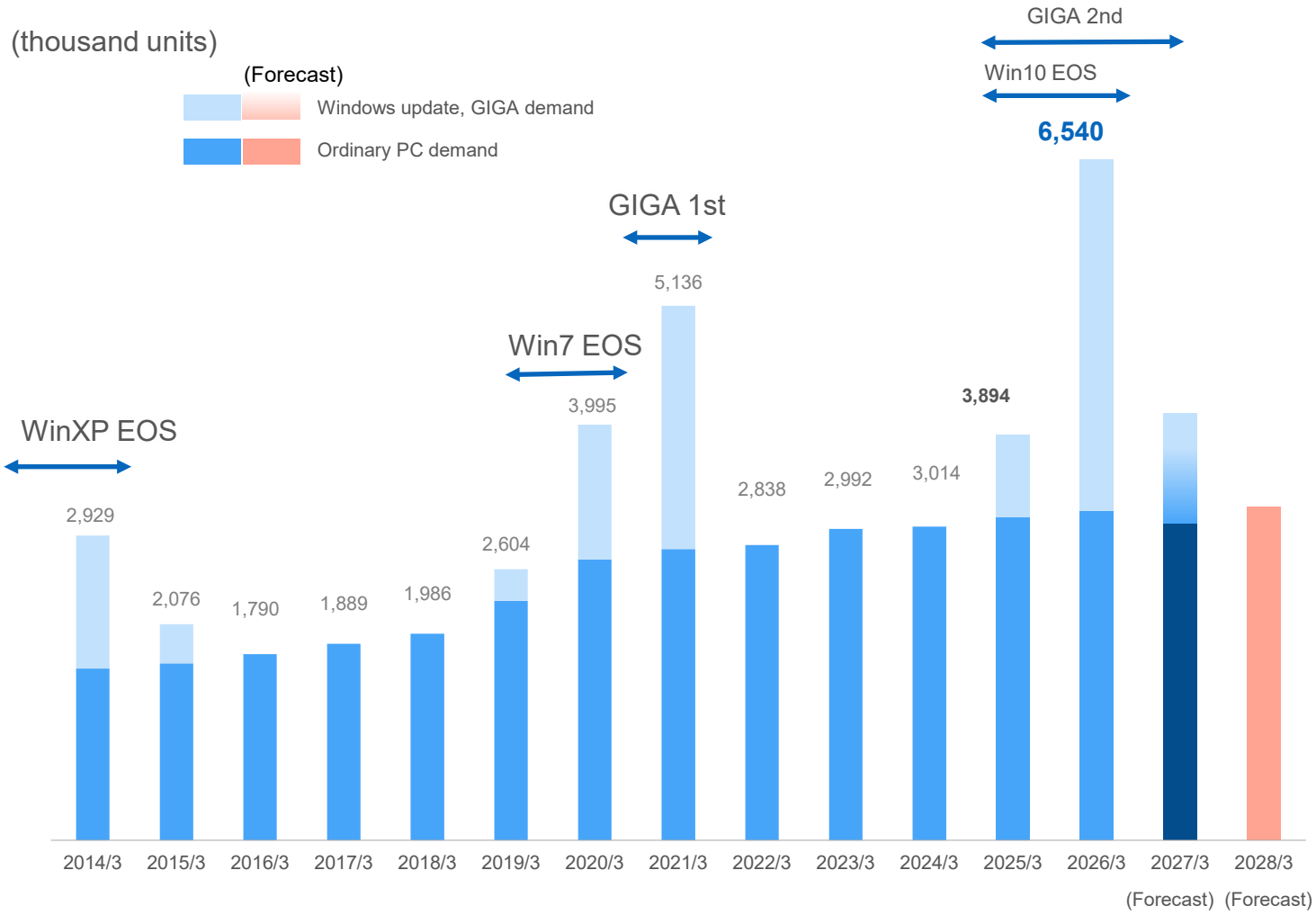
→ Sharing of incoming and outgoing information and vehicle leveling





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PC shipments trends



PC Shipment Status

- In FY March 2027, Windows renewal demand will end, and sales in corporates market will decrease by approximately 900,000 units compared to previous year.

the GIGA School Phase 2 Device Renewal

- It is assumed that there is a demand for approximately 10 million units nationwide from FY March 2025, to FY March 2027, and approximately 70% have already been updated
- Targeting a transaction volume of **approximately 70 billion yen** in FY March 2027, including PCs, tablets, and related products and services
- Bidding for FY March 2027 is progressing sequentially, but GIGA-eligible terminals are also rising in price due to soaring memory prices. Deliveries may be delayed going forward, and we are monitoring the situation in cooperation with sales partners

PC Market Forecast for FY March 2028 and Beyond

- Solid demand is expected to continue against the backdrop of corporate DX investment, and market penetration of AI PCs is anticipated
- Attention must be paid to rising IT product unit prices due to memory prices and high crude oil prices, and the accompanying decline in demand

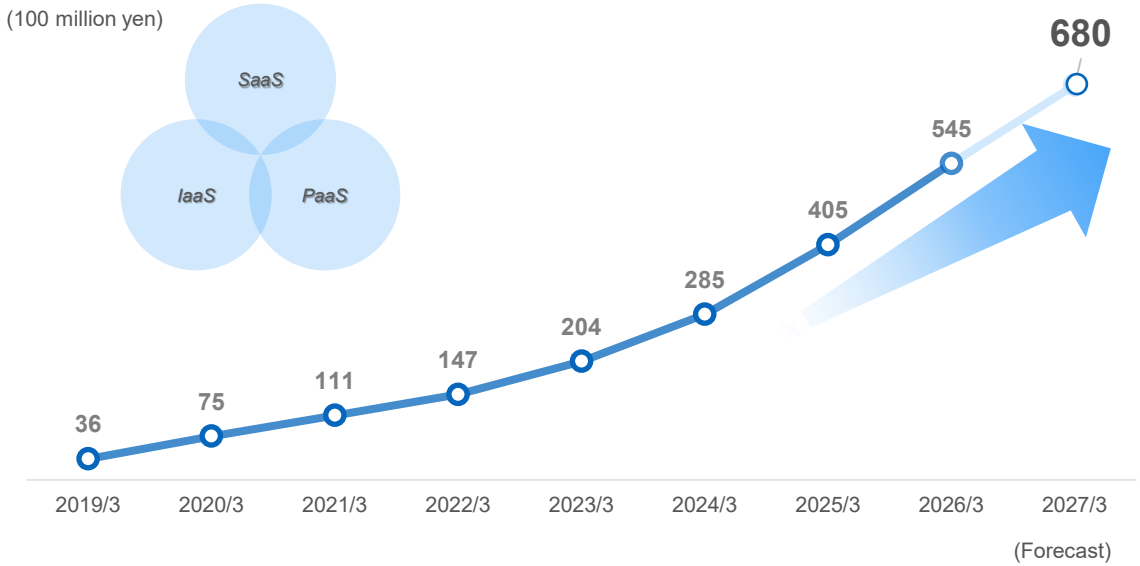
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Trends in Sales Targets via iKAZUCHI (Thunder) and Number of Registered Dealers

iKAZUCHI Transaction volume

Total revenues to sales partners through
Subscription management portal "iKAZUCHI"

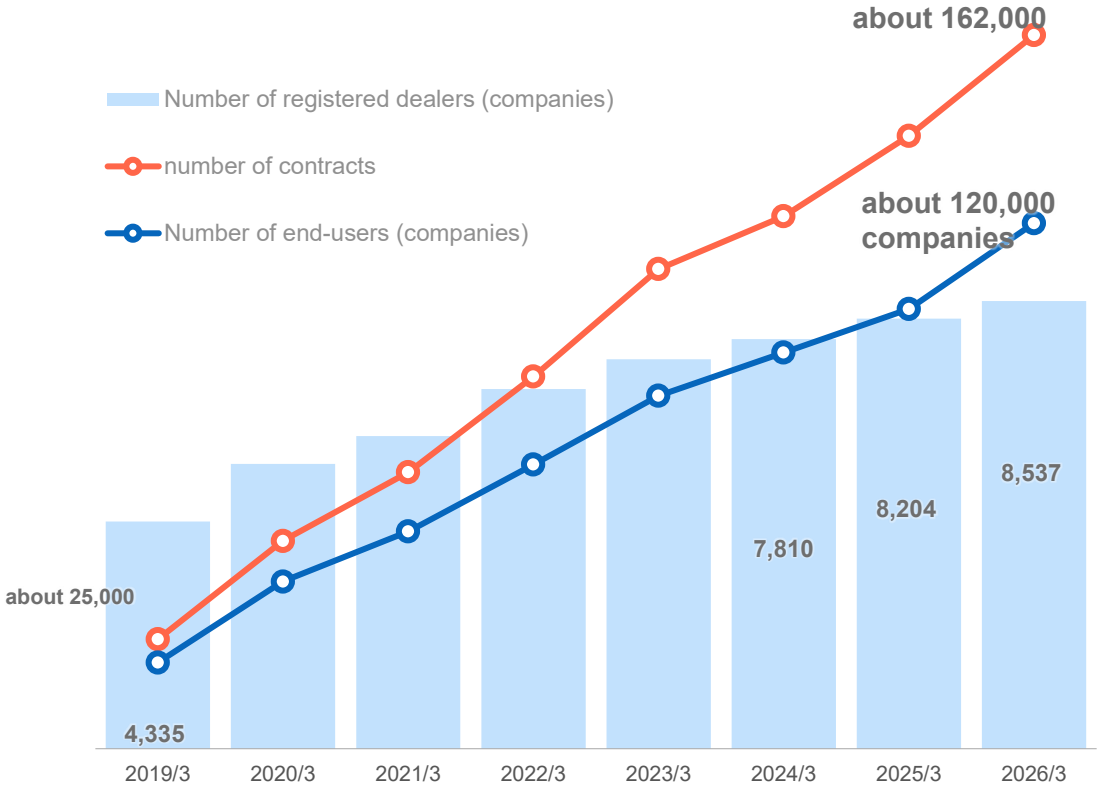
Targeting CAGR growth of **30% or more** during the MTP



Strengthening the “Foundation" of Recurring Business
Steady progress toward annual targets



Trends in the Number of Registered Sales Partners



Number of supported vendors

24 → 38 → 65 → 88 → 115 → 130 → 137 → **147** companies (2026/3)

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Industrial Machinery Business Strategies

1 Efforts to expand sales in machine tools division

- Strengthening inventory sales strategy (expanding short lead time sales in U.S. and China markets)
- Developing overseas markets (market research in promising Asian regions)
- Continued development and commercialization of high-precision vertical lathes (for aircraft and energy industries)
- Capturing replacement demand in major domestic industries

2 Capturing earnings improvements in automatic machinery division

- Optimizing production planning (continuing appropriate order risk assessment)
- Improving market competitiveness (strengthening case packer sales, promoting new model development)
- Advancing proposal-based sales based on customer needs (for food, confectionery, and pharmaceutical industries)

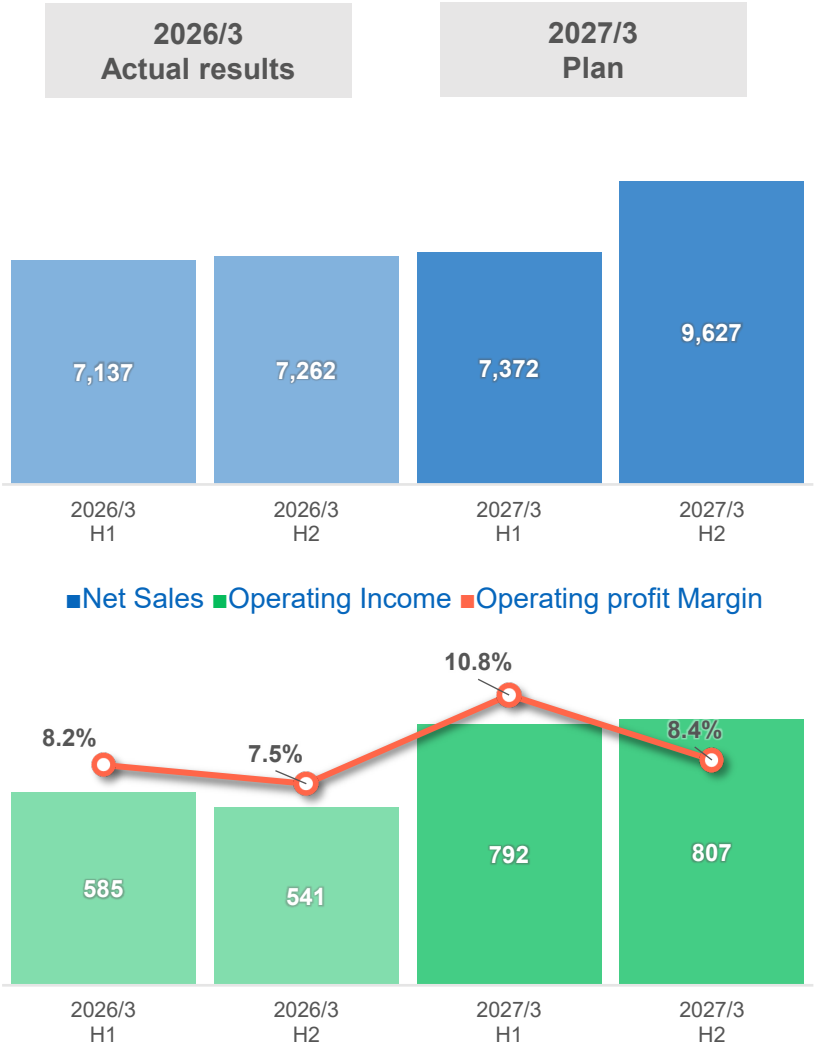
3 Strengthening profitability by reinforcing the service structure

- Proposing overhauls for installed products
- Finding cooperative enterprises for service support

4 Promotion of Human Resource Education

- Improving technical capabilities through expanded skills training
- Strengthening the sales foundation to achieve both the transfer of veteran knowledge and the development of young employees

(million yen)



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Industrial Machinery Business -Product Examples -

Vertical lathes/ Turning centers



- **No. 1 share in Japan** for both medium- and large-sized lathes (Cumulative shipments exceeded **7,800** 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 engine and wind power parts
- The picture on the left shows the “RT-915,” a small general-purpose machine

Wheel lathes



- 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 creativity 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

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Reference Materials

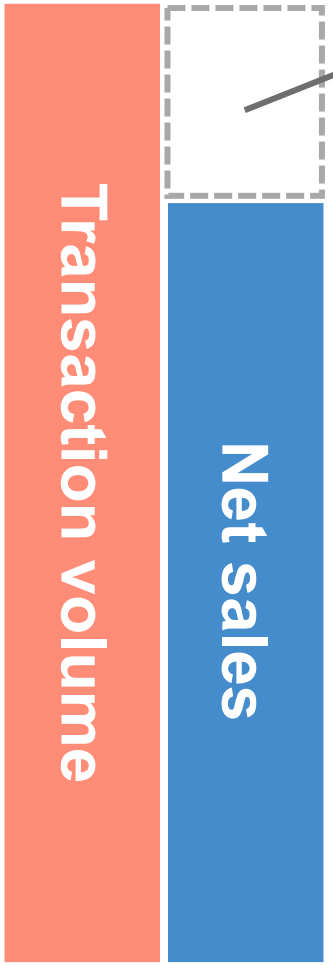
- Outline of Medium-Term Management Plan (March 2025 to March 2027)
- Business Overview
- “Transaction Volume” of IT Infrastructure Distribution Business
- Performance Graph

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"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

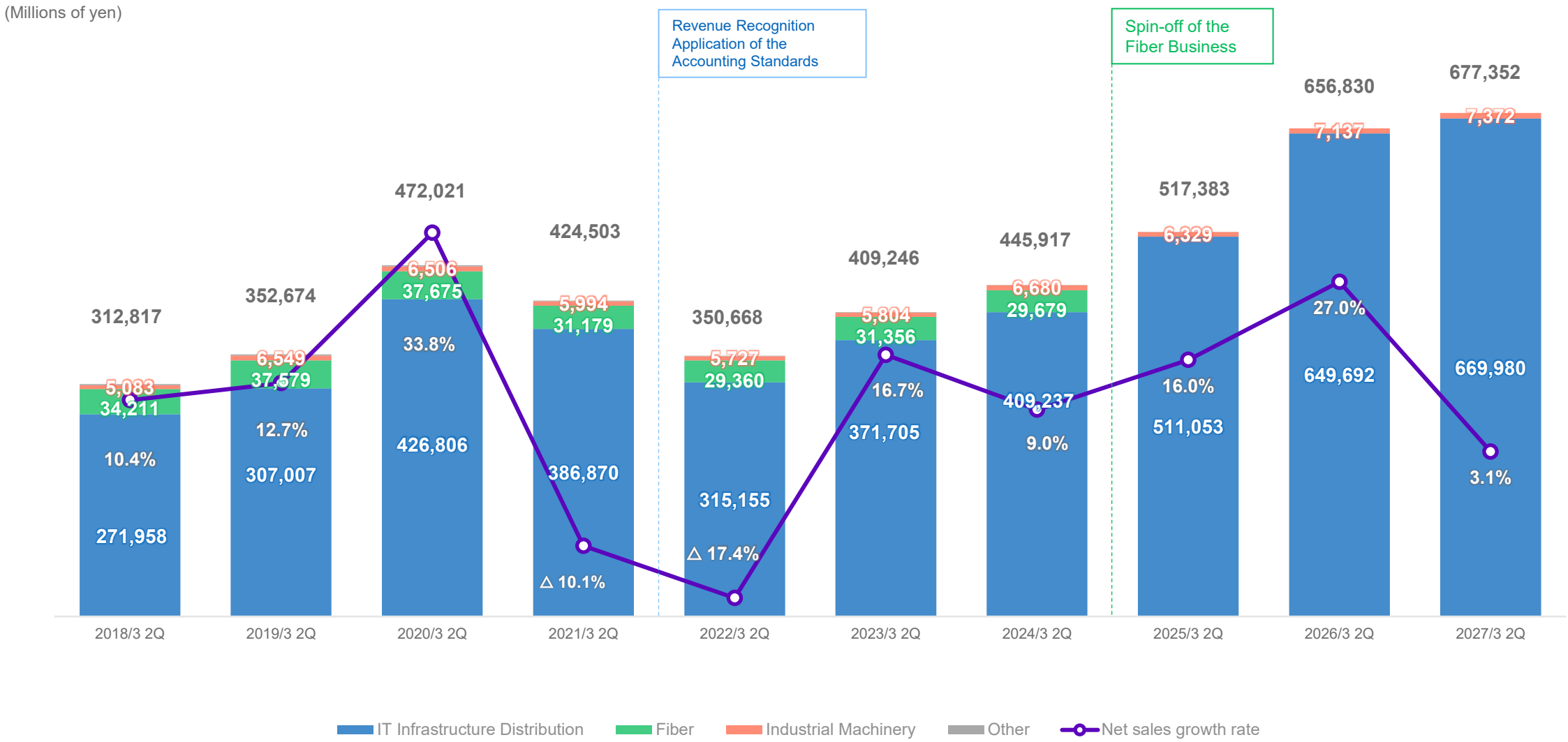
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Reference Materials

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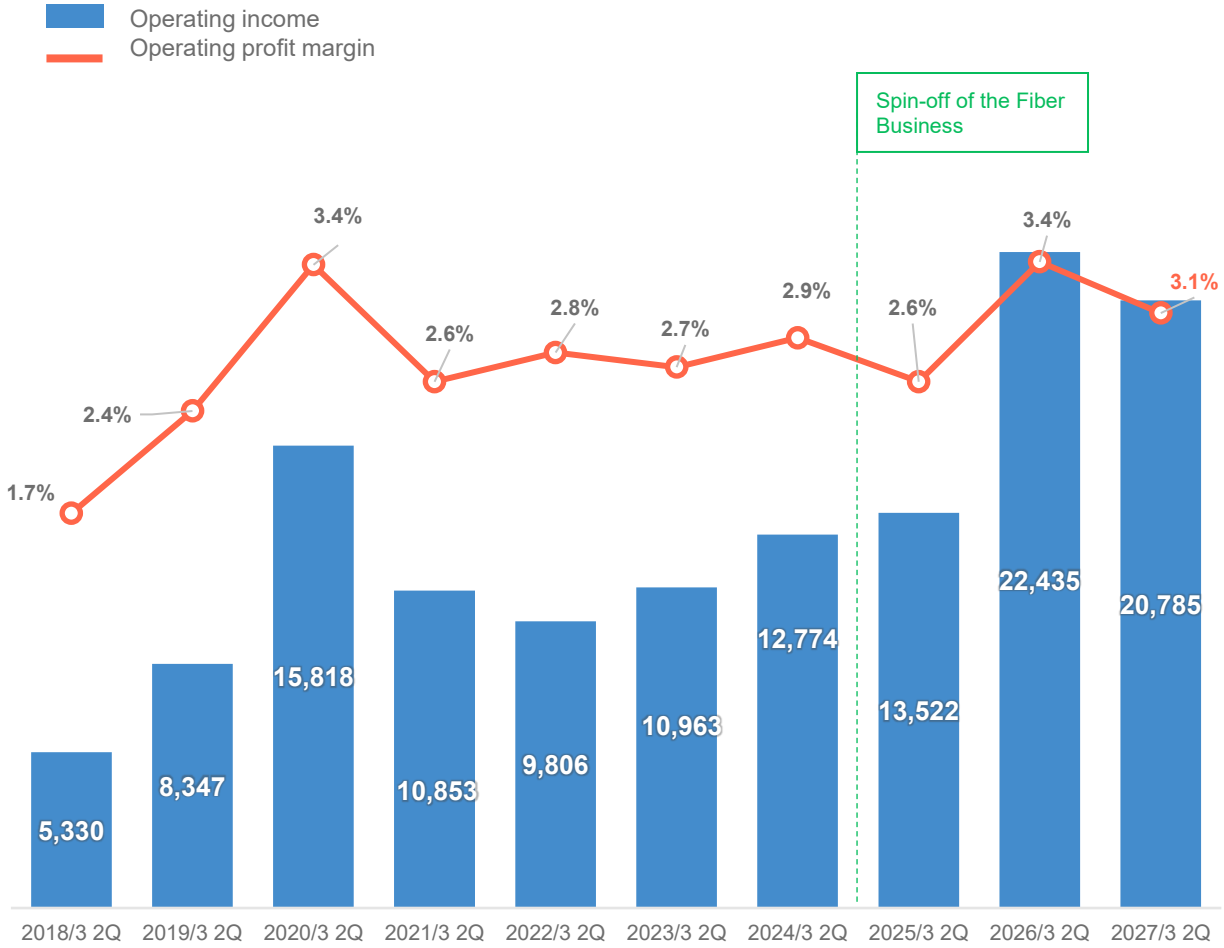
Consolidated net sales (First Half)



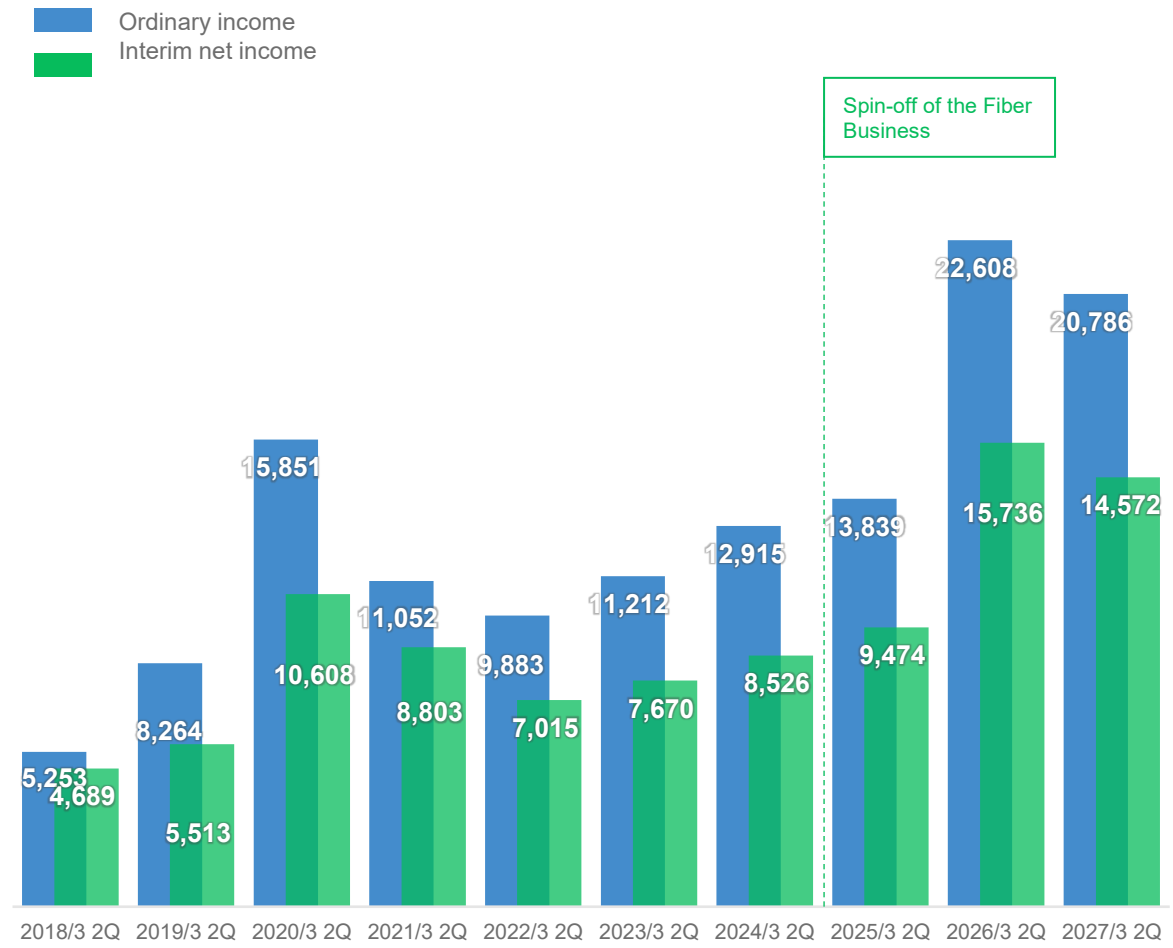
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Consolidated Operating Income, Ordinary Income, and Net Income (First Half)

Consolidated operating income (million yen)

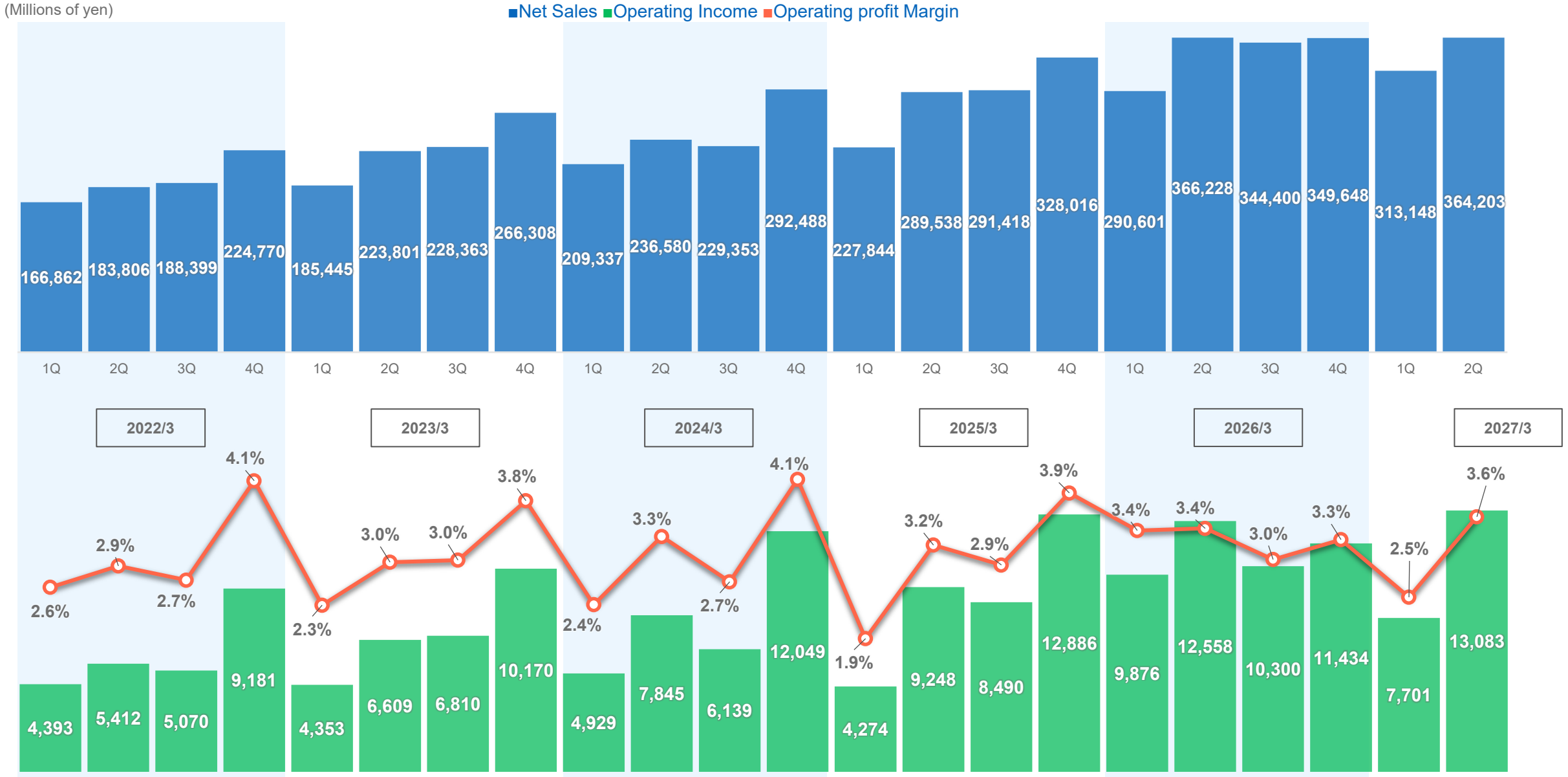


Consolidated ordinary income / Interim net income (million yen)



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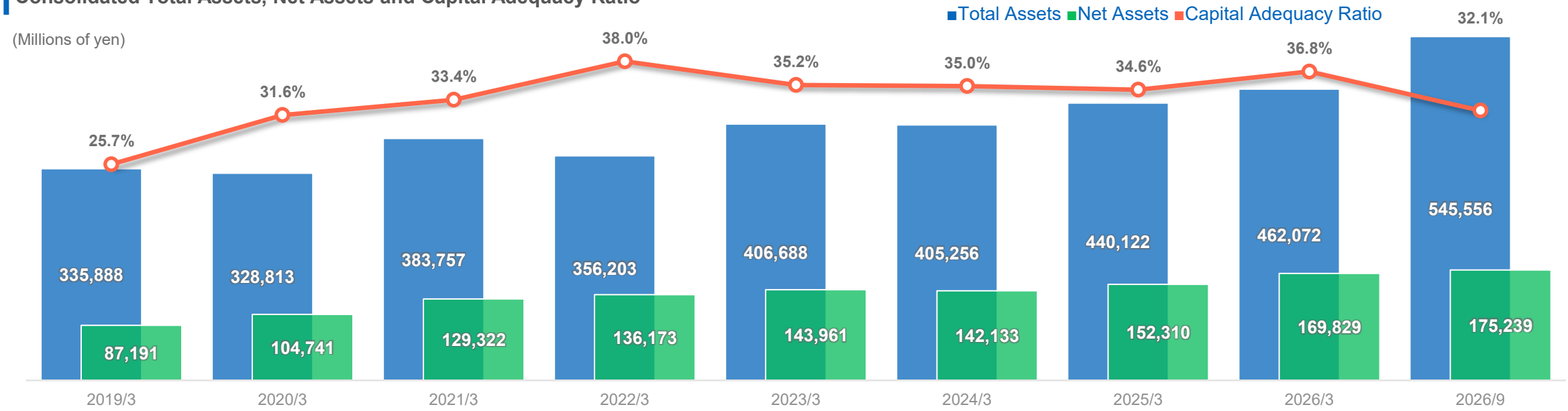
Consolidated Quarterly Results Trends



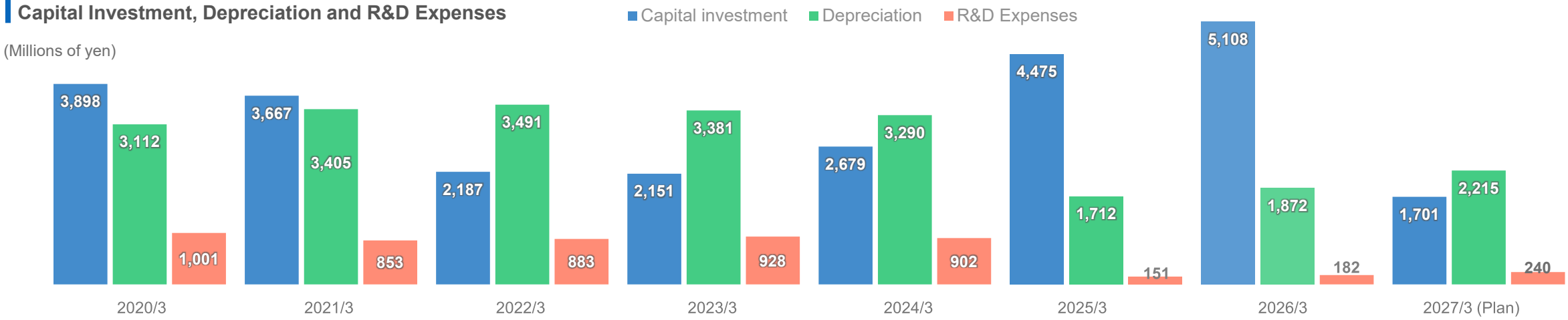
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Consolidated Total Assets, Net Assets and Capital Adequacy Ratio
Capital Investment, Depreciation and R&D Expenses

Consolidated Total Assets, Net Assets and Capital Adequacy Ratio

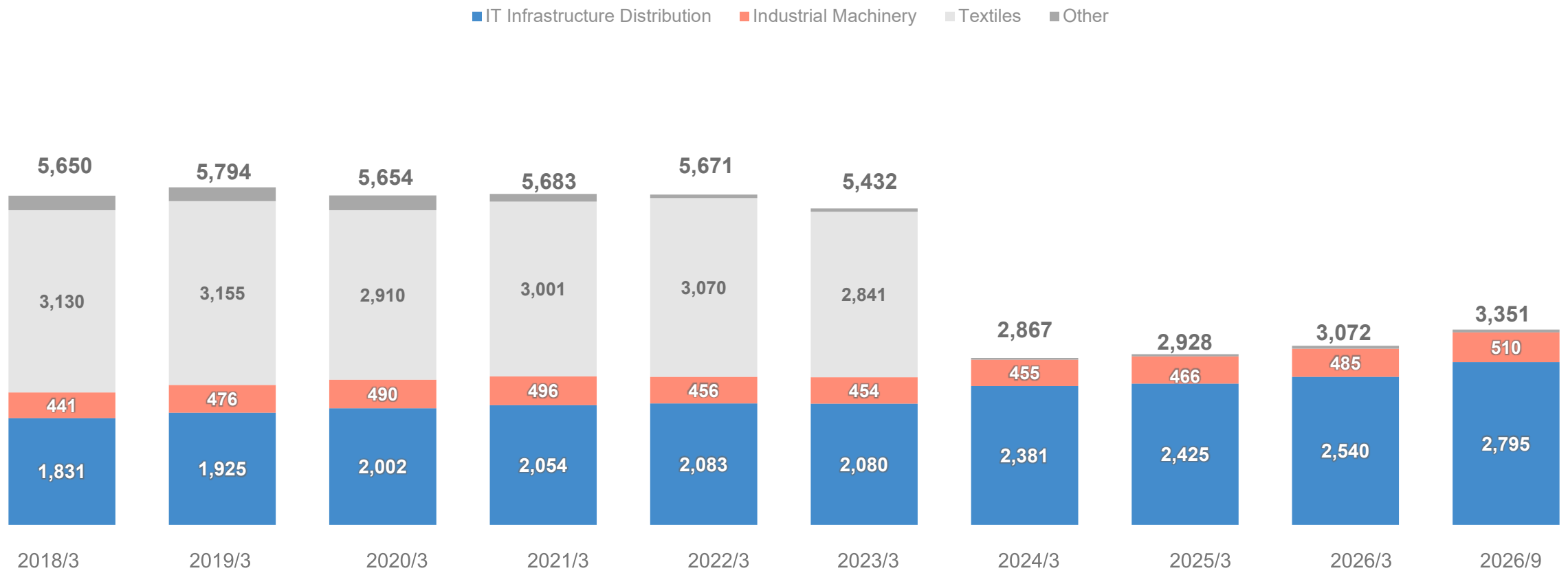


Capital Investment, Depreciation and R&D Expenses



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Number of Employees by Segment



* Figures represent the number of employees as of the last day of each period.

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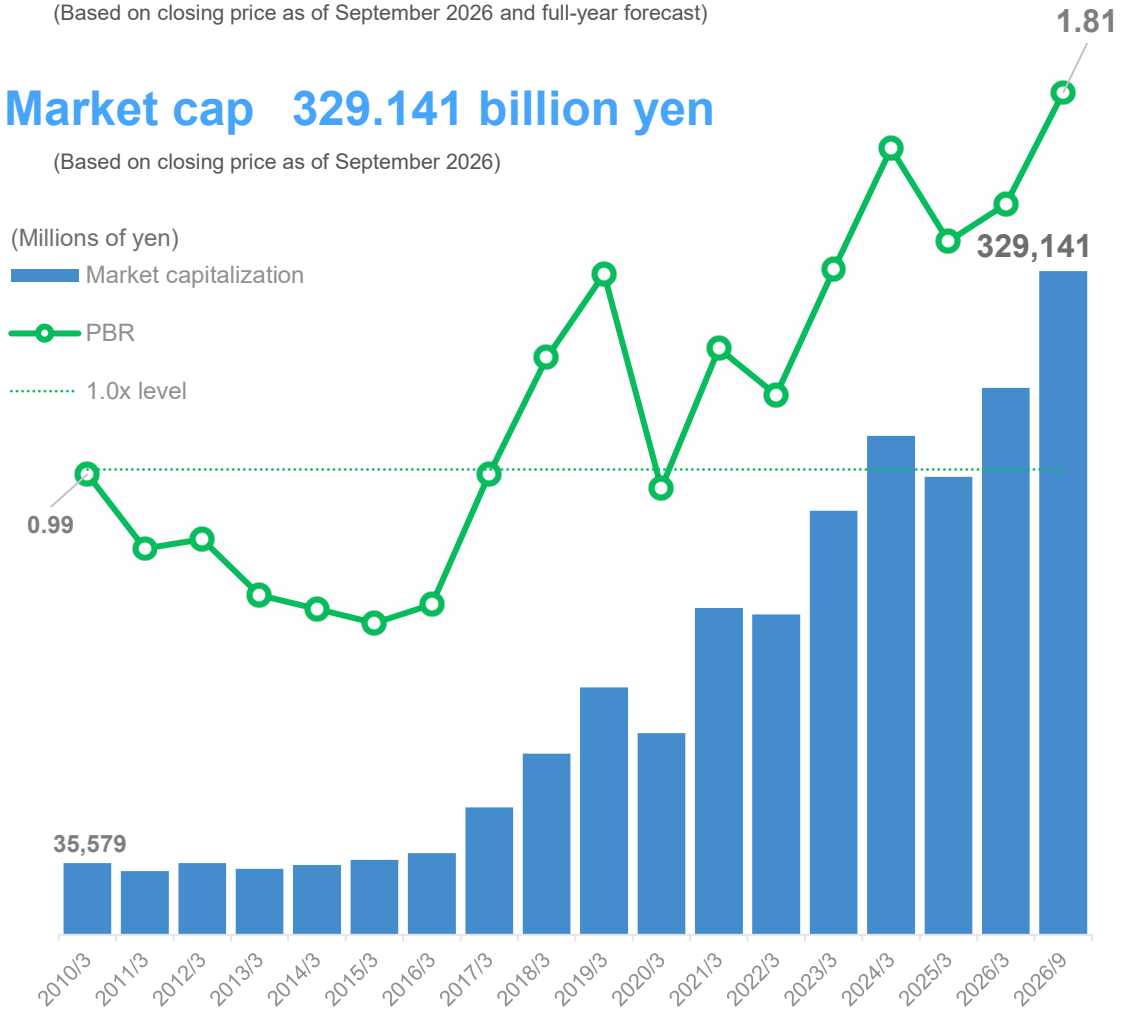
Stock Price Trends

PBR 1.81x

(Based on closing price as of September 2026 and full-year forecast)

Market cap 329.141 billion yen

(Based on closing price as of September 2026)

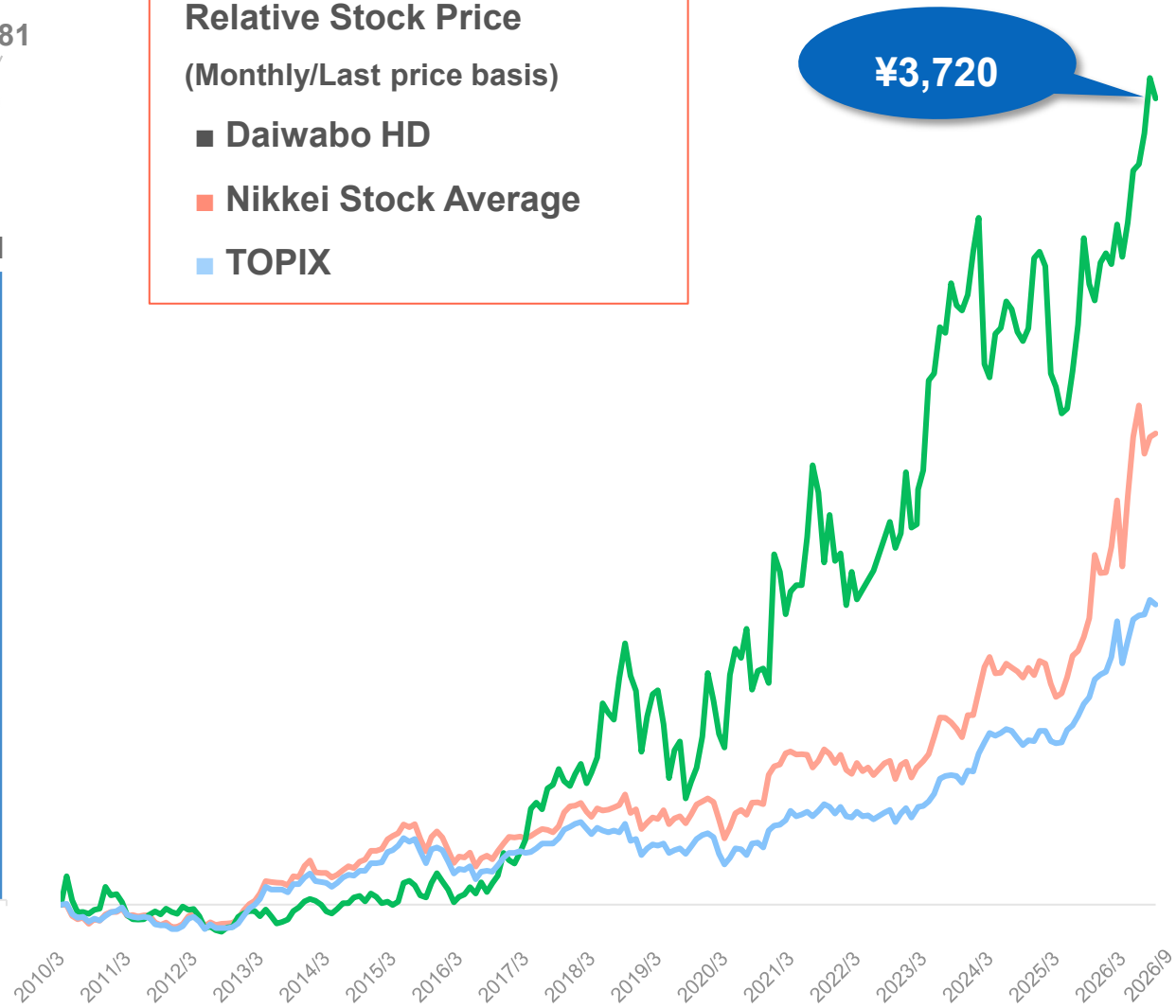


Relative Stock Price

(Monthly/Last price basis)

- **Daiwabo HD**
- **Nikkei Stock Average**
- **TOPIX**

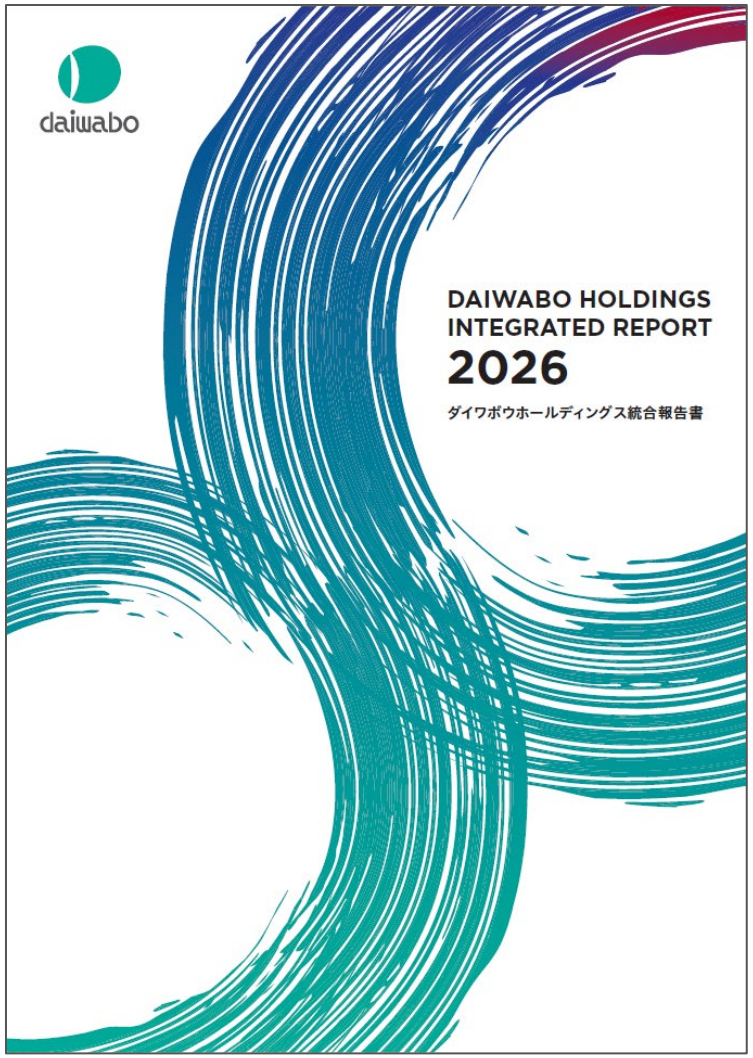
As of the end of September 2026



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

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Notice of Publication of "Integrated Report 2026"



On September 24, the company published "Integrated Report 2026" and made it available on the company's website.

This report aims to clearly convey the Group's "value creation story," which is grounded in our values and business model.

The 2026 edition presents our approach to and initiatives for enhancing corporate value by linking financial and non-financial information, and shows how we will achieve sustainable growth.

We encourage you to read this report to learn about the Group's strengths, growth potential, and initiatives for medium- to long-term value creation. We will continue to enhance our information disclosure and deepen our dialogue with all our stakeholders.

QR code for download

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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	April 1, 1941
	Establishment of Daiwabo Holdings Co., Ltd.	July 1, 2009
Consolidated employees	3,351 (as of September 30, 2026)	
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] DIS 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

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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

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