

Integrated Report 2024

Creator for the ***NEXT***

The logo features the word "Daitron" in a bold, blue, italicized sans-serif font, centered within a large, light blue circular ring. Surrounding this central element are several overlapping circles of various colors including blue, yellow, green, pink, and purple, some of which contain smaller dots or patterns.

Daitron

Philosophy System

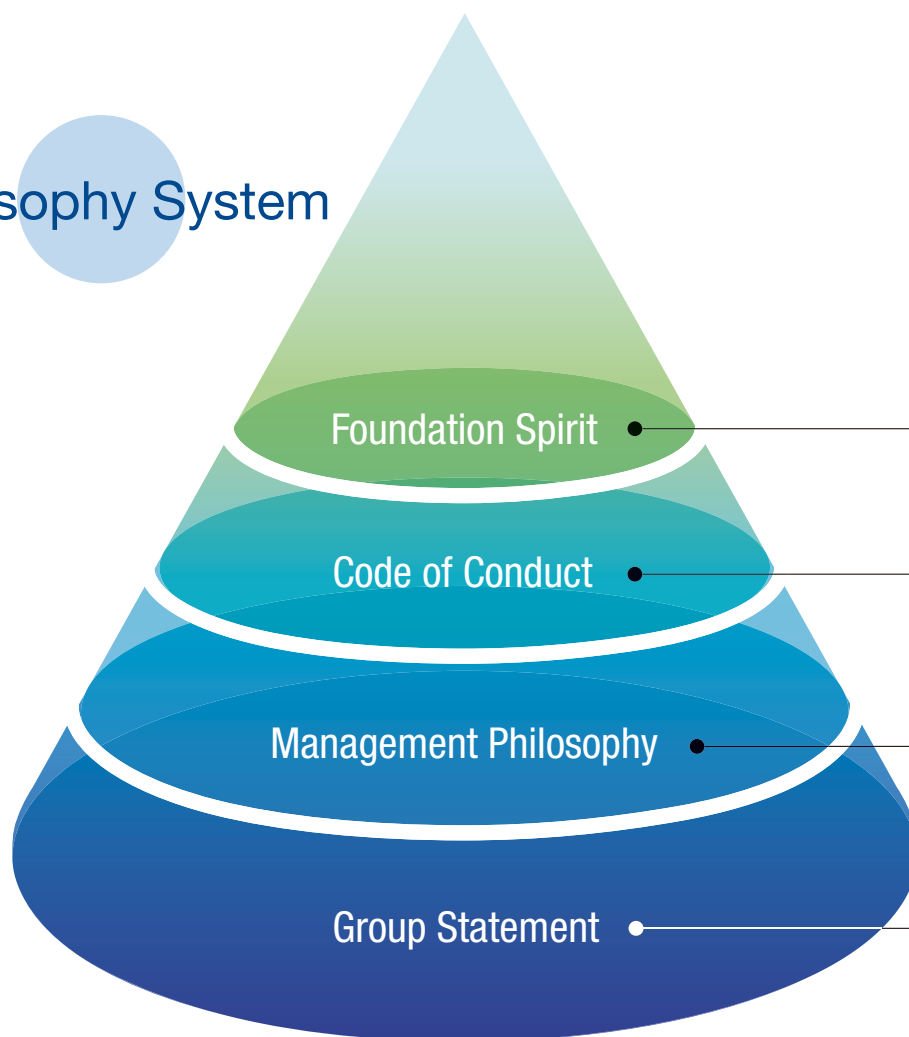


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• Editorial Policy

The Daitron Group has prepared the Daitron Integrated Report 2024 to help all stakeholders understand our efforts to create sustainable value.

In addition to our most recent business results, this report describes our management policies and strategies, including notable case studies. For detailed financial data and other information, please visit our website.

• Scope of Reporting

Period Fiscal Year Ended December 31, 2023
(January 1, 2023 to December 31, 2023)

* Some information from outside of this period is also included.

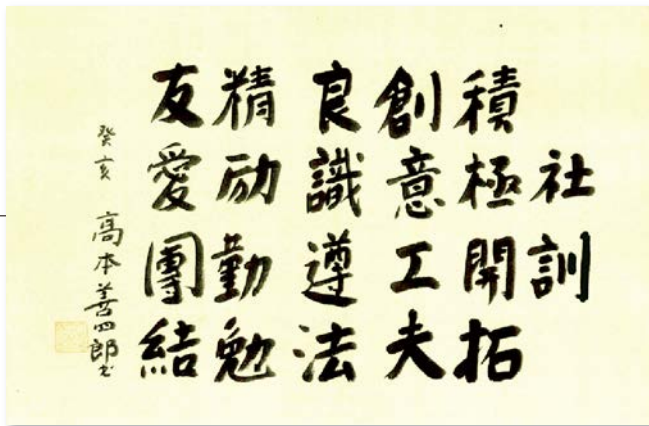
Organization Daitron Group

* Caution Regarding Future Outlooks

The forward-looking statements in this integrated report, including future plan figures and measures, are calculated based on judgments and assumptions that the Company has made based on information currently available and that it believes to be reasonable. Accordingly, actual results may differ from these forecasts due to various important factors such as economic conditions in major domestic and overseas markets and fluctuations in foreign exchange rates.

Hard work, prosperous lifestyle

In “hard work,” we put our determination to give our all in our work during working hours. “Prosperous lifestyle” suggests that payments be increased and employees and shareholders earn fair returns, as performance improves. Since 2008, we have been further promoting this idea to better motivate employees by realizing a performance-based pay system of an industry-leading level.



The writings of founder Zenshiro Takamoto

- ▶ Our Company will aim to provide a comfortable and safe work environment, respecting our employees' needs for self-esteem and encouraging every individual to achieve their fullest potential.
- ▶ Our Company will do its utmost to satisfy its customers, shareholders, and suppliers.
- ▶ Our Company will strive to maintain a global outlook and continue to conquer challenges in technological innovations to provide high value-added products for our customers.
- ▶ Our Company is committed to being a good corporate citizen and actively participating in those communities where we are represented.

Creator for the **NEXT**

Grasp markets from a global viewpoint to create and provide values one step ahead of customer needs

This Group Statement expresses our idea of what the Daitron Group should be like. Further, “NEXT” (NETWORK, ENGINEERING, X[SYNERGY], TRADING) implies our aspiration to create new value as an engineering trading company leading the electronics industry and capitalizing on its network.

Contributing to future value creation through electronics

Daitron Co., Ltd. (then called Daito Shoji Co., Ltd.) was established in 1952, starting its journey as a trading company. In 1969, the Daitron trademark was registered, and in 1970, we took several actions toward full-scale manufacturing functionality, including spinning off our technology division. Our unique dual trading and manufacturer functionalities comprise a truly important element of our DNA that has been passed down to the present and has been refined over the years to become one of the Group's major strengths.

In the 72 years since our founding, we have built a broad and stable customer base by meeting the needs of all industries through a wide range of businesses covering the entire electronics domain, from electronic devices and components to manufacturing equipment. As a result, we have built deep and complex trust relationships with our customers, who are also our suppliers and joint developers. With this, our customer base has evolved into an even stronger “partner base.” This is also a very significant source of competitiveness for the Group.

With regard to the global development of our business, we have been focused on building overseas networks from an early stage, such as becoming the exclusive distributor for advanced technology manufacturers in the U.S. and other countries in the 1950s. This track record and experience have been the basis for our steady overseas expansion, beginning with the establishment of a U.S. subsidiary in 1986.

Then, in 1993, around 40 years after the Company's founding, we reached a major turning point. It was the dawn of the Internet and personal computers, and there was a great sense of anticipation that electronics technology would change the world. It was amid this atmosphere of the times that the Group established a new Management Philosophy with the aim of long-term growth and advancement. Simultaneously, as a new form of management to pursue this

philosophy, we launched the 1st Medium-Term Business Plan (1M), aiming to operate our business based on mid- to long-term goals and strategies. This was such a major change, it could truly be called a “second founding.” Since that time, our Group's management has been based on our Medium-Term Business Plans, and we have continued to achieve steady growth.

Today, once again, we face a time of great change. As technologies such as IoT and AI make great strides, society finds itself up against a mountain of issues, including climate change as well as labor shortages due to the declining birthrate and aging population. Here, we believe that electronics technology will serve as a key technology driving solutions to the myriad social and environmental issues the world faces.

In response to these major changes in the business environment, during the period of the previous 10th Medium-Term Business Plan (10M), we steadily developed a system to promote sustainability, including identifying materiality and studying and formulating action plans. In the new, 11th Medium-Term Business Plan (11M) starting in 2024, this will lead to full-fledged initiatives toward sustainability. Prior to the formulation of 11M, we partially revised 2030 VISION, our Long-Term Vision, to clearly establish our desired state as “a corporate group that co-creates diverse values with all stakeholders through business activities,” our envisioned contribution to bringing about a sustainable society. The above state stands alongside our existing image of sustainable growth for the Group, as displayed in Figure 3 on page 19.

Today, we recognize that we are entering a period that should be positioned as our “third founding.” Going forward, we will work to create new value demanded by societies of the future based on our achievements and experience accumulated over the 72 years since our founding and our unique electronics technology.

We ask for your continued support of the Group.

ダイトロン株式会社

DAITRON CO., LTD.



Chairman
and Director
Isayuki Mae

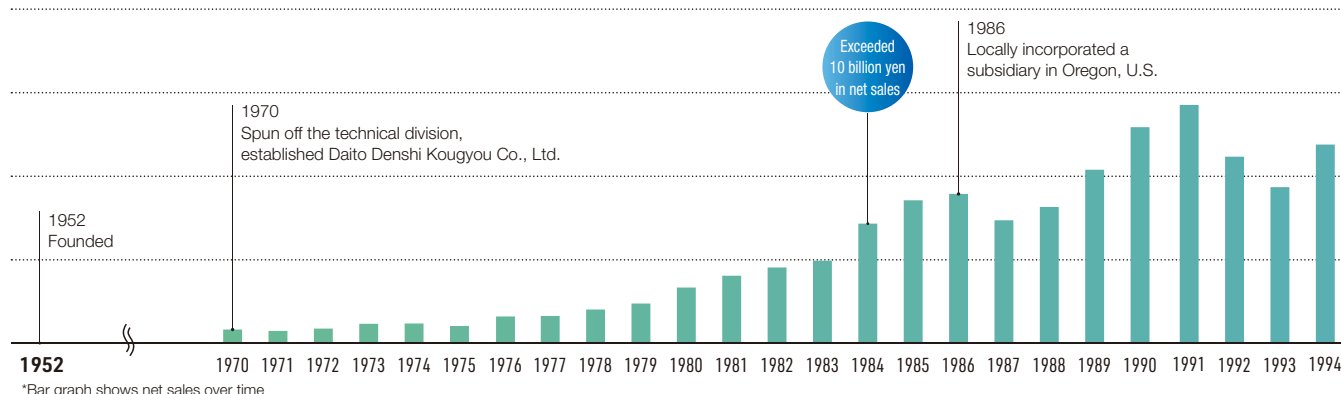
President,
CEO and COO
Shinsuke Tsuchiya

In the 72 years since our founding, we have grown alongside the development of the electronics industry in Japan and around the world

Our beginnings in 1952 were as a trading company, and we established a manufacturing subsidiary in 1970 by spinning off our technical division. This was the start of our Group “combined manufacturing and sales policy” management system that has continued to the present day.

We have established a unique presence in the industry by being an electronics trading company with a manufacturing function, which enables us to meet the needs of our customers in niche fields.

Then, in 2017, for our next stage of growth, we integrated two domestic manufacturing subsidiaries and began to create a new revenue base through combined manufacturing and sales as Daitron, achieving rapid growth alongside the development of the electronics industry.



1950s

1952

- Established Daito Shoji Co., Ltd. in Kita-ku, Osaka with a capital of 300,000 yen.
- Focused on sales of tape recorders, which was not common in those days, as a distributor of Tokyo Telecommunications Engineering Corporation (now Sony Group Corporation).

1954

- Moved the head office to Doyama-cho, Kita-ku, Osaka to respond to expanded business.
- Enhanced the purchasing division for Sony products and started sales of transformers from TAMURA Corporation and connectors from Hirose Shokai Co., Ltd. (now Hirose Electric Co., Ltd.) and Tajimi Electrics Co., Ltd.

1957

- Moved the head office to Oimatsu-cho, Kita-ku, Osaka to respond to expanded business.

1958

- Established the Tokyo Branch in Hanazono-cho, Shinjuku-ku, Tokyo.

1959

- Started to import and sell wear testing instruments and measuring instruments, etc. of U.S.-based Taber Industries as its Far-Eastern distributor.

1960s

1969

- Registered the Daitron trademark.

1970s

1970

- Spun off the technical division, established Daito Denshi Kogyou Co., Ltd.

1975

- Opened the Product Control Center in Tarumi-cho, Suita-shi, Osaka.

1980s

1980

- The (First) Ritto Factory was completed in Iseochi, Ritto-shi, Shiga. Started the manufacture of cables and harnesses using Bendix connectors.

1986

- Locally incorporated a subsidiary in Oregon, U.S.

1988

- Changed the trade name from Daito Denshi Kogyou Co., Ltd. to Daitron Technology Co., Ltd.

1990s

1991

- The new head office building was completed in Shima-machi, Chuo-ku, Osaka.

1993

- Established the Management Philosophy.

1994

- Spun off the Electrical Wiring Division and established subsidiary Daito Denso Co., Ltd.

1998

- Changed the trade name to Daito Electron Co., Ltd., updating the Daitron trademark logo design at the same time



Our offices at our founding



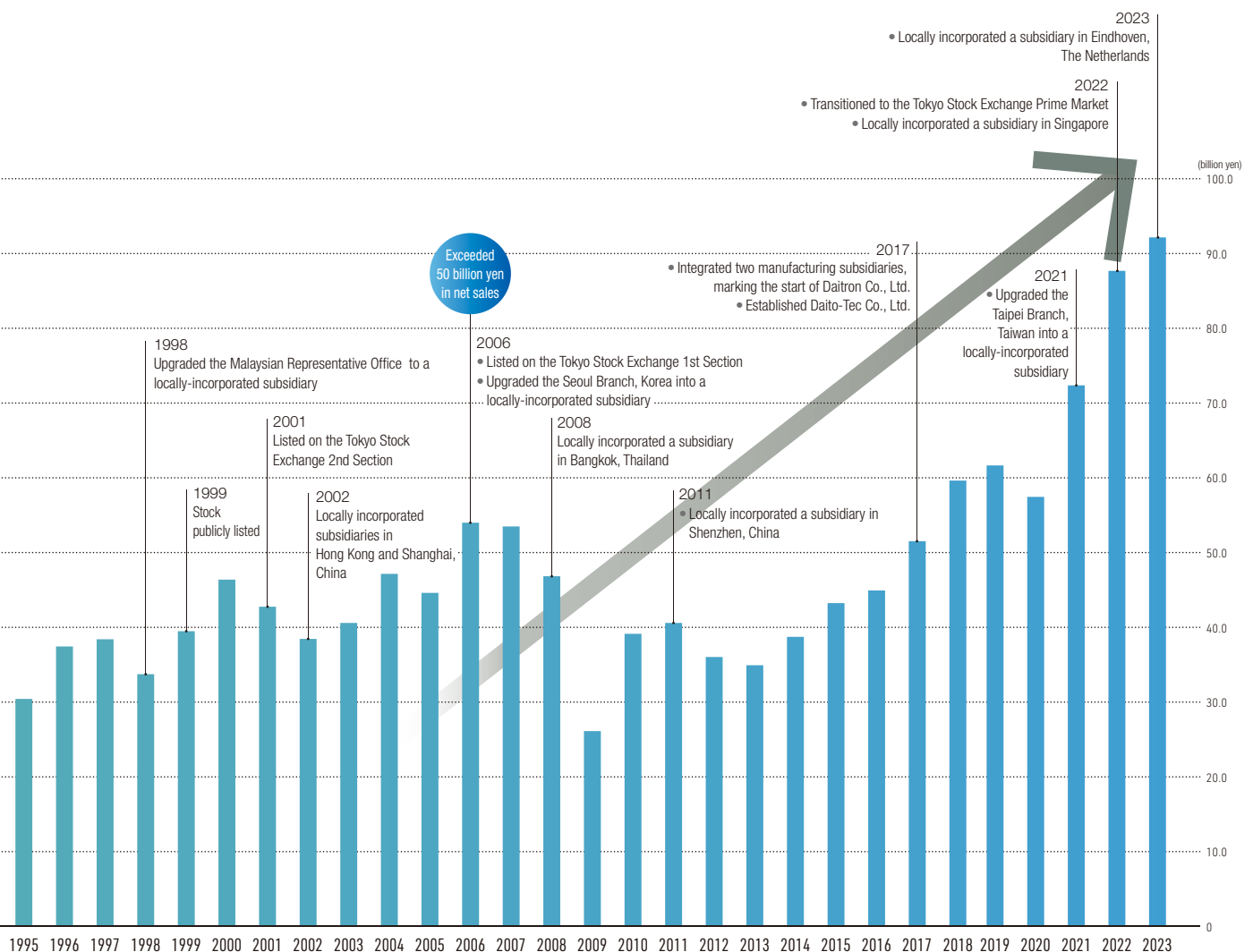
The newly-opened Tokyo Branch



The Product Control Center



Production of Bendix connectors



- Upgraded the Malaysian Representative Office to a locally-incorporated subsidiary

1999

- Shares made publicly available on the over-the-counter market at the Japan Securities Dealers Association (securities code: 7609)

2000s

2001

- Listed on the 2nd Section of the Tokyo Stock Exchange and the Osaka Securities Exchange, and increased capital to 2.186 billion yen through a public offering

2002

- Locally incorporated subsidiaries in Hong Kong and Shanghai, China

2004

- Integrated all the sales offices and Logistics Center located in Osaka Prefecture into the new head office building in Miyahara, Yodogawa-ku, Osaka

2006

- Listed on the 1st Sections of both the Tokyo Stock Exchange and the Osaka Securities Exchange
- Upgraded the Seoul Branch, Korea into a locally-incorporated subsidiary

2007

- Daito Denso Co., Ltd. makes Takawa Industry Co., Ltd. a subsidiary.

2008

- Locally incorporated a subsidiary in Bangkok, Thailand

2009

- Took over the business for semiconductor manufacturing equipment from Emtec Co., Ltd.

2010s

2011

- Locally incorporated a subsidiary in Shenzhen, China

2016

- Completed Chubu Factory as a core Group factory in Ichinomiya-shi, Aichi

2017

- Integrated domestic subsidiaries Daito Denso Co., Ltd. and Daitron Technology Co., Ltd. and changed the trade name to Daitron Co., Ltd.
- Made Tanimoto Denso Co., Ltd. a wholly-owned subsidiary and established Daito-Tec Co., Ltd.

2018

- Completed Chubu Second Factory on the premises of Chubu Factory

2020s

2021

- Daito-Tec Co., Ltd. completed a new factory in Hiroshima-shi, Hiroshima
- Upgraded the Taipei Branch, Taiwan into a locally-incorporated subsidiary

2022

- Transitioned to the Tokyo Stock Exchange Prime Market
- Locally incorporated a subsidiary in Singapore

2023

- Locally incorporated a subsidiary in Eindhoven, The Netherlands



Our first day on the Tokyo Stock Exchange



Listing ceremony for the 2nd Section at TSE Arrows

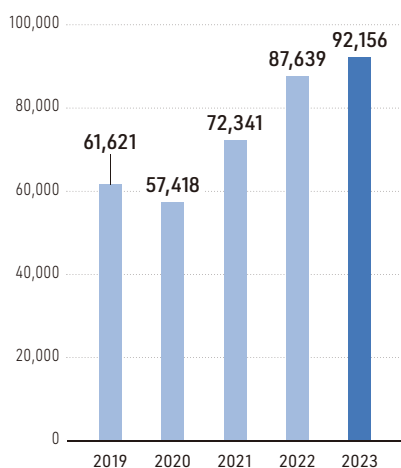


The Chubu Factory

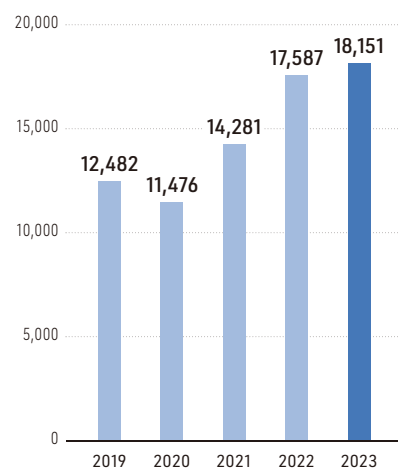
The head office building

Financial Information (Consolidated)

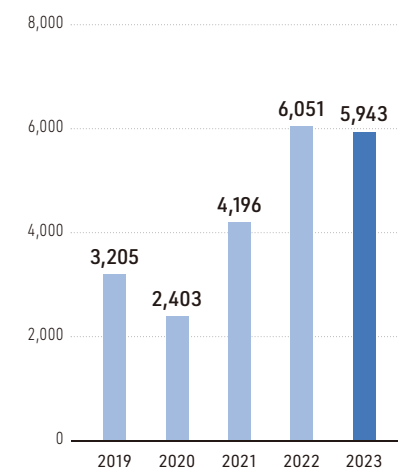
Net sales (million yen)



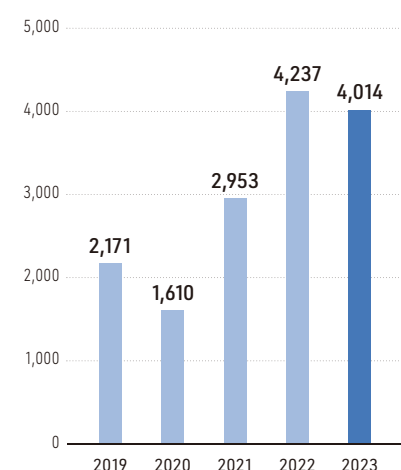
Gross profit (million yen)



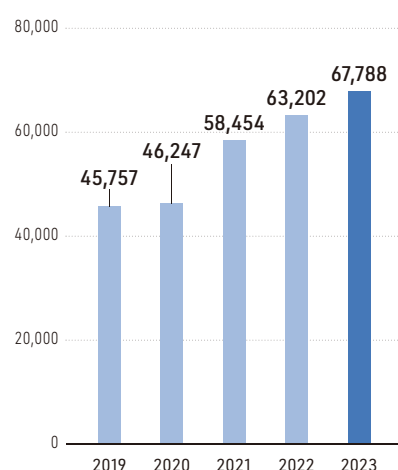
Operating income (million yen)



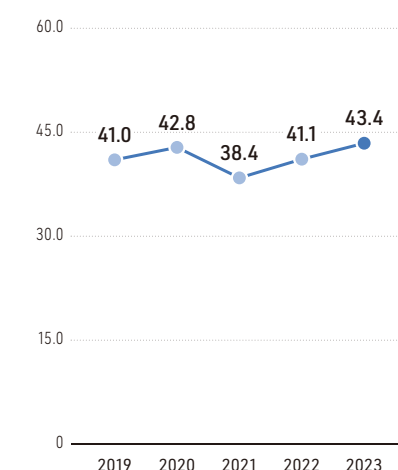
Net income attributable to owners of parent (million yen)



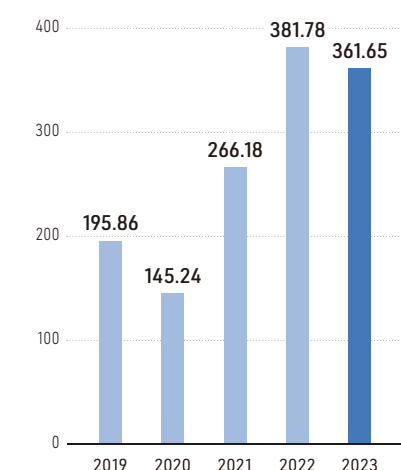
Total assets (million yen)



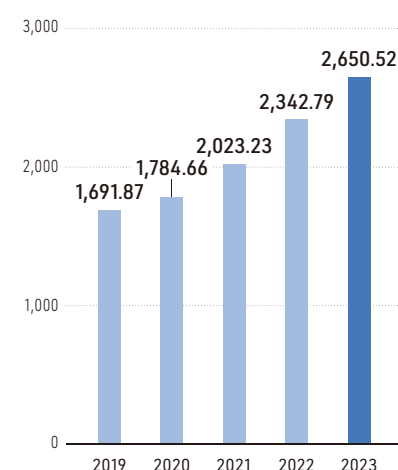
Shareholders' equity/Total assets (%)



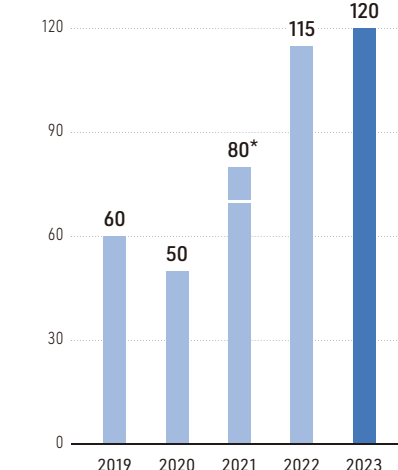
Net income per share (yen)



Net assets per share (yen)



Dividends per share (yen)



*Includes 70th anniversary dividends of 10 yen

Non-Financial Information

Daitron (Consolidated)
Number of employees

1,003

(As of December 31, 2023)

- Japan: 785
- Overseas: 218

Number of Group
companies

12

(As of December 31, 2023)

- Japan: 2 (including the Company)
- Overseas: 10

Worldwide Group
locations

36 locations

(As of December 31, 2023)

- Sales offices: 27 (Japan: 16; Overseas: 11)
- Manufacturing locations: 7 (Japan: 7, Overseas: 1)
- Representative offices: 2 (Overseas)

Daitron (Non-Consolidated)
Partner base

Approx. 7,000 companies

(As of December 31, 2023)

- Customers: Approx. 5,000 companies
- Suppliers: Approx. 2,000 companies

Original product ratio
(sales base)

16.1%

(FY2023)

Daitron

Overseas business ratio
(sales base)

21.0%

(FY2023)

Daitron (Non-Consolidated)
Ratio of female hires
(Women as a share of new hires*)

20.6%

(FY2023)

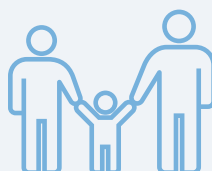
* Data for new regular employees
(not including contract and part-time employees)

Daitron (Non-Consolidated)
Ratio of childcare leave, etc. taken
(including company-specific leave for the purpose of childcare)

84.6%

(FY2023)

- Women: 100%
- Men: 80.0%

Daitron (Non-Consolidated)
Ratio of outside officers

60%

(As of December 31, 2023)

- Directors: 7 (including 4 Outside Directors)
- Corporate Auditors: 3 (including 2 Outside Corporate Auditors)

• Total officers: 10 (including 6 outside officers)



We aim to make a leap forward in the global market as a

Surrounding megatrends

- Diversifying technologies
(Increasing importance of semiconductor back-end process)
- Spreading EV & automated driving
▶ Changing business methods
- Evolving cloud computing
- Spreading local 5G and 6G systems
- Fully spreading automated equipment
▶ Further changing manufacturing sites
- 2050 carbon neutrality
* Electronics is one of the key technologies

Management base

Philosophy System

Foundation Spirit / Code of Conduct

Management Philosophy

Group Statement

Utilized capital

Financial Capital

Financial base supporting growth strategy and high profitability

- Equity ratio **43.4%**
- Gross profit ratio **19.7%**

Human Capital

Sustained cultivation/enhancement of human resources with superior field capabilities

- Number of Group employees **1,003**

Manufacturing Capital

Production system supporting combined manufacturing and sales management

- Domestic and global manufacturing locations **7**

Intellectual Capital

A Daitron brand with unique original products

- Original product ratio **16.1%**

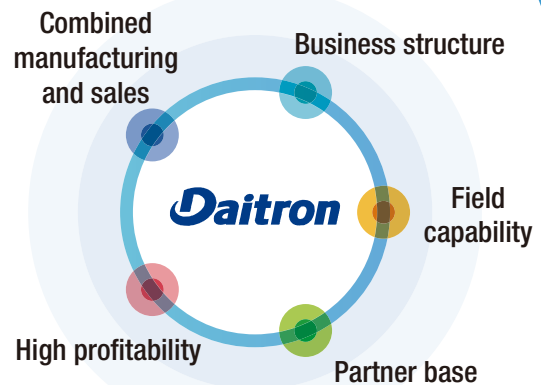
Social and Relationship Capital

Rich partner base

- Partner base **Approx. 7,000** companies
(Customers + suppliers)

Efforts in management

Daitron Group Strengths >> See pages 11-12



Business Operation >> See pages 31-36

Responding to a global electronics demand for both electronic equipment/parts and manufacturing equipment

Electronic Equipment and Components

- Electronic components & assembly products
- Semiconductors
- Embedded systems
- Power supply equipment
- Image-related equipment & parts
- Information systems etc.

Manufacturing Equipment

- LSI manufacturing equipment
- Electronic materials manufacturing equipment
- Optical device manufacturing equipment
- FPD manufacturing equipment
- Energy device manufacturing equipment etc.

Global business development

technology-based company and create new value for the world

Management Foundations

Our Basic Policy on
Corporate Governance

Risk management

Compliance and
corporate ethics

CSR Basic Policy/Materiality

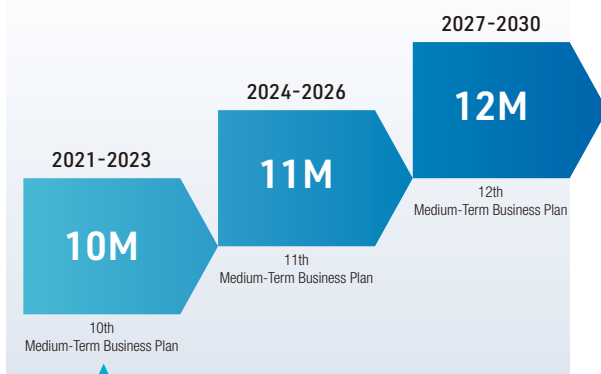
Growth Strategy >> See pages 15-30

Medium-to long-term slogan

**Make a leap forward in the global market
as a technology-based company**

Striving to achieve our Long-Term Vision through three steps

► Launched 11M in 2024



Outputs (major results from 10M)

- Net sales: **92.1 billion yen**
*Three years of consecutive record highs from 2021 to 2023
- Operating income: **5.9 billion yen**
*Two years of consecutive record highs in 2021 and 2022
- ROA: **6.1%** (target: 6% or more)
- ROE: **14.5%** (target: 12% or more)
- Equity ratio: **43.4%** (target: 50%)

Note: All figures are consolidated results for 2023

■ Future vision to aim for

Long-Term Vision

2030 VISION

Qualitative target (2030)

Consolidated net sales of
over **100 billion yen** for
further expansion

Qualitative target (vision for 2030)

A corporate group **needed**
by **the world** for its **technological**
and **proposal capabilities**



A corporate group that uses
its business activities to
co-create a diverse range of values
with **all stakeholders**

Materiality

(Sustainability key issues)

>> See pages 41-42

Create the Four Values
based on established
management
foundations!



- 1 Partner value creation
- 2 Human resource value creation
- 3 Social & environmental value creation
- 4 Economic value creation

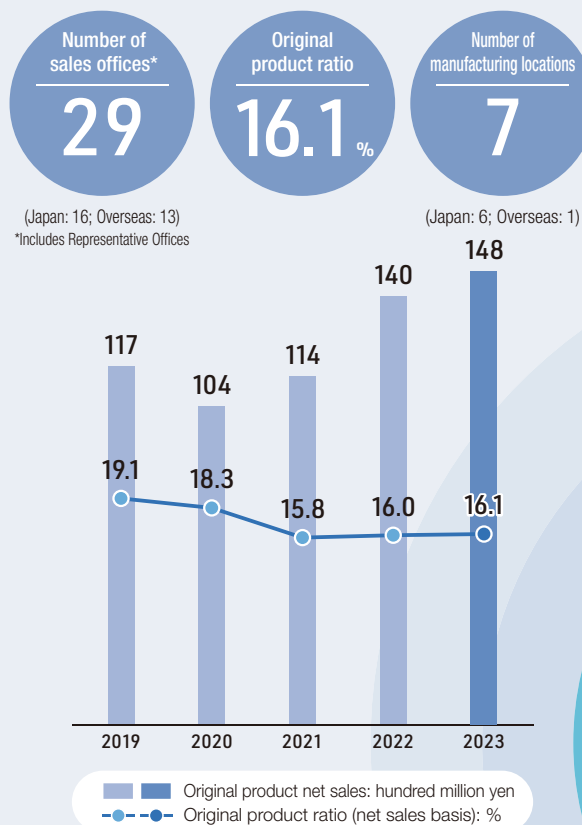
Management foundations establishment

As a technology-based company, Daitron Group

Combined manufacturing and sales

Starting out as an electronics trading company, we have always been particular about being responsive to our customers' wide range of needs. Having frequently faced the reality that many needs cannot be met only by purchasing products from suppliers, we decided to develop and manufacture products in areas not covered by suppliers despite a certain level of needs, and have gradually strengthened our manufacturing capabilities through the establishment of manufacturing subsidiaries and other measures. As a result, we have become a corporate group with both manufacturing and trading company functions, and our current management is based on combined manufacturing and sales exerting great synergy from the integration of these two functions.

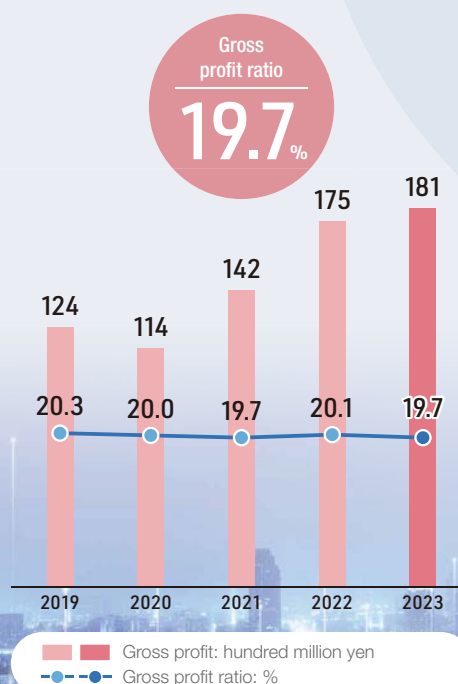
Though the original product ratio, one of the KPIs in our growth strategy, is on the decline, net sales are growing. This is partly due to the remarkable growth in sales of purchased products amid recent rapid market expansion. We will continue to strive to achieve the 25% original product ratio target and expand synergies from combined manufacturing and sales.



High profitability

By driving management through combined manufacturing and sales, we have established a foundation to ensure an overwhelmingly higher profit ratio compared to general electronic traders.

From the viewpoint of maintaining and strengthening its high profitability base, we have set a goal of securing a gross profit ratio of 20%, and this has generally trended around 20%.



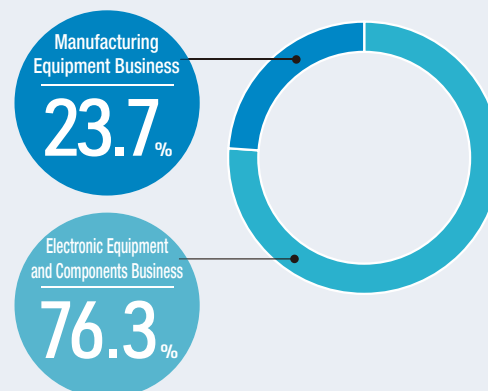
has built highly competitive, unique strengths

Business structure enabling total success from upstream to downstream of electronics

Our business structure is broadly divided into two areas: the Electronic Equipment and Components Business and the Manufacturing Equipment Business.

The Electronic Equipment and Components Business includes products installed in and incorporated into various facilities and equipment. Meanwhile, the Manufacturing Equipment Business includes equipment installed on production lines at manufacturers' plants and used to produce semiconductors, electronic materials, optical devices, energy devices, etc. As the electronics market significantly expands its base, our Group's business covers a wide range of fields and domains, from upstream to downstream, offering a wide range of business opportunities for the future.

■ Component ratio for sales by product segment



Field capability to provide close customer orientation, marketing capability, and high level of expertise



In the course of promoting combined manufacturing and sales management, we have cultivated thorough customer-oriented sales, advanced marketing capability, and a high level of expertise. We are proud that our field capabilities providing customers with these three functions combined is one of the major reasons why customers prefer us.

By constantly refining our field capabilities, we aim to become the corporate group with the No. 1 customer satisfaction.

Our "partner base" is a group of companies with which we have established up to three complex business relationships (below) through our combined manufacturing and sales management



» See page 26 for details

Partner base

Our Group's relationships with our business partners are extremely unique and strong due to our longstanding efforts in this area. While many companies have only a single relationship with their business partners, we have many business partners who are customers, suppliers, and development partners. These complex business relationships make up what we call our "partner base." This is one of the major strengths that we have gained by promoting combined manufacturing and sales.

Further developing our own unique business method as a technology-based electronics company under the combined manufacturing and sales policy

The Daitron Group is a global corporate group with a total of 12 Group companies in Japan and overseas. We are centered on Daitron Co., Ltd., which has both trading company and manufacturer functions.

We offer a broad product lineup in the electronics field through its product lineup in the two segments of Electronic Equipment and Components and Manufacturing Equipment.

In the trading company function, we have discovered around 2,000 suppliers from all over the world, while we have expanded the number of customers to about 5,000 companies both in Japan and overseas. The scale of these two wings of our business forms the partner base that supports our Group's stable growth.

In the manufacturing function, we develop and manufacture products leveraging our unique marketing capabilities or jointly develop products with suppliers, focusing on niche markets that our suppliers do not address and that we believe we should address.

Through this combined manufacturing and sales management, we continue a unique history as a technology-based company in the electronics industry.



Creates high added-value by combined sales and manufacturing functions as the core of the Group

Through the merger of three companies, Daitron Co., Ltd. works to create new value oriented in various solutions for customers by integrating the information and expertise of a trading company and technological development capabilities related to electronic equipment and components and manufacturing equipment. At the core of this Group driving combined manufacturing and sales, we also take the lead in all functions, from technology development to manufacturing, sales, and maintenance, both in Japan and overseas.

Provides comprehensive support from “production” to “use” in the electronics industry

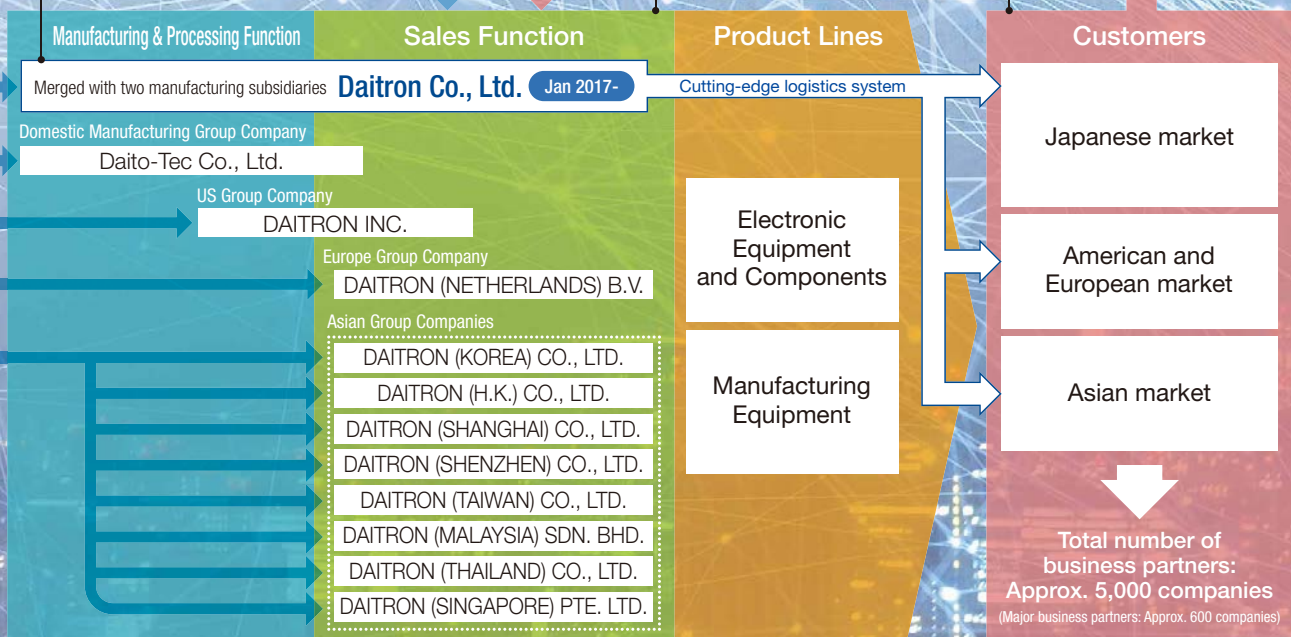
We support the electronics industry over a wide range of areas with our electronic equipment and components used in diverse business sites and products as well as various manufacturing equipment required in production.


Trusted customer assets, a large number of accounts

With our approximately 600 major business partners and 5,000 business partners total, mainly consisting of customers in Japan, we currently enjoy considerable customer assets. This large number of accounts reflects our deep customer base across many different industries, mitigating the impact of economic cycles on us and helping to secure stable sales.

Foresight to uncover cutting-edge products and promising markets

Marketing ability based on customer needs



A portrait of Shinsuke Tsuchiya, President, CEO and COO, seated at a dark wooden desk. He is wearing a dark pinstripe suit, a white shirt, and a dark tie with small white dots. He has short dark hair and is looking directly at the camera with a serious expression. His hands are clasped in front of him on the desk. The background consists of light-colored vertical blinds.

We have launched a new Medium-Term Business Plan, serving as the second step toward realizing our Long-Term Vision. With this, we seek to co-create new value with stakeholders in a future society.

President, CEO and COO
Shinsuke Tsuchiya

► Review of the 10th Medium-Term Business Plan (10M)

Grew to a level bringing us within striking distance of our target, 100 billion yen in consolidated sales

Actions under the three-year 10th Medium-Term Business Plan (10M), which started in 2021, concluded in December 2023, delivering a certain degree of results.

Turning first to our performance, we have continued to achieve steady growth over the 10 years covered by 8M (2014-2016), 9M (2017-2020), and 10M (2021-2023), with the exception of the final year of 9M (2020), where we suffered temporary setbacks due to the COVID-19 pandemic. The results of these efforts are clearly shown in the record sales and profits achieved on numerous occasions (see Figure 1 on page 17).

In 10M, we were able to achieve significant growth in business performance by pursuing an aggressive growth strategy and steadily capturing the flow of technological innovations, even despite ongoing intense changes, such as the impact of the COVID-19 pandemic and international affairs. In 2023, the final year of the plan, the growth curve appears slightly distorted due to significant growth a year before in 2022. However, the broader growth trend demonstrates a steady uptick, leading to our assessment that we have achieved satisfactory performance to this point.

In 2006, we first exceeded 50 billion yen in consolidated net sales. Since that time, we have set our sights on reaching our long-term goal of 100 billion yen for the same. This goal was temporarily put on hold during the downturn following the collapse of Lehman Brothers in 2008 (the start of the worst effects of the global financial crisis from that time in Japan). However, since regaining a growth trend in 2014, this distant dream has steadily come closer to a feasible future reality. In 2021, we clearly stated in our Long-Term Vision that we aim to become a company with consolidated net sales of 100 billion yen.

That vision came close to a reality in 2023, when we were able to grow to reach 92.1 billion yen.

To us, the greatest achievement during the three years of 10M is that we have grown to be within striking distance of our 100 billion yen target for consolidated net sales.

Achieved satisfactory levels for main management indices in line with our basic policy of “continued profitable growth”

Under 10M, we also achieved satisfactory performance for the plan’s main management indices.

In this plan, we practiced management aimed at both securing profits and future investment based on the basic policy of “continued profitable growth.” Specifically, we targeted securing a gross profit ratio of 20% and increasing SGA expenses by about 3% to 5% per year.

For the former, the gross profit ratio was 19.7% in 2021, 20.1% in 2022, and 19.7% in 2023, hovering around our stated 20% level throughout the three-year period. For the latter, SGA expenses increased at a faster pace than planned, increasing 11.2% in 2021, 14.4% in 2022, and 5.8% in 2023 compared to the respective previous years. This was a result of aggressive investment in human resources and technology development throughout the three-year period.

In 10M, based on the perspective that it is important to simultaneously pursue both a stable financial base and high capital efficiency, we also set and pursued three goals: an equity ratio of 50%, ROA of 6% or more, and ROE of 12% or more. As a result, we are proud to say that our final year (2023) results were satisfactory, with an equity ratio of 43.4%, ROA of 6.1%, and ROE of 14.5%.

Overall our net sales expanded, with steady sales expansion for original products, our overseas business, and new business

For some time, we have focused our efforts on three KPIs related to business structure reform: original product ratio, overseas business ratio, and composition ratio by business (all on a sales basis).

The original product ratio, which directly affects profit growth, was 16.1% in the final year of the plan (2023) against a target of 25% or more. Meanwhile, the overseas business ratio, which is the key to medium- to long-term growth, was 21.0% in the same year against a target of 30% or more.

As for the composition ratio by business, we set a target of 5% in order to more proactively generate new businesses in challenging domains beginning in 10M, in addition to our efforts to build a stable business earnings base through an appropriate balance between sales in our Electronic Equipment & Components and Manufacturing & Inspection Equipment businesses. As a result, the Green Facility Department (GFD), which was launched in the 9th Medium-Term Business Plan (9M) and cultivated thereafter, continued to grow steadily, leading us to surpass the target level at 5.5%. In order to sow the seeds leading to success in the 11th Medium-Term Business Plan (11M), we launched the new Battery Project (a sub-project of the

Automotive Project) and the Software Business Project during the three years of the 10M plan. This helped us build the foundations to generate new earnings in each of these areas.

As described above, we believe that the 10M initiatives, both quantitatively and qualitatively, have produced a steady accumulation of results for further growth ahead.

► Realignment of our Long-Term Vision

Toward a Long-Term Vision that pursues both sustainable growth of the Group and contributing to the realization of a sustainable society

Today, we are working to achieve our 2030 VISION (Long-Term Vision) over a three-step process, consisting of the 10M (2021-2023), 11M (2024-2026), and 12M (2027-2030) plans. In this sense, there is no change in our overall direction. However, three years have passed since we formulated this vision in 2020, and circumstances have changed dramatically. Therefore, we decided to adjust both our quantitative and qualitative targets.

Quantitatively, we have adjusted our Long-Term Vision's target from becoming a company with consolidated sales of 100 billion yen to achieving consolidated net sales of over 100 billion yen for further expansion. Since achieving 100 billion yen in consolidated net sales by the end of the 11M period is now beyond doubt, we will elevate our management to pursue a new phase of



challenge, in which we will strive for further expansion beyond the 100 billion yen mark.

As for the qualitative side, we have added a new target for social sustainability (contribution to the realization of a sustainable society), replacing the previous situation in which targets were set only for our sustainability. This new target is an appropriate response to the changing times in which sustainability management has become an essential element for listed companies. Therefore, going forward, we will use its business activities to co-create a diverse range of values with all stakeholders. This value co-creation initiative corresponds to the materiality (key issues) established in 2022. By positioning this as one of the two core qualitative objectives

Figure 1: Performance Trends and Management Indices Achievement Under the Previous 10M Medium-Term Business Plan

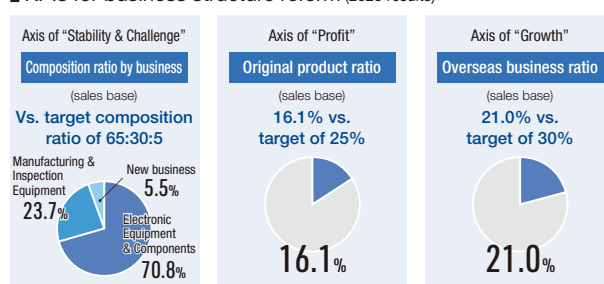
Following on from the 9th Medium-Term Business Plan (9M), in the 10th Medium-Term Business Plan (10M), we have steadily achieved growth exceeding our record highs in both sales and profits



■ Main management indices (2023 results)

Equity ratio	ROA	ROE
43.4%	6.1%	14.5%
vs. target of 50%	vs. target of 6% or more	vs. target of 12% or more

■ KPIs for business structure reform (2023 results)



in our Long-Term Vision, we are seeking to further and accelerate our materiality initiatives.

► Overview of the new Medium-Term Business Plan (11M)

In the second step toward achieving our Long-Term Vision, we work to build three foundations: growth potential, sustainability, and human capital

The 11th Medium-Term Business Plan (11M), launched in 2024, is the second step toward achieving the goals of 2030 VISION, our Long-Term Vision. This plan was built from the bottom up via the 11M Formulation Project, consisting of young executives who are expected to lead the next generation. In order to respond to the rapidly and drastically changing market and industry environment, we believe that future growth strategies should be built on the perspectives, ideas, and analytical skills of young executives who are well versed in the field. We feel that given the rapid evolution in electronics-related technologies and industries, this approach was an appropriate one.

The three years during the 11M plan will serve three major functions. The first is to establish a management foundation capable of achieving and sustaining consolidated net sales in excess of 100 billion yen over the next three years, and the second is to ensure that our commitment to sustainability through our business activities takes root in the awareness and actions of all Group employees over the next three years. These two

correspond to the two outlooks in our Long-Term Vision, and we intend to firmly establish the groundwork for said outlooks by 2026. The third function is to further strengthen human resources and organizational capabilities, which are essential for growing the Group's corporate value. We are confident that by firmly fulfilling these functions and achieving the stated goals, we will come much closer to achieving 2030 VISION, our Long-Term Vision.

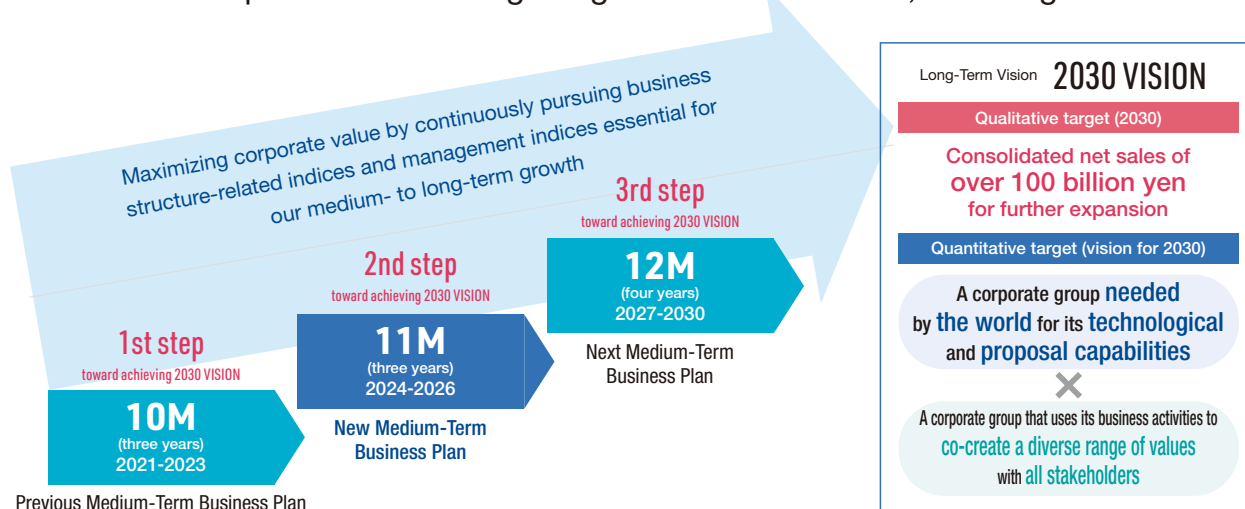
Broadly carrying forward the 10M strategy, tackling priority challenges, and further elevating our efforts

The specific growth strategy in 11M is to continue the 10M strategy and further elevate our efforts. To date, we have enhanced our presence in the electronics industry and sustained profitable growth by accurately recognizing and steadily building our strengths. We will accurately analyze both what we were able to accomplish in 10M and what has been left for us to accomplish in 11M, and make further progress accordingly.

Our four key areas (priority challenges) will be our domestic business, overseas business, original products, and new business, as shown in Figure 4 on page 20. Key KPIs we will continue to vigorously pursue related to these areas are composition ratio by business, original product ratio, and overseas business ratio, as shown in page 25.

Figure 2: Steps for Achieving the Long-Term Vision

In 2024, launched the new Medium-Term Business Plan (11M), the second step toward achieving the goals of 2030 VISION, our Long-Term Vision



Message from the President

In our domestic business, we will continue to reinforce business with our key customers, who serve as an important foundation for the Group's continued stable growth. We will achieve this through further key account cultivation and establishment of new facilities in promising regions.

We will continue our efforts to increase the sales component ratio for our overseas business, a core driver for our medium- to long-term growth, and for our original products, which are a strong source of profits, as we aim to achieve our KPI targets. In particular, we believe that it is essential to realize our aforementioned slogan and other targets that the overseas business ratio (on a sales basis) exceed the medium-term target of 30% and reach 50% in the long term.

We will further strengthen our efforts to create and nurture new business to develop new earnings pillars, using the initiatives in 10M as a base to become even more proactive. As for KPIs, we doubled the target for the new business component ratio for sales from 5% in 10M to 10% in 11M. This new target is a very challenging one for us. However, the young executives taking part in the 11M Formulation Project expressed their strong desire and determination that it is essential to discover and nurture new markets and businesses in order to achieve our medium- to long-term growth. Daitron's management, in respecting their approach, elected to aim high and double the 5% target to 10%. During the three years of 10M, in addition to the significant growth of the Green Facility Department (GFD), we were able to

launch the new Battery Project (a sub-project of the Automotive Project) and Software Business Project. During the 11M period, we will work to generate profits through these projects.

Aiming for a new kind of combined manufacturing and sales management that adds software to hardware

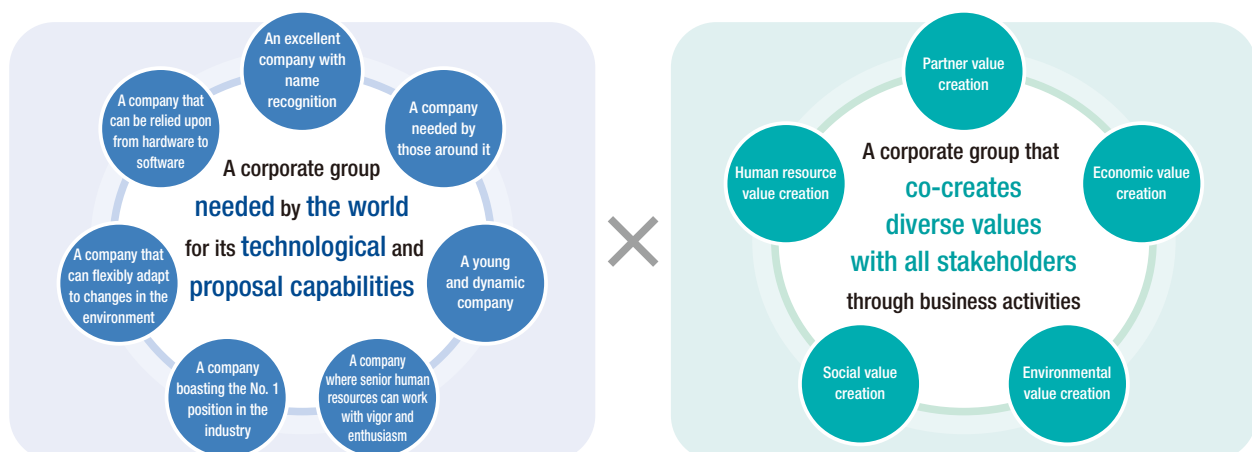
The Daitron Group's greatest strength is its combined manufacturing and sales management, which combines the functions of a trading company with those of a manufacturer. This creates new added value through the fusion of marketing, technology, and development capabilities. Specifically, this is a unique approach where if a supplier has a standardized product, we introduce their product; otherwise, we develop and commercialize our own offering.

However, if we look back at the journey our Group has taken, we can see our advances as being largely limited to the mechanical, i.e., being hardware-oriented. In recent years, customer needs have diversified from single product to demanding more complex offerings such as construction and systems, and it has become difficult to fully meet these diverse needs using conventional methods. Meanwhile, at sites where we interface with customers, we are encountering more and more requests to develop and provide optimized software alongside the hardware we offer. Therefore, we launched the Software Business Project in 2021, and from 10M to

Figure 3: Long-Term Vision Overview

Our vision for 2030 (2030 VISION) has two core outlooks:

sustainable growth of the Group (pursuing Group sustainability) and
contributing to the realization of a sustainable society (contribution to society's sustainability)



*These five values correspond to the materiality initiative

11M, we are actively recruiting and training software-related personnel, cultivating and expanding alliance partners, and building a joint development system.

Going forward, we believe that it is essential we recognize the fusion of hardware and software as a required action for developing and commercializing products in-house when standardized products are not available from suppliers, an activity we are engaged in at the Daitron Group. We would also like to evolve and deepen the manufacturing portion of our combined manufacturing and sales to refer to both hardware manufacturing and software development. Although we have only just begun our efforts, we will first focus on the Software Business Project in earnest and generating profits via this project in order to fulfill this new meaning of combined manufacturing and sales.

► Conclusion (toward new value creation)

Mastering key carbon-neutral technologies for 2050 and creating new value

In 10M, we nearly completed the creation of the basic framework for sustainability management to be practiced in 11M and beyond.

From 2021 to 2022, we developed a mechanism and structure for sustainability management, including re-examining its sustainability system, formulating its approach to sustainability, identifying materiality (key issues), and establishing the Sustainability Committee.



In 2023, five subcommittee groups established under the control of the Sustainability Committee worked to study action plans and KPIs in specific activities, and a project team was established to address climate change and prepare to respond to TCFD recommendations and disclose information.

Going forward, in the firm belief that electronics technologies will be the key technologies for reaching carbon neutrality by 2050, we will use its business activities to accelerate sustainability initiatives and co-create new value in a future society and in collaboration with our stakeholders.

We hope you will look forward to our work to tackle new challenges at the Daitron Group.

Figure 4: Major Policies and Enhancements in the New Medium-Term Business Plan (11M)



Striving to improve corporate value through dual drivers of DX and human resource initiatives

Senior Managing Director, General Manager of
Business Administration Division

Hajimu Mouri



The basic policy of the Business Administration Division in 11M is to strengthen management foundations and increase corporate value

We recognize that the Business Administration Division plays an important role in supporting the Group from various angles in order to sustainably enhance corporate value. Though this role has never changed, our actions to play this role have gradually deepened in line with changes in the business environment and progress in strategies and measures.

In the previous Medium-Term Business Plan (10M), we established a basic framework for future sustainability management by identifying materiality (key issues), establishing the Sustainability Committee, and examining KPIs and approaches to materiality issues mainly by the five subcommittee groups under the Sustainability Committee.

In the new Medium-Term Business Plan (11M), we will take another step forward based on the foundation laid in 10M, and will build and strengthen management foundations where we are capable of promoting both sustainability management and growth strategies, leading to an increase in Group corporate value. In view of these goals, the basic policy of the Business Administration Division in 11M is to strengthen management foundations and increase corporate value.

For specific initiatives, dual strategic pillars: DX and human resource cultivation and enhancement

To achieve its basic policy of strengthening management foundations and increasing corporate value, the Business Administration Division will advance initiatives in five areas: DX strategy, human resource cultivation and enhancement strategy, ESG management promotion strategy, PR/IR strategy, and financial strategy.

Among these, there are two key pillars, DX strategy

and human resource cultivation and enhancement strategy, in which we will focus our efforts.

Advancing DX strategy to enhance productivity and work quality, sustainably improving competitiveness

DX strategy is an extremely important factor that will greatly affect our competitiveness in the medium to long term. Rather than simply updating an outdated system, we would like to develop and introduce a new system that accurately responds to future business models while anticipating the ever-quickenings changes in the business world day by day. We call this “offensive DX strategy.”

As an example, our business is changing drastically from a parts business centered on the supply of individual parts to a comprehensive solution business that covers all elements, including system sales and overall facility construction. This means our next core system must be developed founded in a concept that is appropriate to this comprehensive solution business that will be the core of our business going forward. Our plan is to define requirements for the next core system during the 11M period and implement the system during the following Medium-Term Business Plan (12M) period.

Using human resource cultivation and enhancement strategy, founded in human capital management, to increase human resource value

In order to sustainably enhance our competitiveness, our human resource cultivation and enhancement strategy is another important area of initiatives, alongside DX strategy. Taking a human capital management viewpoint, we regard human resources as an important kind of capital, and we aim to enhance the value of these resources by practicing management that emphasizes their importance and revitalizes them.

In order to foster a common awareness of the importance of human resources among all Group employees and to ensure that human resource investments are made in a reliable and sustainable manner, we have established a new budget line for human resource investments starting in 2024, separate from the existing budget line for education and training expenses. Under this budget, we are currently developing new training and education programs to improve individual skills, including specialized skills.

There's an old saying that goes, "a company is its people." Each and every day, I can feel that this is becoming a more and more important concept to live by. Now that we have made progress in diversifying its human resources, including recruiting mid-career professionals, we intend to focus on fostering a corporate culture as the Daitron Group by sending groups of management-level employees to visit our offices across Japan for discussion sessions.

In our financial strategy, aiming to build a sound financial base by pursuing an optimal balance between investment in growth and shareholder returns

As for our financial strategy, we will first seek to build a sound financial base as the basis for pursuing an aggressive capital policy. To this end, we have set three management indices for 11M: an equity ratio of 50%, ROA of 6% or more, and ROE of 12% or more. Though these are the same targets as in 10M, they were selected in an approach to build solid foundations by achieving the 10M targets again under post-pandemic circumstances rather than under the special conditions during the COVID-19 pandemic,

such as growing stay-at-home demand and restrictions on corporate activities.

With a sound financial base, we will then support aggressive future growth investments and shareholder return policies. In terms of growth investment, we intend to systematically invest in human resources and invest in overseas location development, as well as to make solid preparations for M&A investment so as not to miss out on good deals. In addition, we will further enhance the return of profits to shareholders by raising the consolidated dividend payout ratio to a target of 40% (previously 30%) during the 11M period.

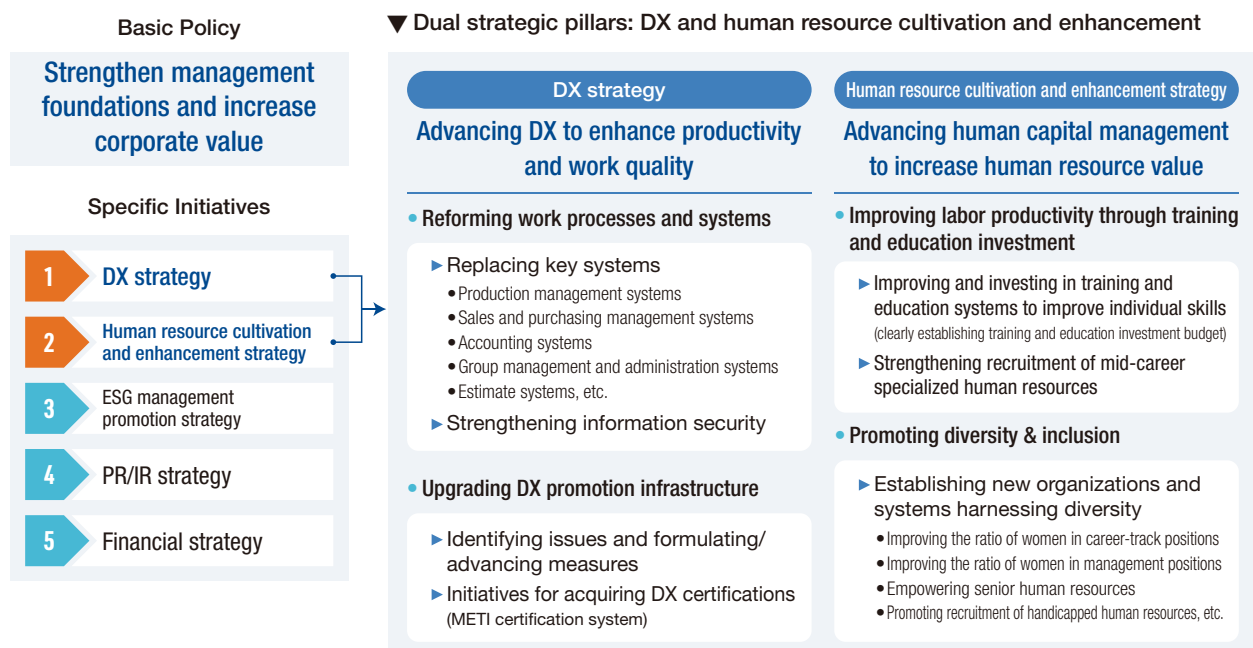
Accelerating sustainability initiatives for the realization of a sustainable society through our business activities

In order to promote both sustainability management and growth strategies, we will proactively advance the activities of the Sustainability Committee and its subcommittee groups, as well as actively work to comply with Japan's Corporate Governance Code and strengthen governance.

As for our underlying sustainability efforts, in response to climate change, we joined the TCFD Consortium in December 2023 and disclosed information based on its recommendations. Also, in pursuing materiality, we have established KPIs and are managing, reviewing, and scrutinizing each. We will continue and deepen our activities in these areas, believing that they will help sustainability initiatives take shape through our business activities.

As we take these actions, we hope to have the understanding and support of all of our stakeholders.

Business Administration Division Key Measures in the 11th Medium-Term Business Plan (11M)



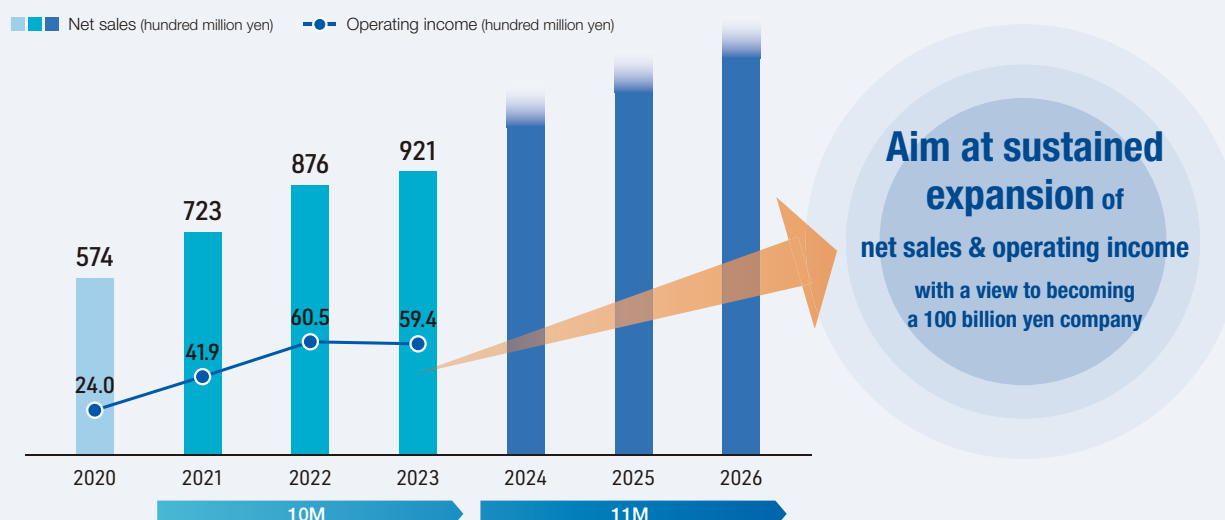
1

Performance Targets

Basic idea

(Continued from 10M)

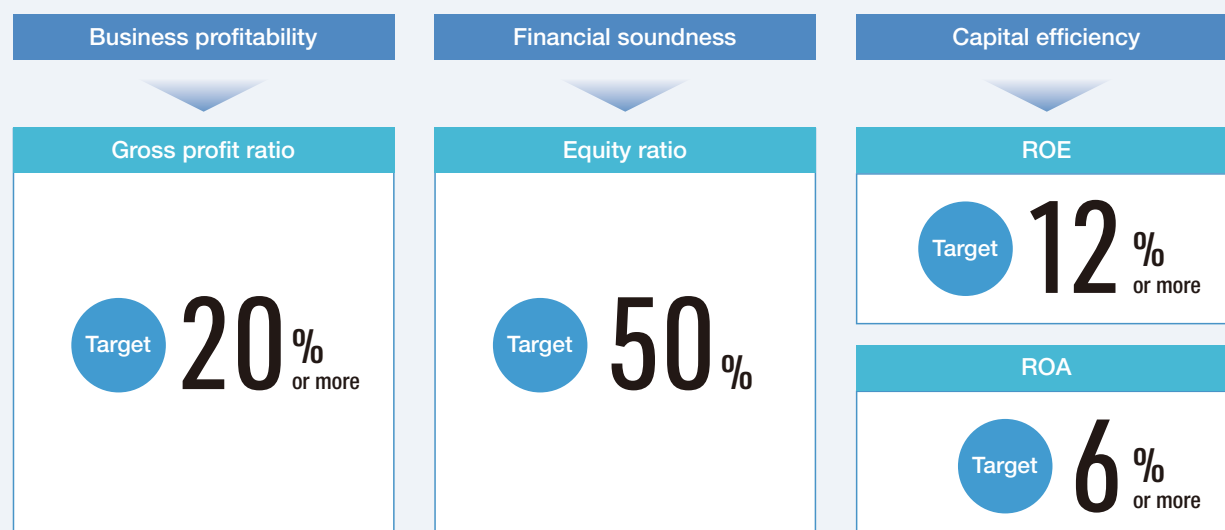
- Aim at sustained expansion of net sales & operating income through management focusing on growth potential
- Continue to push forward with business structure reform to secure 20% gross profit ratio
- Estimate an annual SGA increase of around 3-5% to promote investments forming the foundation of sustained growth (in human resources, technology development, etc.)



2

Target Management Indices

Set and pursue targets for four management indices based on the three axes of business profitability, financial soundness, and capital efficiency



3

Capital Policy

Pursue optimal balance between investment in growth and shareholder returns while maintaining financial soundness

Growth Investment

Basic idea

Aggressive growth investments centered on the development of human resources and expansion of overseas locations as the foundation for future growth strategies

■ Overview of preferred investments in 11M

Examination of new business expansion in India, manufacturing locations in Southeast Asia, and new satellite offices in the U.S.A. and China

Facility improvement for data center-related businesses (UPS, storage batteries, etc.)

Production capacity/efficiency improvement, etc. at domestic factories

DX promotion (system replacement, enhancement of information security measures)

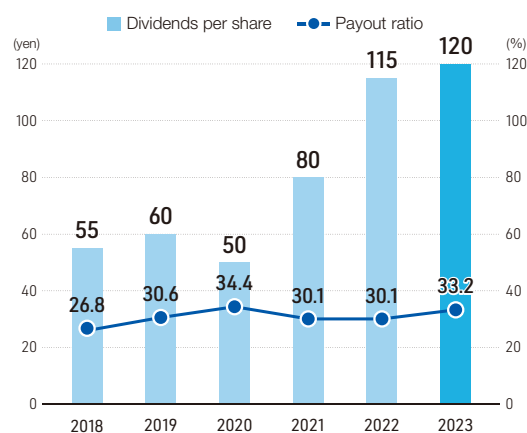
Human capital investment (direct investment + opportunity investment)

Shareholder Returns

Basic idea

Raise consolidated dividend payout ratio from 30% to 40% during the 11M period to strengthen shareholder returns

■ Dividends per share and payout ratio over time



4

Basic Strategic Policies

Broadly carrying forward the 10M basic policy and further elevating our efforts

Basic Strategic Policy

1

Promote business structure reform!

Basic Strategic Policy

2

Maximize strengths utilizing unique capabilities!

Basic Strategic Policy

3

Define focus areas and markets to accelerate growth!

Basic Strategic Policy

4

Increase power toward sustained growth!

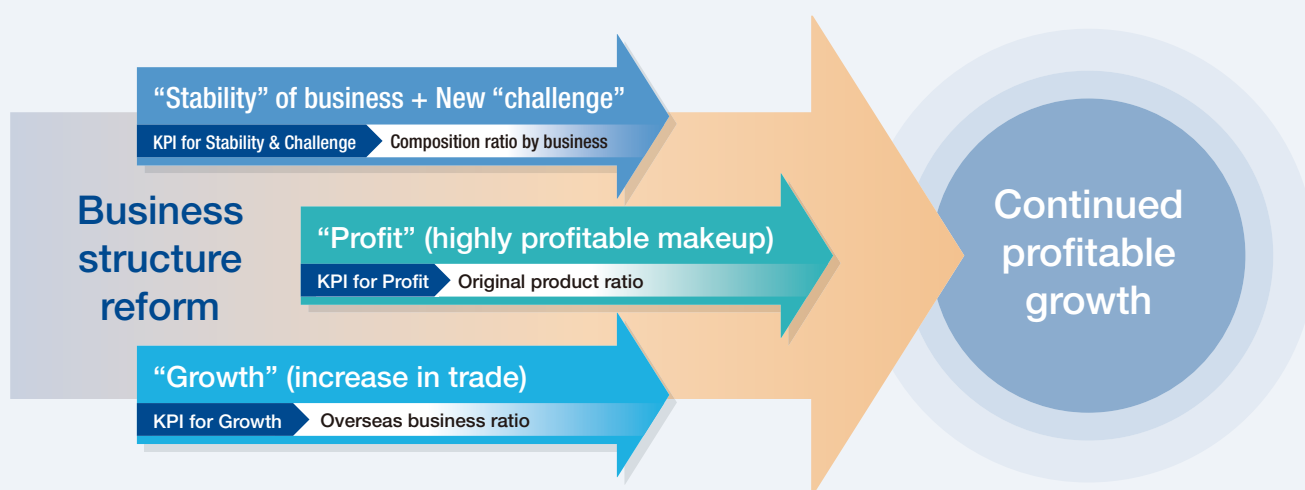
P25-30

Basic Strategic Policy

1

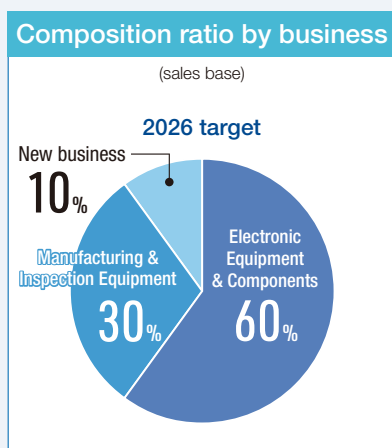
Promote business structure reform!

- Pursue the four axes of “Stability,” “Challenge,” “Profit,” and “Growth,” aiming for a reform into a business structure that enables stable and sustained growth not affected by the business cycle or demand in the electronics industry including the silicon cycle
- Establish three KPIs (key performance indicators), or business structure related indices, to measure progress in the pursuit of these four axes, and aim to achieve targets through sustained progress management

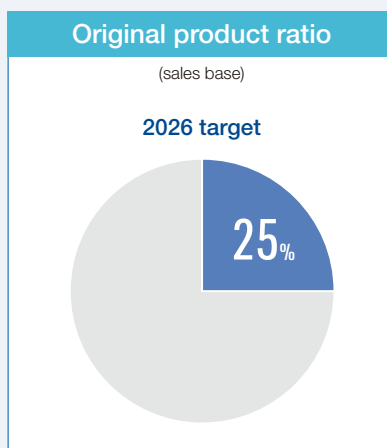


Three KPIs for business structure reform

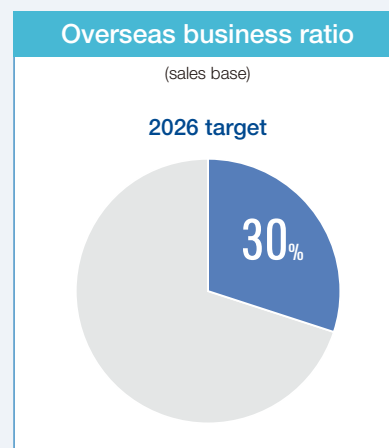
Stability and Challenge Axis



Profit Axis



Growth Axis



Composition ratio by business

..... Sales composition ratio of 10% is set as a new KPI target measuring new business creation
(Accelerate efforts to create new business in response to the achievement of 5% in the previous Medium-Term Business Plan (10M))

Original product ratio

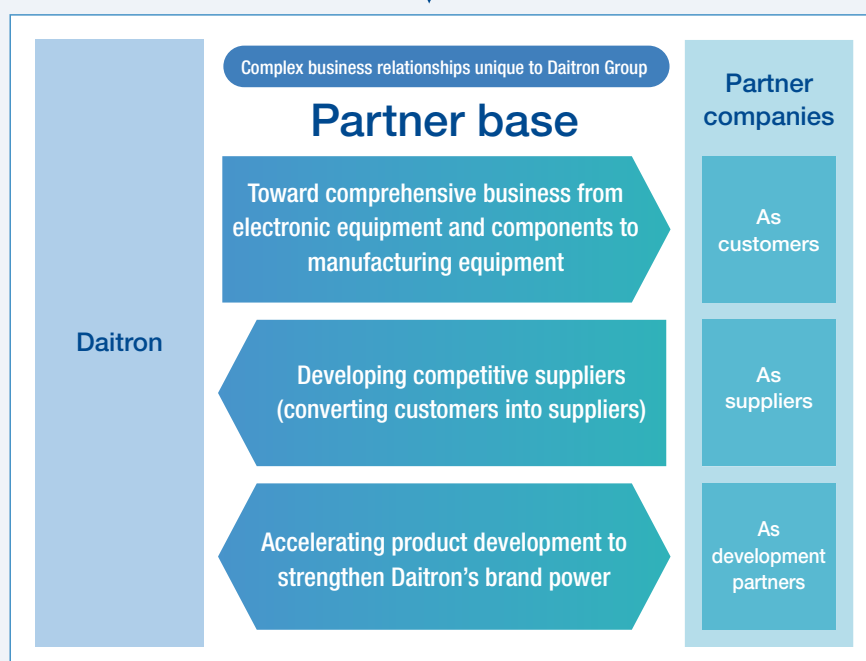
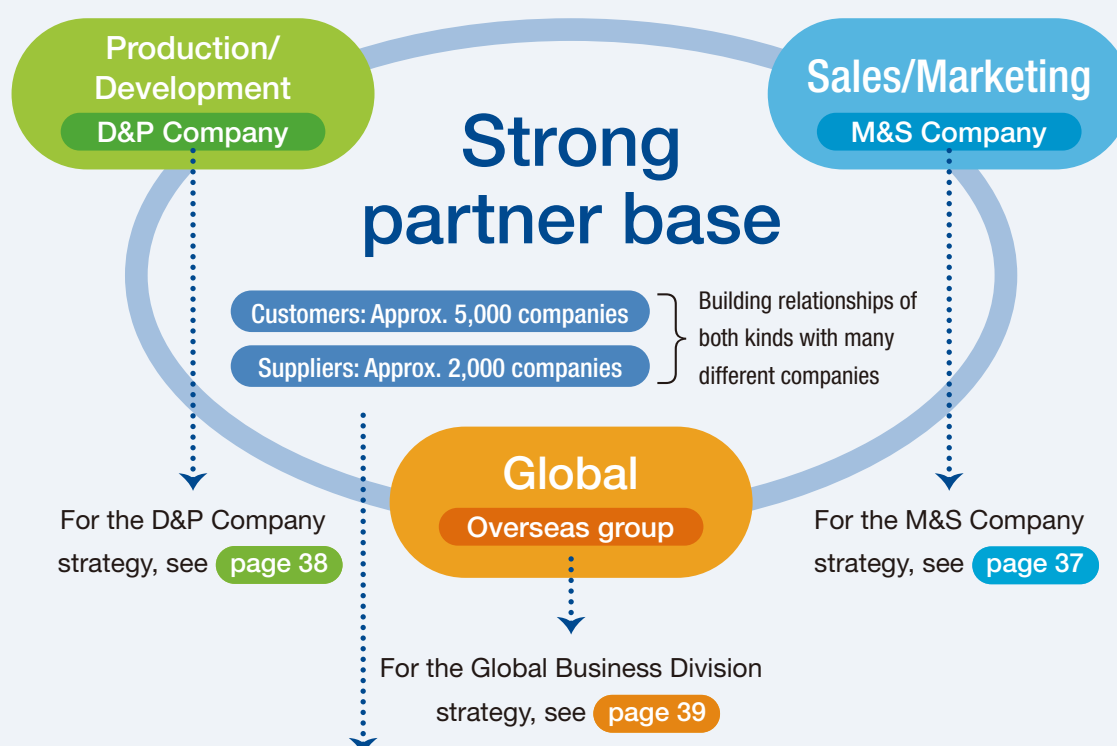
..... Maintaining the 25% target from the previous Medium-Term Business Plan (10M)
(Original products = limited to our own products and those developed in collaboration with partner companies)

Overseas business ratio

..... The sum of exports from Japan to overseas and sales of overseas subsidiaries.
Maintaining the 30% target from 10M

Maximize strengths utilizing unique capabilities!

- We have strengths such as possessing both trading company and manufacturer functions and building a strong partner base in Japan and overseas
- We will leverage this uniqueness to build a unique corporate group that integrates manufacturing and sales on a global level, and maximize our strengths to further enhance our differentiated advantage in the industry



Our strong partner base is the result of its uniquely complex business relationships. Many of our business partners have multiple rather than single relationships with us, as supplier, customer, and/or development partner. Building on this solid foundation of connections, we are pushing forward with the expansion of its differentiated advantage in the industry.

Basic Strategic Policy

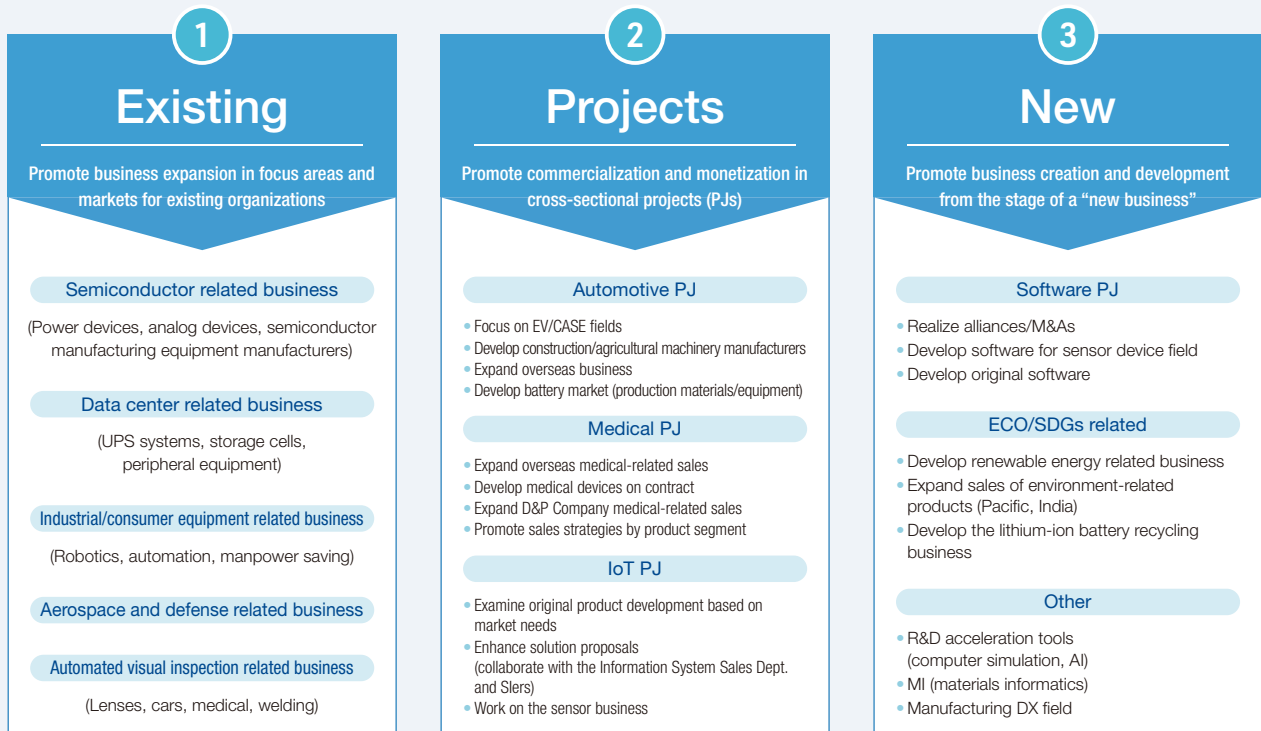
3

Define focus areas and markets to accelerate growth!

- Analyze domestic and overseas market trends and business opportunities for us, and continue to develop and expand in a proactive and aggressive manner in the clearly identified focus areas and markets
- Use the following three measures to advance strategic initiatives in response to each situation



Three measures to develop focus areas and markets



Increase power toward sustained growth!

- We will enhance its power in three areas as the basis for sustainable growth: marketing, manufacturing, and corporate divisions

Increase **marketing** power!

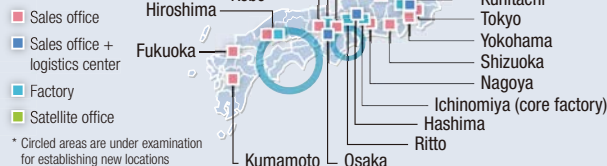
1 Reinforce domestic business as a foundation for stable growth

Further deepen relations with focus customers

- Continue “All-Daitron” product deployment
(Unified three-unit partnership: M&S Company, overseas group, D&P Company)
- Expand business with local blue-chip companies by strengthening sales focused on local areas

Proactively promote new deployment in promising areas

- Examine establishing new locations (including satellite offices) in promising areas
[Candidate areas] Hokkaido, Shikoku, Mie, etc.
- Promotion of satellite office to sales office: Sendai



2 Reinforce overseas business as the core of our growth strategy

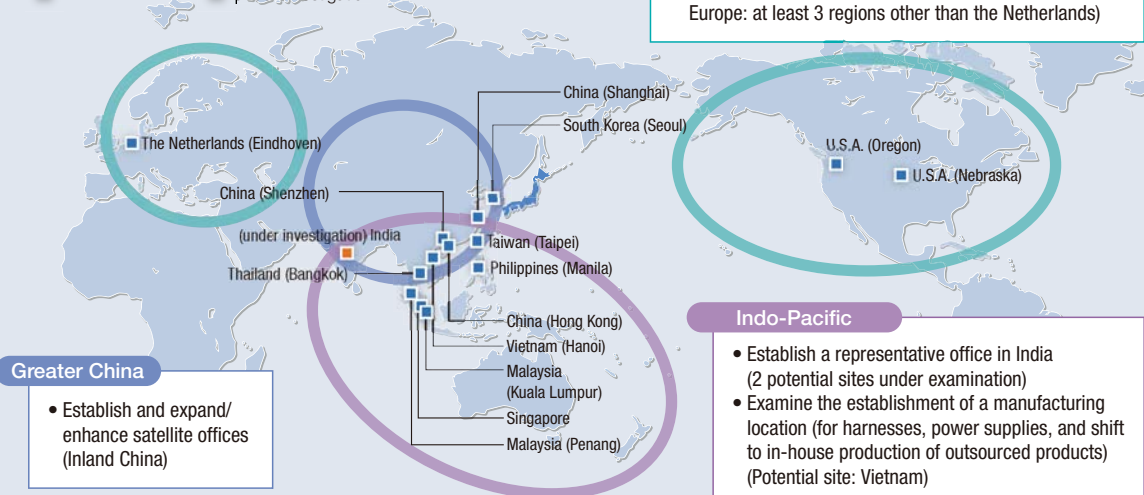
Continue to promote expansion focused on the electronic equipment & components business

* Ensure controlled, stable expansion of the manufacturing equipment business, where demand fluctuates significantly (planned launch/acceptance inspection of orders, selection and concentration of customers, risk hedging)

Expand and enhance overseas sales locations

- Establish regional manager companies (Greater China and Indo-Pacific regions)
- Expand sales locations by region

■ Overseas location ■ Under investigation



Increase **manufacturing** power!

3 Reinforce global production system

Enhance domestic and overseas production capacities

Continuously enhance domestic and overseas production systems centered on the Chubu Factory, the mother plant for our global production system

Domestic

- Develop new partner companies (harness, assembly and wiring, substrate, sheet metal, painting, software design, mechanical design)
- Promote alliances and M&As with software companies
 - ▶ Secure human resources and reinforce technical capabilities

Overseas

- Personnel reinforcement at the Lincoln Factory
- Develop partner companies for the Lincoln Factory (Mexico, U.S., Japan)

Chubu
Factory



Lincoln
Factory



Continuously promote production cost reduction measures

- Formulate and execute permanent person-hour reduction plan for the Lincoln Factory
- Establish new production location in the Asian region (Potential site: Vietnam)

4 Enhance technology/product development and intellectual property strategies for higher value-added products

Strengthening of systems centering on Chubu Factory technical divisions

More emphasis on technology/product development

- Enhance the value added to mass-produced products (with upgraded performance, additional functions, etc.)
- Enhance software related technologies that are essential for future higher value-added technologies/products
 - ▶ Employ more software engineers and examine alliances with software companies, etc.
- Strengthen customer information collection in Japan and overseas, and continuously pursue original product development

Enhance intellectual property strategies

- Improve the foundations for intellectual property management by defining core technologies and taking inventory of our held technologies
- Establish a new qualification system based on a medium- to long-term intellectual property strategy
 - ▶ Increase employees' motivation by establishing a comprehensive personnel system linked to the evaluation system
- Expand the number of patents applied for and held over the medium to long term

Increase the power of corporate divisions!

5 Enhance business support function

DX (digital transformation) strategy

Advancing DX to enhance productivity and work quality

- 1 Reforming work processes and systems
 - Start upgrading/replacing systems for estimation, sales, purchasing, production management, accounting, business management, etc.
 - Strengthen information security
- 2 Upgrade DX promotion infrastructure
 - Identify issues using DX promotion indices and take measures ▶ Obtain DX certification

Global human resources

Develop global human resources and exchange personnel in and outside Japan

- Introduce and institutionalize an overseas location internship system
- Continue hiring Vietnamese technical intern trainees at D&P Company and expand it to other factories

Human capital management

Increase the value of human resources through human capital management

- 1 Improve labor productivity through training and education investment
 - Improve and investing in training and education systems to improve individual skills
 - Recruit mid-career specialized human resources
- 2 Promote diversity & inclusion
 - Empower women (increase the ratios of female employees in management track and management positions)
 - Empower seniors (increase satisfaction)
 - Recruit persons with disabilities (comply with legal employment rate)
 - Review the personnel system (develop systems such as for expert, seniors, various allowances, etc.)
 - Become a Certified Health & Productivity Management Outstanding Organization

PR/IR strategy

- Establish a department specialized in PR/IR
- Increase recognition of the Daitron brand

6 Promote ESG management (sustainability initiatives)

Contribute to the realization of a sustainable society through ESG management promotion

- 1 Promote activities of the Sustainability Committee
 - Establish materiality-related KPIs and take specific actions (promote the Sustainability Committee's subcommittee activities)
 - Disclose KPI progress in Integrated Reports
- 2 Response to the Corporate Governance Code
 - Reduce areas where explanations are required
- 3 Strengthen corporate governance

Compliance Committee	Prevent occurrence/spread of scandals in the company
Risk Management Committee	Prevent management risks to preserve management resources
Internal Control Committee	Ensure the effectiveness of internal control over financial reporting

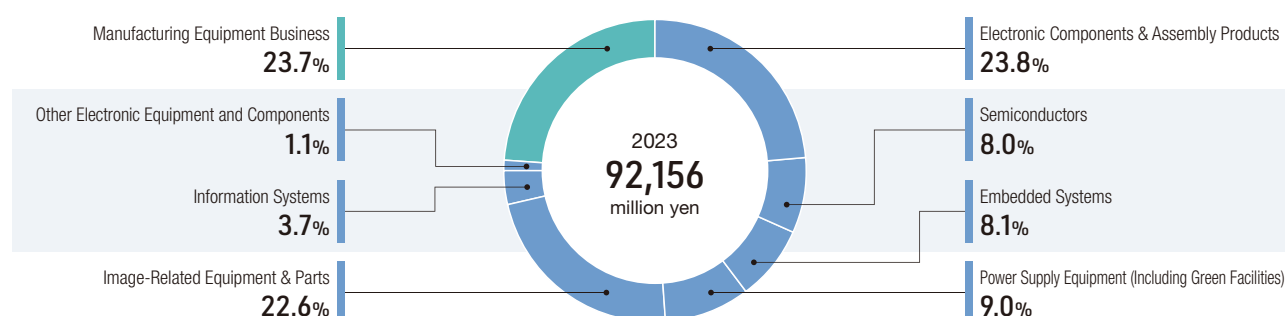
We operate our two product segments through three organizations: two companies and one division.

We operate two product segments: the Electronic Equipment and Components Business and the Manufacturing Equipment Business. Business operation is comprised of three organizations: M&S Company, which handles domestic sales and marketing, D&P Company, which handles domestic manufacturing, and Global Business Division. All three of these organizations provide comprehensive support across the two product segments mentioned above (see figure right). By taking a comprehensive approach, we are able to provide our clients with marketing, technology, and global development capabilities, bringing them comprehensive solutions.

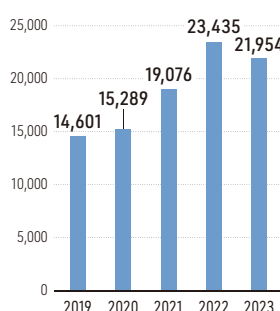
Segment Information | 1 Status by Product Segment

Component ratio for sales by segment

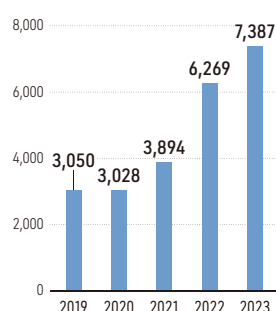
Electronic Equipment and Components Manufacturing Equipment Business



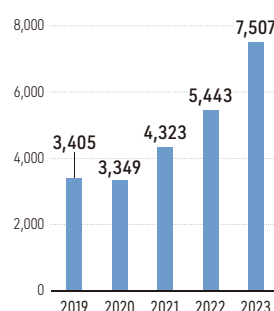
Electronic Components & Assembly Products (million yen)



Semiconductors (million yen)



Embedded Systems (million yen)



Power Supply Equipment (Including Green Facilities) (million yen)

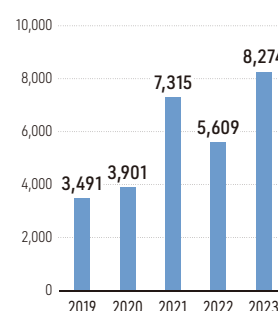
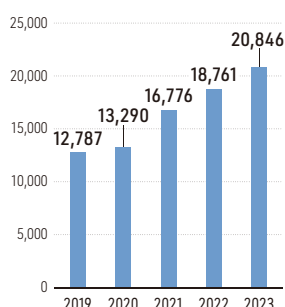
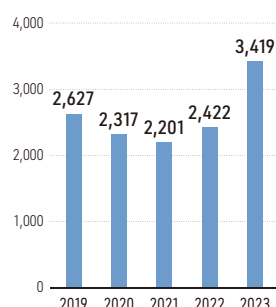


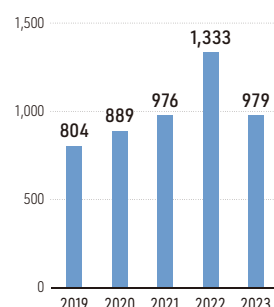
Image-Related Equipment & Parts (million yen)



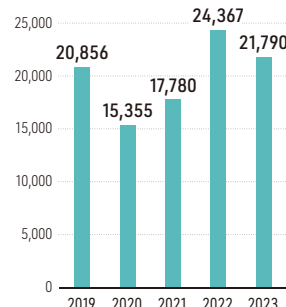
Information Systems (million yen)

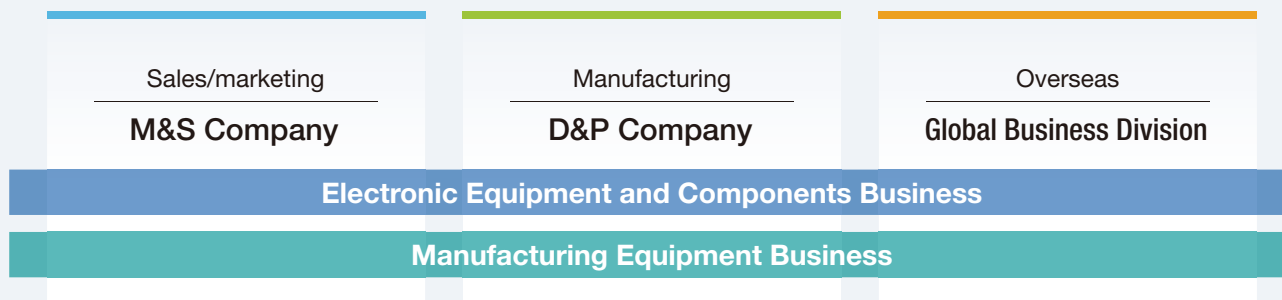


Other Electronic Equipment and Components (million yen)

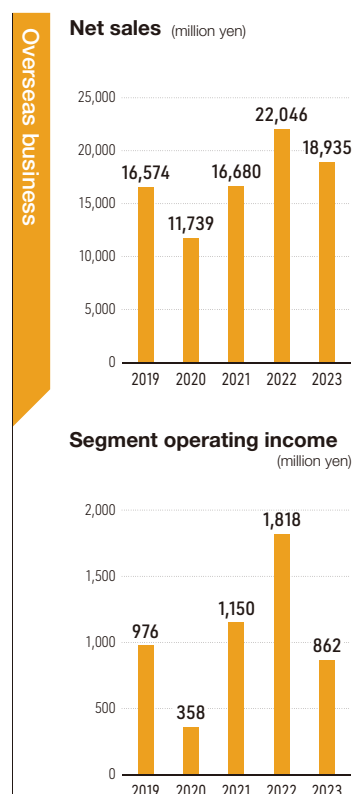
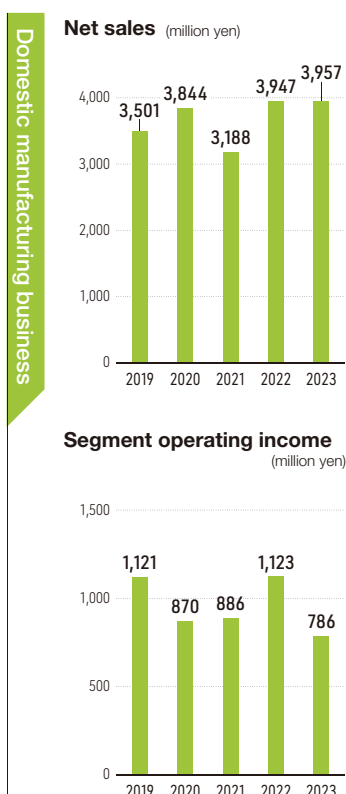
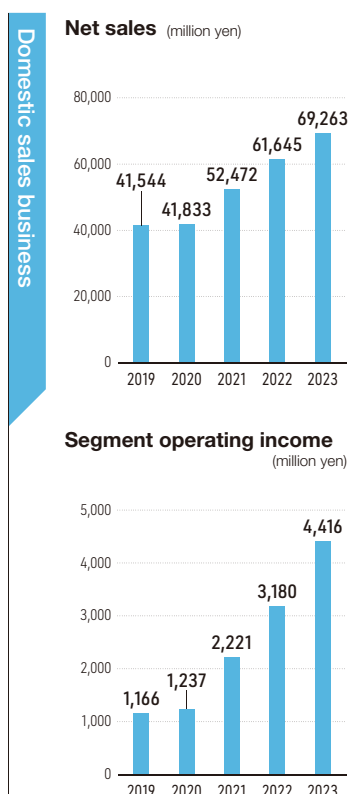
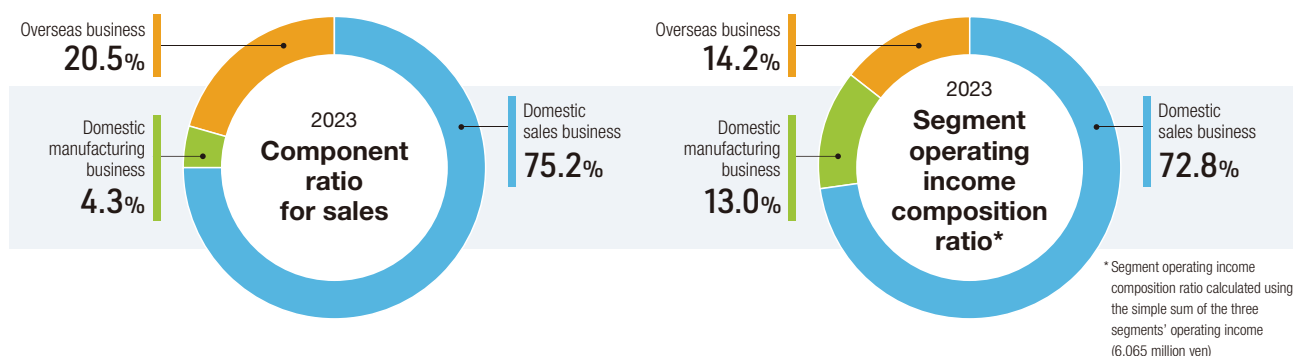


Manufacturing Equipment (million yen)





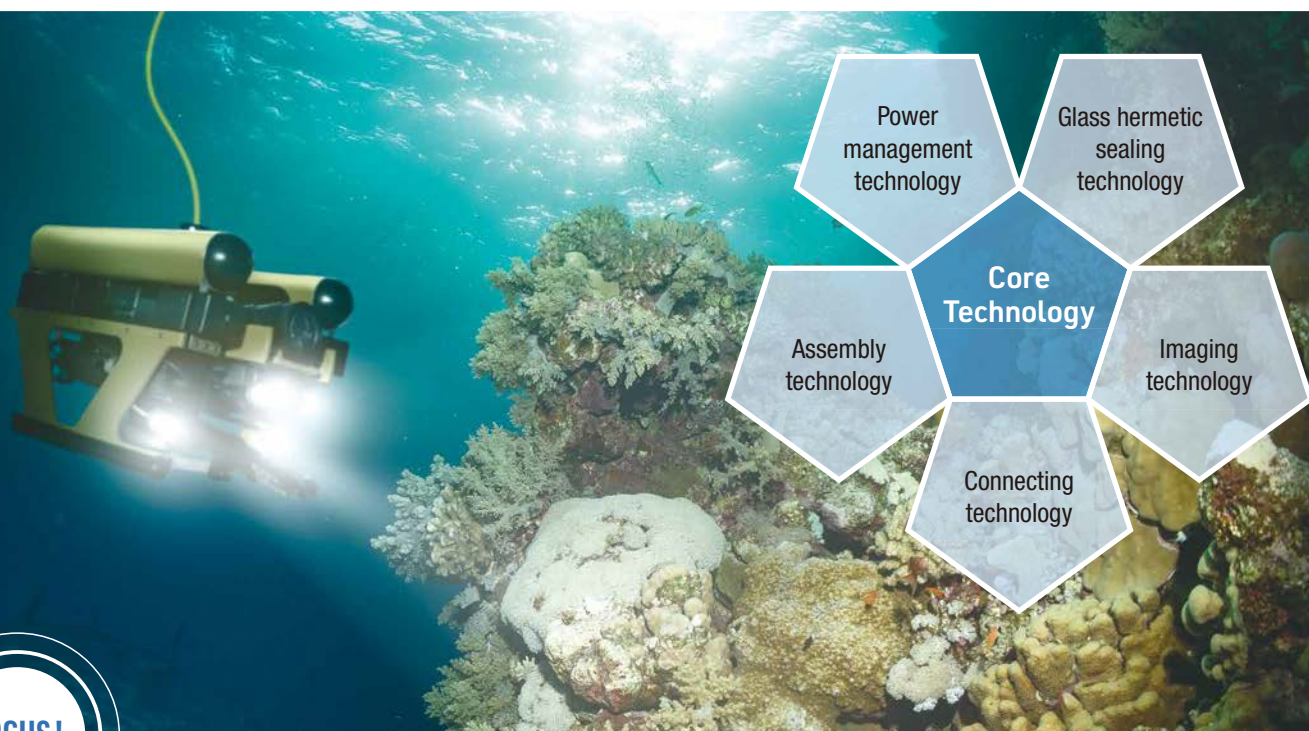
Segment Information | 2 Status by Business Segment



Developing and providing solution technologies that lead to solutions to customer issues in diverse niche markets

Technical capabilities in the Electronic Equipment and Components segment

In the Electronic Equipment and Components segment, we offer a wide range of electronic components, including switching power supplies and UPS, various connectors and harnesses, customized cameras, and cables. We have accumulated many technical capabilities related to these commercial products and provide total solutions to our customers through our five core technologies in this segment, as shown in the figure below.



FOCUS!

Among our five core technologies in this area, we have notable superiority in glass hermetic sealing technology to develop and provide connector products that demonstrate high reliability even under severe environments such as vacuums and high pressure.

One of our core technologies in which we have a very high degree of superiority is glass hermetic sealing technology. This is a technology that enables metal to be glass-sealed to obtain excellent airtightness, pressure resistance, and electrical insulation. For example, we provide connectors, power feedthrough terminals, and hermetic seals that can be used in harsh environments such as deep-sea research, where materials must be resistant to high vacuum and high pressure states. In addition, the high-precision nature of electronic equipment makes low noise power supplies an indispensable technology, and thanks to our expertise in power management technologies, we gain a competitive advantage by providing low-noise switching power supplies.

▼ Hermetic connectors



▲ Switching power supplies

In our history of more than 70 years, the Daitron Group, as a group of technology trading companies in the electronics industry, has steadily accumulated and advanced its technological capabilities in the Electronic Equipment and Components segment and the Manufacturing Equipment segment, while refining its manufacturer and trading company functions. As a result, the technical capabilities provided by our Group have earned the trust of many customers in diverse niche markets as solution technologies building solutions to their diverse issues.

Technical capabilities in the Manufacturing Equipment segment

In the Manufacturing Equipment segment, we create and supply manufacturing equipment for semiconductor manufacturing equipment, optoelectronics, and other general industry, through our own development and joint development with partner companies, thereby helping our customers solve various manufacturing issues. Through these efforts, we have established six core technologies for this segment within our Group, as shown in the figure below.



FOCUS!

Based on the experience accumulated through the development of the industry's first NC-controlled chamfering machine, we have come to demonstrate a significant competitive advantage, especially in grinding and polishing technology.

This grinding and polishing technology is one of our core technologies where we have established a very high level of differentiation and superiority. We were the first in the industry to successfully develop an NC-controlled chamfering machine, and since then we have accumulated an extensive track record and experience. Today, we develop and supply equipment for a wide range of edge grinding processes for silicon wafers, compound semiconductors, sapphire, device wafers, etc. The manufacturing equipment provided by our technologies and functions that solve diverse issues faced by our customers. For example, we can handle a wide range of wafer edge grinding processes from small to large diameters, and our proprietary processing technologies (contour machining, etc.) enable high-precision chamfering, among many other advantages.



▲ Wafer edge grinding machine



▲ Scribing/breaking equipment

Electronic Equipment & Components Market

 Daitron original products

Electronic Components & Assembly Products

[Major Products]

Connector, harness, PCB assembly, wiring

- General industrial equipment
- Semiconductor manufacturing equipment
- Medical-related equipment
- Automotive equipment
- Measuring equipment
- Information communication equipment
- Image-related equipment
- IoT-related equipment

etc.



Underwater connectors



Wires & harnesses



Connectors

Semiconductors

[Major Products]

Analog IC, high-frequency IC, power discrete devices, image IC, optical devices

- General industrial equipment
- Semiconductor manufacturing equipment
- Measuring equipment
- OA equipment & household appliances
- Image-related equipment
- Medical-related equipment
- Information communication equipment
- IoT-related equipment (infrastructure, production sites)
- Automobile-related equipment

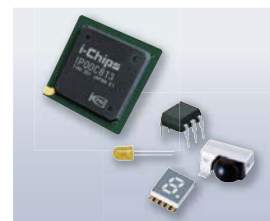
etc.



Analog ICs



Gallium nitride (GaN), silicon carbide (SiC)



Imaging IC/LED, optical elements

Embedded Systems

[Major Products]

Embedded Systems

- Measuring equipment
- Image processing equipment
- Semiconductor-related equipment
- Machine control equipment
- IoT (infrastructure, production site, deep learning)
- Medical-related equipment
- Information communication equipment
- Automotive equipment
- Robot control related

etc.



Industrial custom PCs



Display systems



Embedded single-board computers

Power Supply Equipment

[Major Products]

Switching power supply, uninterruptible power supply (UPS), transformer, battery pack

- Measuring equipment
- Semiconductor-related equipment
- Medical-related equipment
- Automotive equipment
- IoT-related equipment
- Audiovisual equipment
- Information communication equipment
- Server-related
- Analyses-related equipment
- Other FA equipment

etc.



Switching power supplies



Lithium-ion batteries



Uninterruptible power supply (UPS)

Image-Related Equipment & Parts

[Major Products]

CMOS camera, lens, light, image processing equipment, software

- Semiconductor-related equipment
- Robots
- Electronic parts production facilities
- Medical-related equipment
- Automotive equipment
- Automated logistics, carrier devices
- IoT-related equipment
- Other FA equipment

etc.



Image-related equipment



CMOS cameras



Vessel engine interior automatic photographing equipment "Kirari NINJA-DS"

Information Systems

[Major Products]

Video transmission systems, authentication devices (RFID, IC card, vein authentication, face authentication)

- Settlement terminal market
- Security market
- Authentication system market
- Network equipment
- Image information systems
- Medical-related equipment

etc.



Video/audio conferencing systems



Web conferencing devices



Contactless IC card systems

Manufacturing Equipment Market

Semiconductor/
FPD manufacturing equipment

Electronic component
manufacturing equipment

Daitron original products

LSI Manufacturing Equipment

[Major Applications]

- LSI, masks, oxide devices
- Ceramic devices
- Compound communication devices
- Power devices
- Sensor devices

etc.



Spin cleaners



Chip sorting machines



Fully automatic wafer tape mounters

Electronic Materials Manufacturing Equipment

[Major Applications]

- Silicon wafers
- Quartz wafers
- Compound wafers
- Optical fiber/optical lenses
- Oxide wafers
- Hard disk negatives
- SiC wafers
- Sapphire wafers

etc.



Single wafer washing systems



Wafer edge grinding machines



One surface wafer polishing machines

Optical Device Manufacturing Equipment

[Major Applications]

- LD (red, green, blue, short-wave length, long-wave length)
- LED (red, blue, purple)

etc.



Aging equipment



Scribing/breaking equipment



Automatic visual inspection system
DAVI Series

FPD Manufacturing Equipment

[Major Applications]

- LCD panels
- LCD panel color filters
- Touch panels
- Organic ELs
- EL backlights
- Cover glass
- Optical film

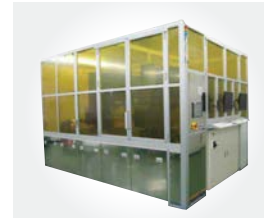
etc.



Organic EL evaluation systems



Cover glass processing equipment



Imaging inspection equipment

Energy Device Manufacturing Equipment

[Major Applications]

- Lithium ion batteries
- Solar batteries
- All-solid-state batteries
- Fuel cells

etc.



Electrode sheet inspection equipment



Electrode coating & drying furnace



Electrolyte leak inspection equipment

Other Manufacturing Equipment

[Major Applications]

- Medical
- Automotive
- Automation, labor saving
- Communication device
- MEMS devices
- Environmental, clean products

etc.

Marketing & Sales Company



Senior Managing Corporate Officer
President, M&S Company

Shinji Ikutani

Basic Strategic Policies for 2024

1 Cultivating customers

Continuing "All-Daitron" product development

- Further cultivating of key customers
- Expanding sales of new products to existing customers

*What is "All-Daitron?"

Offering a wide range of products
as Daitron Group through cooperation
across sales departments

2 Sales development

- Strengthen community-based area sales
- Expand business with local blue-chip companies regardless of industry

3 New business cultivation

- Promoting cross-divisional projects
 - Automotive
 - Medical
 - IoT
 - Battery
 - Software etc.

4 Overseas business collaboration

- Strengthening support for Global Business Division and overseas locations

5 Next generation human resource development

- Organizational revitalization & human resource development
- Cultivation of next candidates for upper management

Under the slogans of "Elevate stable foundations and strengthen new business development" and "Adapt to various changes with new ideas," we will maintain our growth trajectory.

Much of the three years of the previous Medium-Term Business Plan (10M) was influenced by the challenges of the COVID-19 pandemic. Despite this, we believe that the M&S Company, an in-house company that performs trading company functions primarily in the domestic market, was able to accomplish a great deal. Building on the results of these efforts, we will continue to pursue many of the basic strategic policies promoted in 10M in our new Medium-Term Business Plan (11M), which began in 2024. Still, there are new issues to tackle that came to light during our 10M initiatives. In 11M, our basic strategic policy has been newly established in recognition of these issues.

Firstly, our two slogans for 2024 at the M&S Company are "Elevate stable foundations and strengthen new business development" and "Adapt to various changes with new ideas." This expresses our desire to constantly take on the challenge of expanding new markets and cultivating new customers and suppliers for business expansion with dynamic thinking unbound by conventional preconceptions, while further strengthening our stable foundation for surviving in a rapidly changing business environment.

Next, the M&S Company has the following five basic strategic policies for 2024, the first three of which are continuing policies and the latter two are newly-added policies.

The first is "cultivating customers." We will continue to promote the development of "All Daitron" products, focusing on our key customers. The second is "sales development." We will continue to strengthen our community-based area sales activities and further expand our customer base by expanding transactions with local blue-chip companies regardless of industry. The third is "new business cultivation." We will further grow and develop projects in fields such as automotive, medical, and IoT, areas of growth during the 10M period.

Fourth is "overseas business collaboration." The M&S Company will strengthen cooperation with the Global Business Division and overseas locations to actively support the expansion of overseas business, which is a major key to our Group's future growth strategy. Fifth is "next-generation human resource development." We recognize that in order to achieve the goals of our 2030 VISION, we must create the human resources and organizations that will lead the next generation. I am in particular tasked with this creation to build our future, and I intend to diligently work toward this going forward.

Despite a rapidly-changing business environment due to quick waves of significant technological innovation, going forward, I will continue my work to ensure our Marketing & Sales activities exceed the expectations of our stakeholders.

Development & Production Company



Managing Corporate Officer
President, D&P Company
Tsuneto Chihara

Basic Strategic Policies for 2024

1 Technology development

To “create new value:”

- **Continuing original product development**
(both in the Equipment Business Operation and Parts Business Operation segments)
- **Continuing software development projects**
 - ▶ Hiring related engineers and enhancing development
 - ▶ Promoting alliances with related companies
- **Launching standardization projects for mechanical and electrical design**

2 Manufacturing

To “solidify basic manufacturer operations:”

- **Production outsourcing/
collaboration between factories**
- **Rigorous quality control**
- **Enhancing cost reductions**

3 Sales and marketing

To “expand new projects:”

- **Strengthening collaboration with M&S Company**
 - ▶ Cultivating key customers in the domestic market
- **Strengthening collaboration with the Global Business Division**
 - ▶ Expanding sales ratio in overseas markets

4 Human resources

To “cultivate the next generation of human resources:”

- **Cultivating next candidates for upper management**
- **Continuing to recruit personnel from overseas**
- **Continuing to secure personnel to support business expansion**

Under the slogans of “Create new value” and “Solidify basic manufacturer operations,” we will continue to evolve and develop into a technology-based company.

D&P Company is an internal company responsible for technology development and manufacturing. It was created in 2017 through the integration of our development and manufacturing divisions with Group manufacturing subsidiaries. Therefore, the D&P Company has accumulated an extremely broad range of technologies and expertise, and we believe that their organic and efficient integration will enable us to create competitive and high-value-added technologies and products.

During the three years of the previous Medium-Term Business Plan (10M), the D&P Company set its own (undisclosed) target indicators and worked to achieve them in order to contribute to the achievement of the Group’s goals of an original product ratio of 25% or more and overseas business ratio of 30% or more. Both the Equipment Business Operation segment and the Parts Business Operation segment were able to achieve a certain degree of success in new product development and sales expansion. However, we also found that our production system was somewhat inadequate to respond to the rapid expansion of demand.

Based on the results of and reflections on 10M, we have set the slogans of “Create new value” and “Solidify basic manufacturer operations” for 2024, the year in which the new Medium-Term Business Plan (11M) was launched. We will create new value (i.e., new products) by combining the Group’s technologies and expertise concentrated in the D&P Company, and will work to strengthen capabilities such as technologies, development, quality, cost adaptation, and others that will allow us to firmly meet the trust our customers have placed in us as a manufacturer.

Under the aforementioned two slogans, we will continue to push forward with optimizing the three functions of technology development, manufacturing, and sales and marketing. First, on the technology development side, in order to create new value per the slogan, in addition to continuing to develop original products, we will further aggressively work to sustain software development projects and, if necessary, look into alliances with software-related companies. We have also started standardization projects for mechanical and electrical design. Second, on the manufacturing side, we are working to create a system that goes back to the basics in order to solidify basic manufacturer operations, per the slogan. Third, on the sales and marketing side, we will further strengthen cooperation with M&S Company and the Global Business Division toward the expansion of new projects. In order to drive these three functions forward robustly, it is essential to strengthen human resources. Going forward, we will continue to enhance our human capital by cultivating candidates for the next generation of executives and continuing to hire personnel from overseas in response to the globalization of our business.

We recognize that the D&P Company has a very important role to play in the evolution and development of Daitron as a technology-based company, and we will continue our efforts to develop original products and provide more attractive, high-value-added products to our customers.

Global Business Division



Corporate Officer
Division Manager - Global Business Division

Akio Tanaka

Basic Strategic Policies for 2024

1 Product portfolio reform

Reforming profit structure

Growing net sales of the Electronic Equipment and Components Business to rectify a sales composition where over a majority is held by the Manufacturing Equipment Business

Enhancing the lineup of original products for overseas

(Collaboration with D&P Company)

Expanding exports of products from major domestic suppliers

(Collaboration with M&S Company)

Expanding Out to Out business

2 System improvement

Cultivating global human resources

- Introduce an overseas location internship system
- Building a training scheme in Japan for locally hired personnel
- Cultivating management controllers for overseas locations and regions
- Cultivating field service technicians

Enhancing overseas locations

- Locally incorporating Representative Offices (Hanoi (Vietnam), etc.)
- Preparing to establish overseas manufacturing locations
- Preparing to establish locations in growth markets (India, North America, Europe, etc.)

Under the slogan of “Cultivate mutual trust in diversity to enhance teamwork and operational quality,” we will push forward to further expand our overseas business.

Major focus areas for our include domains and markets related to semiconductors, electricity, and electronics. These are expanding not only in developed countries but also in developing countries all over the world, and this expansion trend is expected to continue going forward. Under these circumstances, the Global Business Division, in close cooperation with the M&S Company and D&P Company, is continuing its efforts to accurately capture robust overseas demand in order to evolve and develop the Group into a global and technology-based company.

Although we did not achieve the goal of an overseas business ratio of 30% or more in the previous Medium-Term Business Plan (10M), we secured significant results for our future development, including record sales from overseas business during the period (in 2022). We can say with pride that we were able to deliver such results despite severe pandemic-related restrictions thanks to steady efforts based on our plan, including strengthening community-based sales, opening new locations, and reinforcing our technical support system.

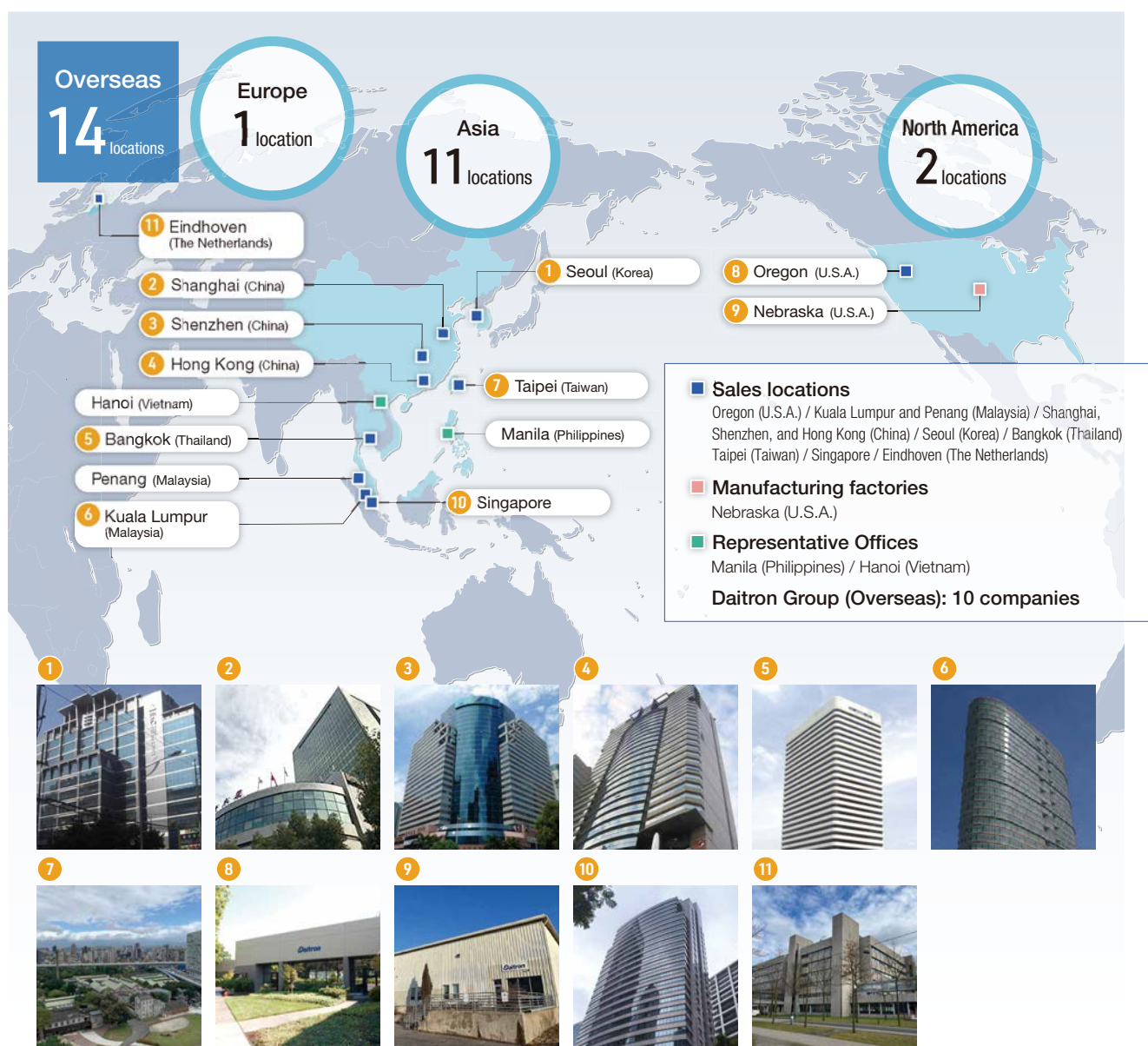
In 2024, the start of the new Medium-Term Business Plan (11M) starts, our aim remains an overseas business ratio of 30% or more, while laying a global management foundation capable of maintaining our desired future ratio of 50% or more. Specifically, we will advance product portfolio reform and system improvement.

First, with regard to product portfolio reform, we will continue to reform our profit structure, increasing sales of electronic devices and components and rectify a sales composition traditionally dominated by manufacturing equipment with a majority of sales. In addition, we will expand original products for overseas markets and products from major domestic suppliers in cooperation with the D&P Company and the M&S Company. Furthermore, we will focus on expanding our Out to Out business (especially manufacturing equipment).

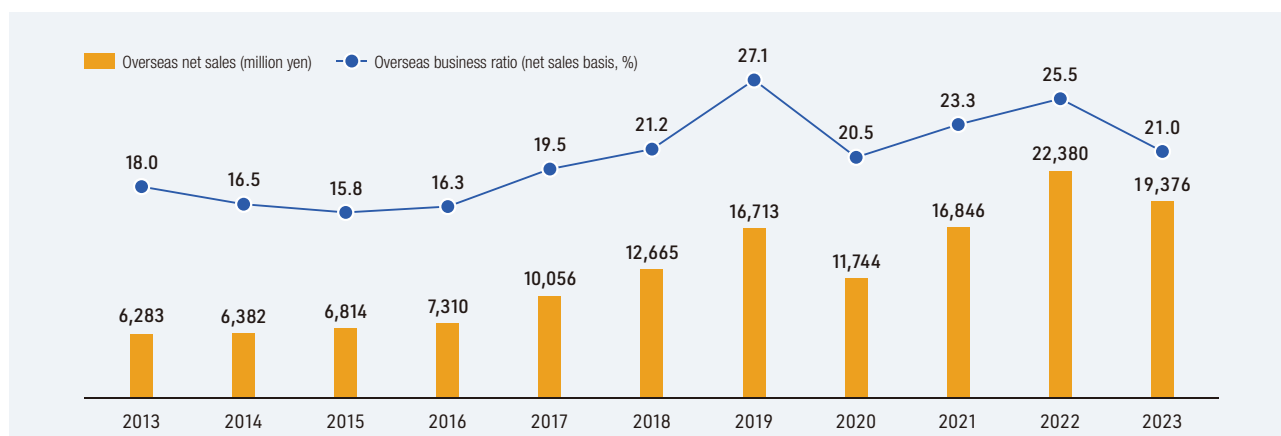
Secondly, for system improvement, we will advance initiatives under two perspectives: cultivating global human resources and enhancing overseas locations. Under cultivating global human resources, we will improve our systems in anticipation of growth in our global talent pool by introducing an internship system for overseas offices and establishing a training scheme in Japan for locally hired personnel. As for enhancing overseas locations, we will continue to incorporate our Representative Offices, prepare to establish overseas manufacturing locations, and prepare to establish locations in future growth markets such as India, North America, and Europe.

We currently conduct our overseas business across 14 overseas locations with employees in more than 10 countries. Under the slogan of “Cultivating mutual trust in diversity to enhance teamwork and operational quality,” we will seek the further expansion of our overseas business. Please watch this space as we tackle further challenges ahead.

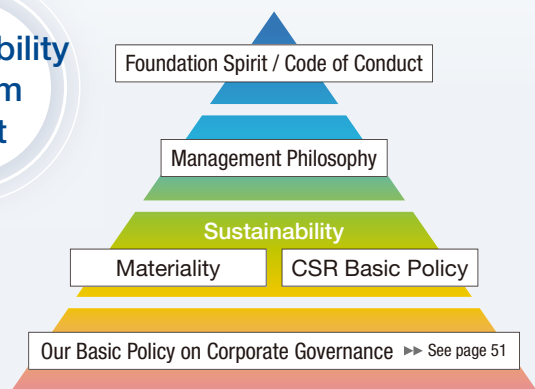
Overseas location deployment



Overseas net sales and overseas business ratio over time



Sustainability System Chart



We established the Management Philosophy in 1993, which spells out our responsibilities for corporate ethics, global environment and social contribution, not to mention compliance with laws and regulations. Our sustainability is organized in this management philosophy and its origins, the Founding Spirit and Code of Conduct at the top. In addition, we decided to continually pursue the Basic CSR Policy established in 2011, and specified Materiality in February 2022.

As the basis of the sustainability system, we positioned the corporate governance system that governs all our activities and have established the Basic Policy on Corporate Governance.

Materiality (sustainability key issues) | 1 Each Material Issue and Connection to the SDGs

We believe that the pursuit of the five material issues identified as our Materiality will lead us to contribute to the accomplishment of many goals included in the SDGs. By more deeply involving ourselves in the accomplishment of more goals in the course of promoting the sustainability management, we will multilaterally contribute to the realization of a sustainable society.



* What is a "Partner?"

The term "partner" refers to both "customer" and "supplier." The Group is promoting the building of deeper and more multiple relationships of trust with its partners and the strengthening of its partner base, with its best customers becoming its most important suppliers (and vice versa).



We work to improve our own corporate value to provide a variety of value for the electronics and other industries as well as the entire society beyond by promoting management putting emphasis on a long-term perspective, starting with the Management Philosophy, Group Statement, and the 2030 VISION, our Long-Term Vision, which sets out the corporate image we aim for.

Daitron Group, seeking to continuously promote its business activities directly connected to sustainability as a public instrument, has recently identified our key issues as Materiality, in addition to the Basic CSR Policy. Through aggressive business activities based on the healthy and strong management foundations, we are working toward creation of our “Five Values”: partner value, human value, social value, environmental value, and economic value, determined to contribute toward the accomplishment of the SDGs (Sustainable Development Goals).

In May 2022, we established the Sustainability Committee to pursue action on material issues and other sustainability initiatives.

Materiality (sustainability key issues) | 2 Primary Efforts and Focus Themes

In pursuit of the five material issues toward further progress, the directions of the efforts are defined based on the Primary Efforts and Focus Themes, and by setting representative KPIs in each issue in the following step to objectively assess the progress of the efforts at Materiality which will lead us to the next step.

Category	Materiality	Primary efforts and focus themes
Partner value creation	To work for the creation of diverse partner value as an engineering trading company with the manufacturing function	<ul style="list-style-type: none"> Reinforcement of manufacturing function (= enhancement of technological, developmental, and manufacturing technological capabilities) Reinforcement of trading function (= enhancement of marketing power, partner base, and sales capabilities) Development of new markets and new customers (= creation of sustainable new partner value) Contribution to the introduction of ICT and automation across industry to support improvements in productivity and efficiency
Human resource value creation	To promote a human resource strategy making much of diversity to contribute to the innovation creation of the industry	<ul style="list-style-type: none"> Diversity-minded recruitment and utilization of human resources Establishment of personnel and education/training systems which lead diversity to innovation Respect for human rights of all employees, and support for the realization of society respectful of human rights Creation of a satisfying workplace (safe work environment, work-style reform, and career-path system)
Social & environmental value creation	To contribute to the creation of social and environmental value, making full use of most-advanced electronics technologies	<ul style="list-style-type: none"> Contribution to ICT infrastructure, air, sea and land infrastructure, and the energy industry to support the convenient, safe and secure lives of people Contribution to environmental load reduction through provision of electronics technologies to a wide area of industry
Economic value creation	To continually work to create high added value one step ahead for maximized economic value	<ul style="list-style-type: none"> Continuous devotion to the development of high added value products and services toward creation of value one step ahead Promotion of business offering more comprehensive solution as the basics for the above purpose Contribution to not only the Group's own improved earnings but also industry-wide maximized economic value through the development and distribution of high added value products and services
Management foundations establishment	To build healthy and strong management foundations as the bases for creating the Five Values	<ul style="list-style-type: none"> Reinforcement of corporate governance, compliance, and risk management systems Securing of sound financial bases (improved equity ratio and reduced management costs) Enhancement of the BCP (business continuity plan) and supply chain management Thorough reinforcement of environmental management systems and quality management systems

CSR Basic Policy

Environmental Policy

Based on our Environmental Philosophy, we will promote, and continuously improve, environmental management system activities in accordance with the Action Guidelines to reduce environmental impacts of our business operations ranging from design, manufacture, and sales of products to related services and achieve harmony with the global environment.

Quality Policy

We will establish an effective quality management system for the purpose of providing products and services meeting the expectations and needs of customers.

Human Rights Policy

We will assist in the realization of a society in which respect is given to human rights. In order for that, we are determined to exert efforts to fulfill the responsibility for respecting human rights while making contributions to society through business activities.

Labor Policy

We will respect the human rights of all employees and treat them with respect of their dignity in a manner to win international understanding.

Safety and Health Policy

We will seek to provide employees with safe and sanitary working environments for the purpose of minimizing occupational injuries and diseases, and improving the retention rate and morale of employees in addition to the quality of products and services.

Business Ethics

We will observe the highest level of business ethics to fulfill its social responsibility and achieve success in the market.

Social Contribution

In 2001, the late Mr. Zenshiro Takamoto, the Company's founder, established the Daitron Welfare Foundation to sponsor handicapped employment supporting institutions, etc. as well as research organizations studying how to help the handicapped participate in society and improve their lives. We are actively supporting these social action activities in sympathy with them including contributions to this Foundation.

Environmental Policy

Environmental Philosophy

Based on the recognition that creating a people-friendly and earth-friendly environment is one of our top priority issues, we will contribute to global environment protection by reducing environmental burdens through development, production, and sales of every product and related service.

Environmental Policy

Based on our Environmental Philosophy, we will promote, and continuously improve, environmental management system activities in accordance with our Action Guidelines to reduce environmental impacts of our business operations ranging from design, manufacture, and sales of products to related services and achieve harmony with the global environment.

Environmental Protection

In accordance with our basic environmental policy, we have acquired ISO 14001 certification and established an environmental management system to prevent environmental pollution, promote energy conservation, reduce waste, implement recycling, conduct green procurement, and promote the management of chemical substances found in products.

Climate Change Initiatives

We have identified social and environmental value creation as material issues, and has joined the TCFD Consortium as of December 2023 as part of its efforts to achieve a decarbonized society.

We aim to bring about a sustainable society and achieve corporate growth by identifying risks and opportunities related to climate change, assessing business and financial impacts through scenario analysis, and implementing countermeasures.

By contributing to environmental load reduction through provision of electronics technologies to a wide area of industry, including information and telecommunications infrastructure, land, sea, and air infrastructure, and the energy industry, we will also support people's daily lives, safety, security, and convenience.

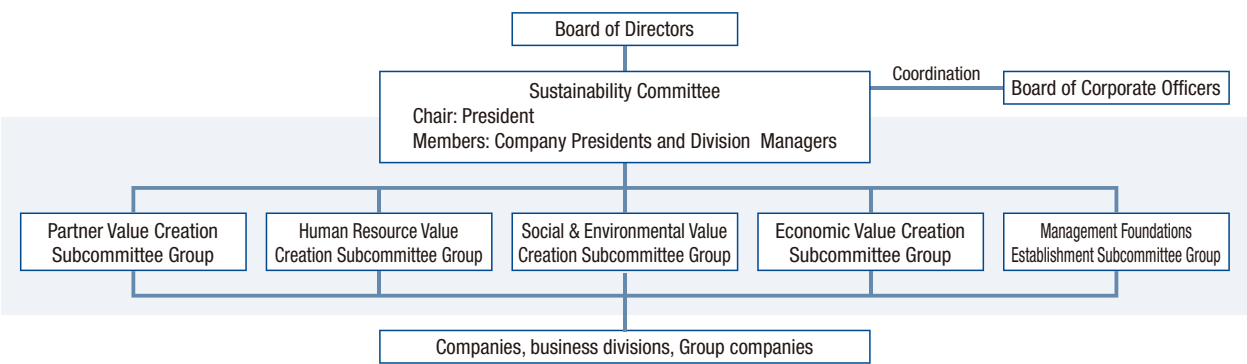
1 Governance

We are working to improve corporate value and provide diverse value to the electronics industry and other industries, as well as to society as a whole. Going forward, as a public instrument, we will continue to promote sustainability management with the aim of ensuring that our business activities are directly linked to sustainability.

The Board of Directors oversees the content of policies, targets, and plans related to sustainability issues, including climate change-related issues, as well as the progress of each measure, as reviewed and discussed by the Sustainability Committee.

The Sustainability Committee is chaired by the President and consisting of the President of each Company and General Managers of each Division. This committee approves specific measures and KPIs for materiality initiatives via its subcommittees, manages their progress, and reports to the Board of Directors. Then, opinions and directions received from the Board of Directors are reflected in these initiatives. In addition, in cooperation with the Board of Corporate Officers, the committee disseminates information to each Company and Group company, working to ensure greater internal penetration of the Group's initiatives, and advancing Group-wide initiatives and dialogue with each stakeholder to evolve and enhance our initiatives.

The Sustainability Committee's subcommittee structure consists of five subcommittee groups, each responsible for formulating specific measures and KPIs for its specific issues, and for advancing activities to achieve these measures and KPIs.



2 Strategy, Risks, and Opportunities

Based on the TCFD recommendations, we analyzed and identified climate change risks and opportunities for us, and conducted scenario analysis over short-, medium-, and long-term timelines in order to understand their impact on our business. Based on the following major scenarios, we identified a wide range of possible future risks and opportunities. Furthermore, through discussions and examinations led by upper management and business units, we concluded with an assessment of events with a high likelihood of occurring in us and their degree of impact, and studied and formulated countermeasures based on such evaluation.

Scenario Analysis Results (1) 1.5°C/2.0°C Scenario

(Major risk) Risk of increased operating costs due to introduction of carbon tax	Work to reduce both greenhouse gas (GHG) emissions and energy use throughout us, including the use of LEDs and the introduction of renewable energy sources
(Major opportunity) Expand business by capturing new customer demand that contributes to reducing environmental impact	Work to develop and propose new products and comprehensive solutions in response to growing semiconductor demand alongside the popularization of EVs

Scenario Analysis Results (2) 4.0°C Scenario

(Major risk) Physical risk of intensifying natural disasters	Minimize risk through advanced risk analysis, information gathering, disaster prevention measures, and disaster response measures, not only at locations with high hazard ranks but also at other locations
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Based on scenario analysis results, we will regularly and continuously update its scenario analysis to enhance accuracy, flexibly respond to anticipated risks, and increase its resilience to withstand any scenario and timeline. For opportunities, we will flexibly and strategically consider and develop measures that will lead to sustainable corporate value enhancement, while focusing on the situation regarding climate change, market trends, and dialogue with our customers.

3 Risk Management

In addressing climate change risk within the Group, the Sustainability Committee takes the lead in handling risks that may have a significant impact on management. Climate change-related risks identified by the risk management organizations of each division and reported to the committee are evaluated and prioritized in terms of degree of impact and likelihood of occurrence. Results of these studies are reported to the Board of Directors as necessary to ensure appropriate management and oversight. In addition, we are considering reflecting climate change-related risk management (identification and management of particularly important matters and formulation of countermeasures) into our Group-wide risk management process as part of efforts to upgrade existing risk management.

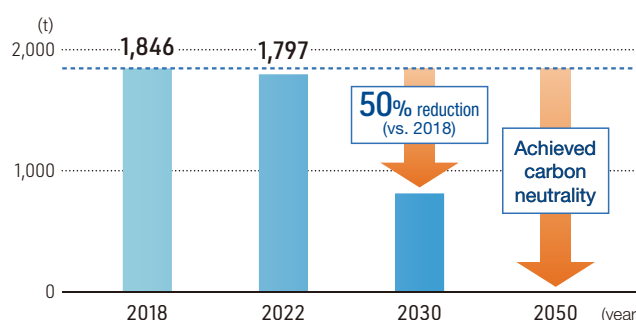
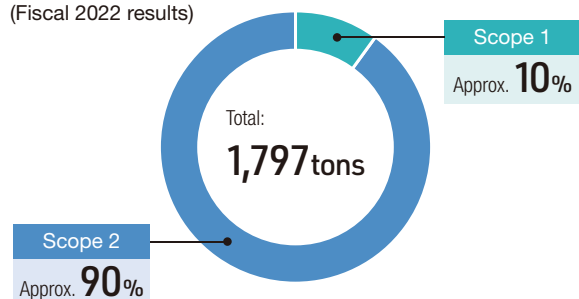
4 Metrics and Targets

As part of our efforts to reduce GHG emissions toward achieving carbon neutrality by 2050, we have set a target to reduce GHG emissions from our business activities (Scope 1 and 2) by 50% by 2030 compared to the 2018 level. Our measures to achieve this include working to save energy by replacing conventional lighting with LEDs and updating air conditioning equipment, as well as utilizing electric vehicles, installing solar power generation equipment, and utilizing electricity derived from renewable energy sources. We also intend to act to reduce emissions in Scope 3, and will begin by calculating these emissions at our Group locations in Japan and overseas. Meanwhile, we are aware that our Group is connected to a large amount of Scope 3 emissions due to the nature of our industry, and we will seek to reduce these in cooperation with our partners in the supply chain.

GHG Emissions KPIs

Scope	Base year	Base year CO ₂ emissions	Reduction targets				
			2030	2035	2040	2045	2050
1-2	2018	1,846 tons	50%	Over 90%	Carbon neutral	Carbon neutral	Carbon neutral

Scope 1 and 2 emissions
(Fiscal 2022 results)

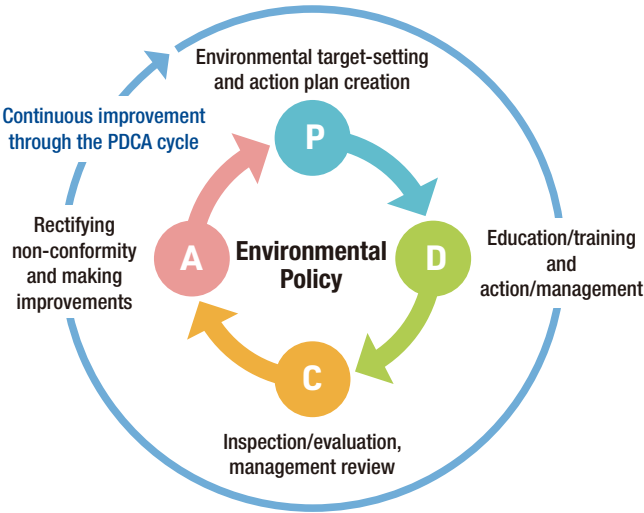


Environmental Management System

With the aim of resolving environmental issues through our business activities, we have established and maintains and operates an environmental management system with our Environmental Policy at its core, while adding fair and objective inspections and evaluations by an external inspection organization.

We conduct internal audits every year to ensure that the environmental management system is operated appropriately and efficiently based on the PDCA cycle, and that continuous improvements are made.

In addition, to ensure that all employees always act in an environmentally conscious manner, we have established and rigorously enforce the Action Guidelines. These guidelines establish a number of important actions, including compliance with environmental laws and regulations in all processes from design and manufacturing to procurement and sales of materials, as well as promotion of educational activities including those related to the environment. We believe that it is our social responsibility to proactively address environmental issues, protect the environment while balancing socio-economic needs, and contribute to the creation of a sustainable society.



Acquisition of ISO14001

As shown in the table to the right, we have obtained ISO 14001 certification, the international standard for environmental management systems, at our major locations since around 20 years ago. These locations are regularly audited by an external assessment organization to ensure these systems' effectiveness is maintained.

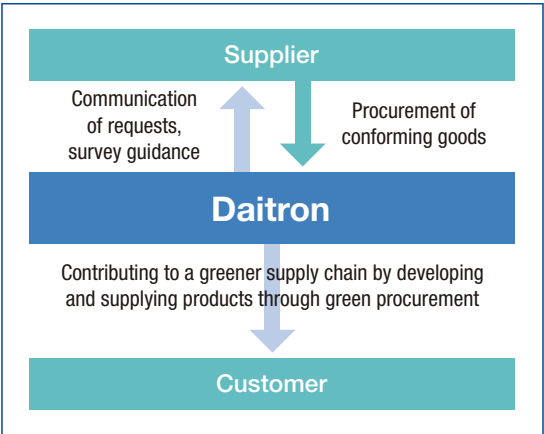
Scope of ISO 14001 certification applicability <small>(as of December 2023)</small>	All domestic locations <ul style="list-style-type: none">• Head Office• M&S Company: Acquired 16 places of business• D&P Company: Equipment Business Operation Parts Business Operation• Global Business Division
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Sustainable Procurement

1 Green procurement

Based on our Environmental Philosophy and Environmental Policy, we have prepared the Green Procurement Guidelines and are promoting green procurement activities for all materials and equipment we procure. The purpose of this policy is to provide customers with environmentally-friendly products and goods and to contribute to global environmental protection based on a recycling society. It does this by setting forth standards for procurement from our suppliers, ensuring compliance with laws, regulations, and other requests agreed upon by the Company, and making them aware of the need to reduce their environmental burden. Our requests for suppliers cover all processes, from material procurement to manufacturing and delivery, such as indicating prohibited substances and preventing their attachment, mixing, or misuse; minimizing packaging, wrapping materials, cushioning materials, etc. during shipment; and ensuring traceability management.

These guidelines were first published on January 1, 2017, and have been revised periodically since then.



2 Responsible procurement of minerals

In material procurement, we strive to select suppliers that are appropriate not only in terms of the environment but also in terms of human rights and other aspects. For example, there is a global concern that the mineral resources mined in the Democratic Republic of the Congo and its neighboring countries are providing a source of funds to armed groups causing human rights abuses and environmental destruction. Global supply chain traceability investigations have been conducted by U.S. listed companies and others since 2013 to confirm whether or not their supply chains contain such conflict minerals. We are actively cooperating with these investigations as a member of supply chains.

■ Status of Environmental Education and Training Programs

To promote efforts for global environmental protection through all of our business activities, including product development, production, sales, and service provision, we conduct environmental education and training to ensure that all employees understand our Environmental Policy and act based on this policy in the performance of their duties.

For example, twice a year, M&S Company provides training on matters such as the environment, quality, and related regulations in its training programs for new and mid-career employees, as well as for employees who have been transferred.



Environmental bulletin board



Accelerating next-generation battery development toward achieving carbon neutrality

Utilizing AI to accelerate battery material analysis 100-fold, and launching particle analysis AI software in the market

In our Group's Automotive Project, part of our new business creation activities, one of our partner companies, BLUE TAG Co., Ltd., has developed particle analysis AI software, which we have begun marketing and selling.

Reducing battery costs and improving battery performance are key to the spread of electric vehicles (EVs), and automotive and battery-related manufacturers have an urgent need to develop new types of batteries, such as all-solid-state and semi-solid-state batteries. In the development of a new battery, the particle shape and degree of uniformity of the battery materials affect the battery performance, which is why at present, images from electron microscopes are pasted into Excel and other programs and measured manually, requiring several hours for a single analysis.

Now, BLUE TAG's newly-developed particle analysis AI software can accelerate particle analysis by over 100 times thanks to a model incorporating 300,000 existing shapes through machine learning.

This software offers significant contributions such as the following, and is expected to be used in many other fields in the future, in addition to battery development.

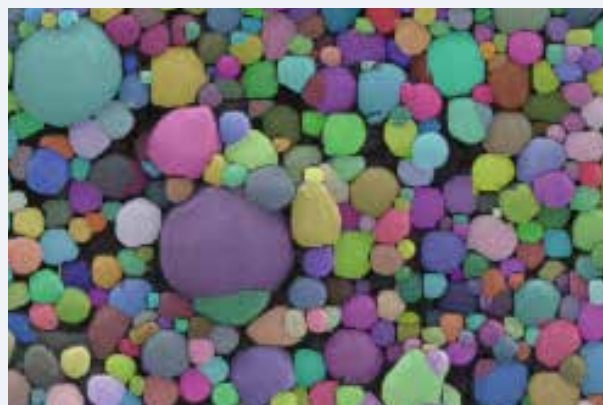


Image after analysis by the new AI analysis system

Contribution effects for researchers	Contribution effects for society
<ul style="list-style-type: none"> Shortened analysis time reduces workload Increased R&D speed and better research results unlocked 	<ul style="list-style-type: none"> Shortened development period enables provision of environmentally friendly products (such as batteries for EVs) to the market earlier than expected Enables improved performance for environmentally friendly products (such as batteries for EVs)

Other major areas offering utilization

Manufacturing

- Non-metallic particles
- Fibrous materials
- Semiconductor substrates/materials
- Alumina
- Ceramics
- MLCC materials
- Chemicals, etc.

Life sciences

- Pharmaceuticals/pharmaceutical raw materials (Regenerative medicine/basic research)
- Chemicals, etc.



Aiming to develop new customers and provide new solutions

Naonori Kanagawa, Group Head

This AI analysis software specializes in particle analysis, offering customers significant reductions in development time in the development of new batteries, where the particle's state is a critical aspect. Since there is also an English version of the software, we have received numerous inquiries from automotive and battery-related manufacturers from all over the world, not just Japan. We are also looking to provide battery manufacturing and inspection equipment to newly-cultivated customers, aiming to provide new solutions to meet customer needs.

Human Rights Policy / Labor Policy

Human Rights Policy

We will assist in the realization of a society in which respect is given to human rights. In order for that, we are determined to exert efforts to fulfill the responsibility for respecting human rights while making contributions to society through business activities.

Labor Policy

We will respect the human rights of all employees and treat them with respect of their dignity in a manner to win international understanding.

Human Resource Development Policy

We aim to be a company with the strength of unity and an autonomous, proactive organizational culture. To this end, it is essential to strengthen our human resources power and we are promoting skill development to realize one element of our Management Philosophy, to respect our employees' needs for self-esteem and encourage every individual to achieve their fullest potential.

Internal Environment Improvement Policy

We recognize that maintaining a workplace environment in which employees can maintain their health and work safely and with peace of mind is a prerequisite for maintaining our business foundation.

Major KPIs related to human resource initiatives

Our Group's human resource initiatives are implemented by setting KPIs corresponding to action plans based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children, and by working toward these goals.

KPIs corresponding to action plans based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace (5 years from April 1, 2021 to March 31, 2026)

Toward the development of an environment and organizational culture in which all employees can play an active role, regardless of gender or the presence or absence of childcare or family care responsibilities

*New personnel system: A new personnel system (staggered work, work from home) that has been gradually introduced in line with job types, job descriptions, and lifestyles

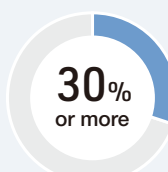
Ratio of female employees in career-track positions



Ratio of women in management positions (Section Manager equivalent)



New personnel system* utilization rate



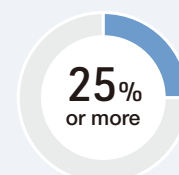
KPI corresponding to the action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (2 years from January 1, 2023 to December 31, 2024)

Toward the development of an environment in which all employees can balance work and childcare and fully demonstrate their abilities

Male employees taking childcare leave



Percentage of male employees whose spouse gave birth to a child using the company's unique childcare leave system



Introducing a shortened working hour system for employees with children up to the end of the third grade of elementary school



Health Management

We aim to maximize the vitality of the organization and ultimately maximize corporate value by working to maintain and improve the health of all officers and employees in accordance with its Management Philosophy. In September 2023, we announced our Health Management Declaration, under which we are continuously improving our health management promotion system. In March 2024, Daitron became a Certified Health & Productivity Management Outstanding Organization 2024 (Large Corporation Category).

The basic system for health management where we have begun efforts is collaborative health, an efficient and effective path toward better health for employees and their families. As a basis for this, we are striving to understand health issues in terms of both mental and physical health (by accumulating health-related data on all employees), aiming for a 100% regular health checkup rate and a 100% stress checkup rate. In addition, in cooperation with industrial physicians, we have established a dedicated consultation service (via a third-party organization, ensuring privacy) for general health, mental health counseling, and harassment.



2024
健康経営優良法人
Health and productivity

Diversity & Inclusion

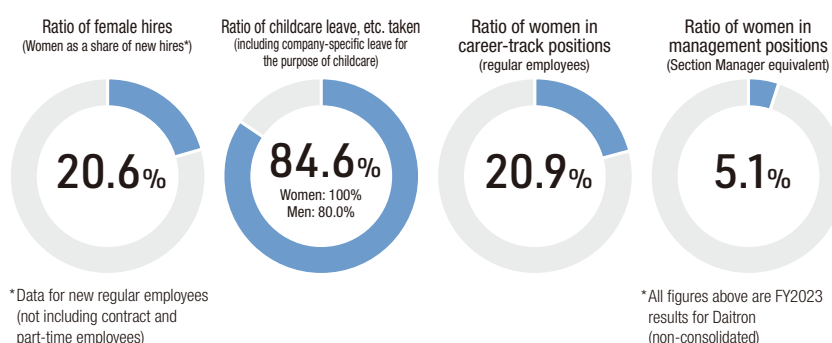
Based on our Human Rights Policy and Labor Policy, and in the interest of strengthening our competitiveness as an organization, we are advancing a human resources strategy that emphasizes diversity.

1 Empowering women

Our goal is to create an environment that empowers all employees, regardless of gender and whether or not they are raising children or caring for family members, and to create an environment in which employees can balance work and childcare or family care. To this end, we have identified issues we are facing, formulated targets and concrete action plans, and are taking actions accordingly.

With regard to balancing work and childcare, the ratio of employees taking childcare leave (men + women) was 84.6% in 2023, an increase versus 56.5% in 2022. By gender, the ratio was 100% for women in both 2022 and 2023, while for men the ratio increased from 41.2% in 2022 to 60.0% in 2023, leading to an increase in the overall ratio. The utilization rate when including the company-specific leave system for childcare purposes, was 80% (male employees). These results indicate that through educational activities to encourage men to take childcare leave, an environment is being created in which they can balance work and childcare.

In terms of promoting women, the ratio of women in career-track positions (regular employees) is 20.9% (versus 16.7% as of March 31, 2022), and the ratio of women in management positions (section managers) is 5.1% (versus 4.1% as of March 31, 2022). Going forward, we will proactively continue with support measures to improve these figures, such as follow-up training for career-track courses and management training.



2 Diversity employment and empowerment

We recognize that a strong management foundation is essential for sustainable growth, and that the core of this foundation is our human resource base. With this in mind, we are taking actions to revitalize the organization by securing diversity in our human resources. Specifically, we are encouraging the employment of foreign human resources and experienced workers, and focusing on empowering senior and handicapped human resources. The specific results of our efforts in this area are to be disclosed as we build up a steady track record.

Training and Development of Employees

Based on our Human Resource Development Policy, we provide training and development programs by position and job classification, as well as programs tailored to individual employee situations, such as career design and self-development, in an effort to develop self-motivated and proactive human resources.

▶ Main training and education programs

- New employee training (at employment, 3-month intermediate follow-up, 6-month follow-up)
- Young employee training (at their 3rd to 4th years)
- Training by rank (General Manager class, Section Manager class, and Assistant Manager class)
- Mid-career hire employee training (at their 1st to 2nd years)
- New manager training
- Management course change follow-up training
- Career design training
- Voluntary training
- Business Administration Division educational program (internal e-learning)
- Personal development (such as correspondence course, e-learning, TOEIC internal test)



New employee training (FY2023)

Employment data
(most recent 3 years)

2021	25 (new graduates), 30 (mid-career hires)
2022	20 (new graduates), 50 (mid-career hires)
2023	30 (new graduates), 38 (mid-career hires)

Safety and Health Policy

We will seek to provide employees with safe and sanitary working environments for the purpose of minimizing occupational injuries and diseases, and improving the retention rate and morale of employees in addition to the quality of products and services.

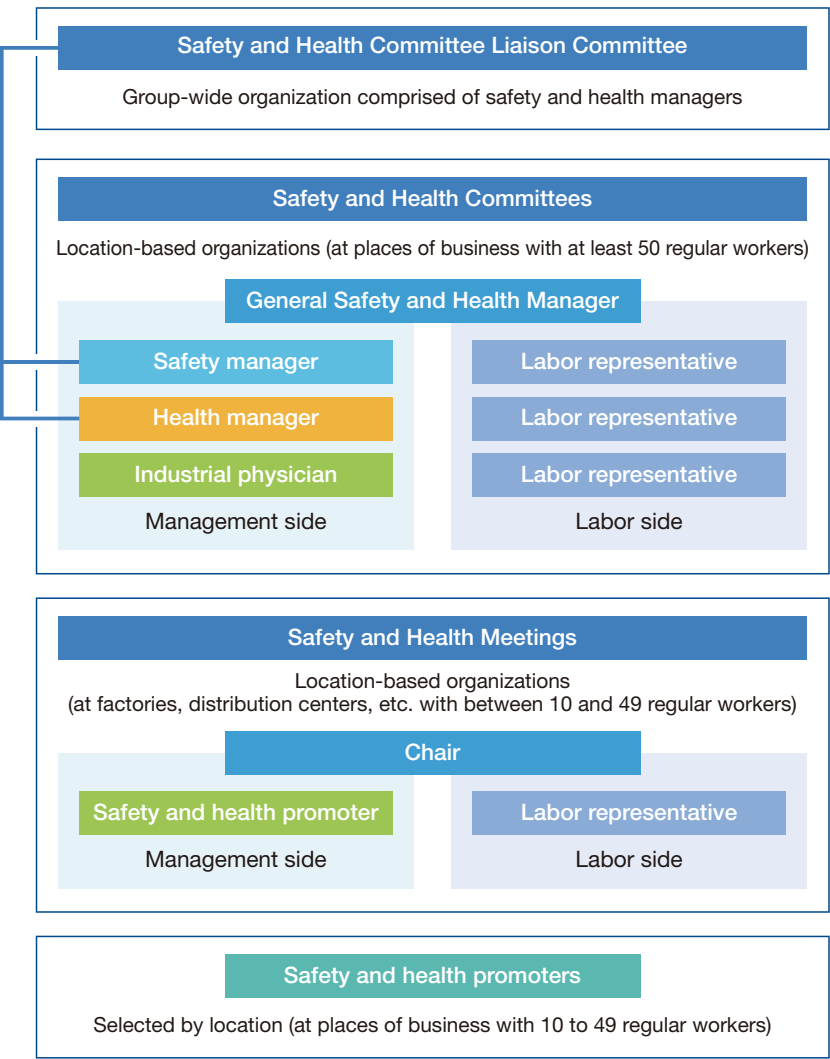
Safety and Health Management System

We recognize that providing our employees with a safe and sanitary work environment is our responsibility as a company and one of the most important issues in management.

From this perspective, under the Safety and Health Policy, Safety and Health Committees play a central role in studying and implementing measures to prevent occupational accidents, as well as conducting surveys and deliberations on important matters to this end.

These Safety and Health Committees are set up at all of our places of business with at least 50 workers, holding regular monthly meetings. Committees consist of equal numbers of members from the management and labor side. In addition, we have established the Safety and Health Committee Liaison Committee as a Group-wide organization to identify management items related to occupational safety and health. This liaison committee encourages actions to ensure compliance with laws and regulations and to improve the working environment.

Safety and Health Meetings are set up at factories and distribution centers with between 10 and 50 workers that do not have a Safety and Health Committee. These meetings conduct activities similar to those of their committee counterparts, including holding regular meetings once a month.



Site Patrols

Each location's Safety and Health Committee (sites with 50 or more employees) or its Safety and Health Promoter (sites with less than 50 employees) conducts site patrols to ensure safety and health at each location. These patrols simultaneously serve to identify and report challenges toward minimizing future occupational accident risk to head office divisions.



A site patrol

Quality Policy

We will establish an effective quality management system for the purpose of providing products and services meeting the expectations and needs of customers.

Quality Management System

We recognize that one of our major missions is to contribute to society and our customers through relentless efforts to improve the quality of our products. To this end, we are working on our quality management system to ensure our quality standards always exceed our customers' expectations.

As with our environmental management system, we conduct internal audits every year to ensure that the quality management system is operated appropriately and efficiently based on the PDCA cycle, and that continuous improvements are made.

We also focus on activities to familiarize all employees with our Quality Policy and to raise awareness about being proactive with regard to our quality management system.



Acquisition of ISO 9001 and JISQ 9100

In order to establish an effective quality management system, comply with laws and regulations, and ensure the achievement of quality standards, we obtained ISO 9001 certification, the international standard for quality management systems, in April 1998, and have been periodically audited by an external assessment organization since then. In addition, the Specialized Equipment Factory within the parts business has acquired certification under JISQ 9100 (for aerospace), a quality management system standard with additional requirements specific to aviation, space, and defense.

Scope of ISO 9001 certification applicability

(as of December 2023)

• M&S Company:

- Quality and Environment Promotion Office
- Tama Sales Office, Tokyo Electronics Sales Office, Nagoya Electronics Sales Office, Osaka Electronics Sales Office, Tokyo Machinery Sales Office, Osaka Machinery Sales Office
- Purchasing Section: Tokyo Center, Osaka Center

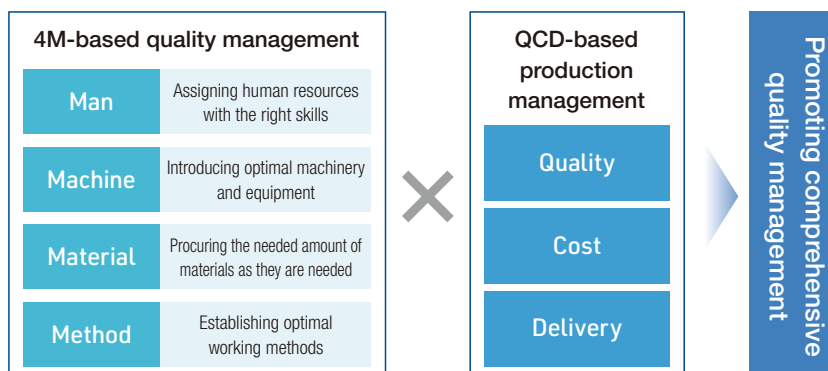
• D&P Company:

- Equipment Business Operation
- Parts Business Operation

Specialized Equipment Factory: Has also acquired JISQ 9100 certification (for aerospace)

Promoting Comprehensive Quality Management Based on the 4Ms and QCD

In order to ensure the optimum level of quality demanded by our customers, we must ensure that the various quality control tasks occurring at production sites are properly executed. At our production sites, we promote comprehensive quality management through a combination of quality management based on the 4Ms and production management based on QCD, as shown in the figure on the right.



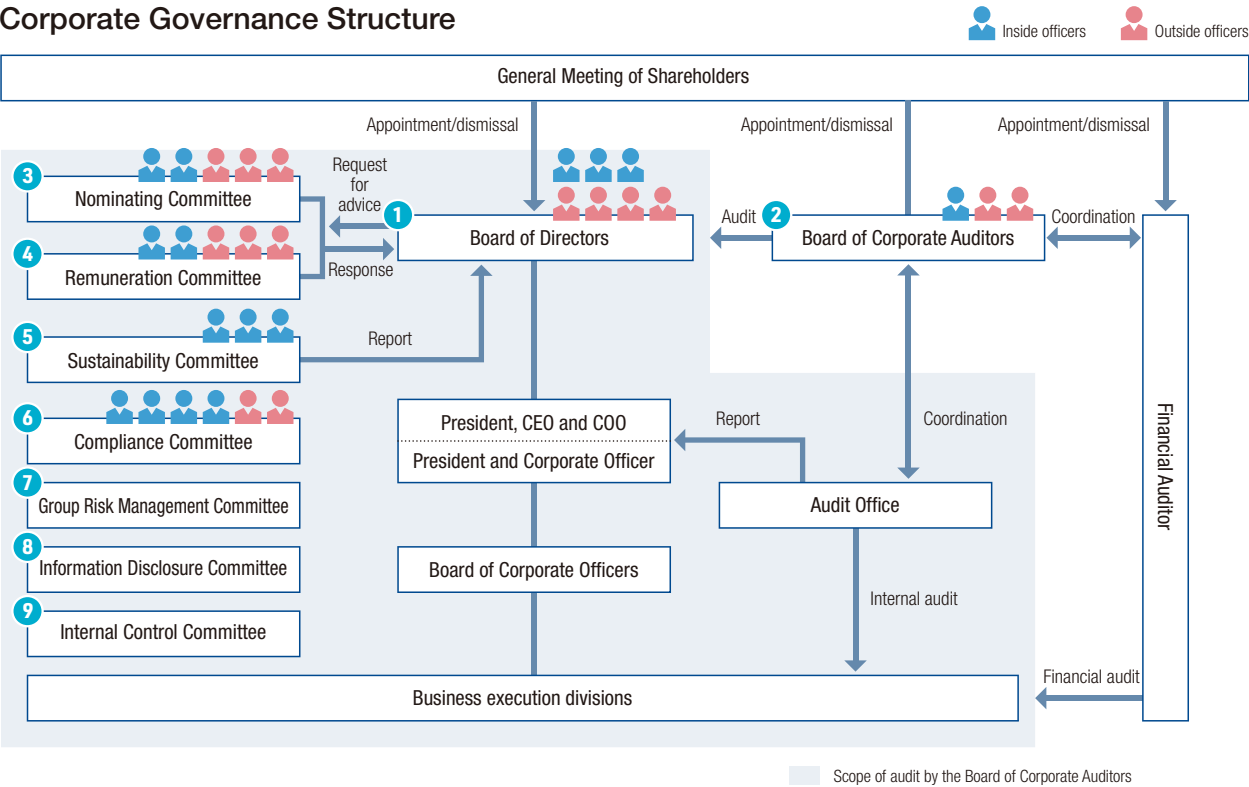
Our Basic Policy on Corporate Governance

Amid this rapidly changing business environment surrounding corporations with the increasing globalization of the world economy, for corporate health and sustainable growth we are aware that improving the management system and enhancing corporate governance from the shareholders-oriented standpoint are among the most important challenges for us.

The key elements of our corporate governance principles include building good relationships of trust with all the stakeholders, ensuring timely and proper information disclosure and management transparency for shareholders, and following effective and healthy operating procedures, all of which are based on the Management Philosophy.

Compliance and corporate ethics	Timely disclosure and information management	Risk management
We established the Compliance Committee to formulate basic compliance policies and manuals that provide for the codes of ethics focusing on compliance with external relevant laws and regulations as well as internal rules of the Company. With this system implemented we are strengthening internal governance and promoting compliance activities for sound and smooth operation of the whole Group.	We have created the Information Disclosure Committee to ensure timely and appropriate disclosure of important corporate information while keeping it true, complete, and accurate. This allows us to make fair and quick decisions on when and what information should be disclosed. We also have set up information security rules and personal information protection rules for thoroughgoing information management.	We regard risk management as a matter of extremely high priority in business administration and have established the Risk Management Committee, which is designed to work together with the Compliance Committee for the purpose of improved corporate value and reliability. Their mission is to prevent diverse possible risks that could seriously affect our business administration, to quickly and properly cope with each situation so that it would not damage the stakeholders' interests, and consequently to conserve management resources. Under this system administrators in charge of carrying out these activities are designated from each section, who are required to report promptly on the occurrence of any important issue concerning risk management.

Corporate Governance Structure



Outline of Important Organizations in the Corporate Governance Structure

1 Board of Directors

In principle, the Board of Directors meets once a month on a regular basis, and extraordinary meetings are held as necessary when important matters arise. Participants of Board meetings are fully informed and act in good faith and with due diligence in the best interests of the Company and its shareholders. In addition, the Company's Board of Directors always keeps abreast of business conditions at the group level and makes prompt decisions on medium- and long-term management issues and important matters to maximize the Group's corporate value, including to strengthen the Group's comprehensive capabilities and further reinforce the entire Group's corporate governance.

2 Board of Corporate Auditors

The Company's Board of Corporate Auditors currently consists of three Corporate Auditors, including two outside Corporate Auditors, and in principle meets once a month to receive reports on important matters related to auditing, and to discuss and make resolutions on the same. In addition, Corporate Auditors attend meetings of the Board of Directors and other important meetings to audit and supervise the status of Directors' performance of their duties, and exchange opinions with the internal audit department and financial auditor to improve audit functions.

▶ Group Corporate Auditor Liaison Committee

The Group Corporate Auditor Liaison Committee, consisting of Corporate Auditors (including Outside Corporate Auditors) of the Company and its subsidiaries, meets regularly to exchange information and opinions on audits of Group companies in accordance with audit policies, thereby establishing a system handling corporate governance of the entire Group.

3 Nominating Committee

We established the Nominating Committee as a voluntary advisory body to the Board of Directors for the purpose of deliberating and proposing to the Board of Directors related to the nomination and dismissal of officer candidates.

4 Remuneration Committee

We established the Remuneration Committee as a voluntary advisory body to the Board of Directors for the purpose of deliberating and proposing to the Board of Directors on matters related to remuneration structure and system policies for officers.

5 Sustainability Committee

We established the Sustainability Committee to address materiality (key issues) surrounding the Group's sustainability and to promote and oversee activities aimed at the sustainable growth of society and the Group's business activities and the enhancement of corporate value over the medium to long term. This committee examines specific measures to address materiality, sets target indicators, supports and monitors activities to achieve targets, and reports and makes recommendations to the Board of Directors on the results of these examinations and the progress of activities.

6 Compliance Committee

We established the Compliance Committee to build a compliance system rooted in high ethical standards, centered on compliance with relevant external laws and regulations as well as internal rules of the Company, and to strengthen internal governance and promote compliance activities for the sound and smooth corporate management of the Group. In addition, for the purpose of preventing the occurrence and expansion of internal misconduct, we have established the Daitron Group Compliance Hotline, an internal reporting and consultation service. We have assigned a third-party organization as the information provider for this service in an effort to detect violations of laws and regulations and to uncover potential violations before they occur.

7 Group Risk Management Committee

We regard risk management as a matter of extremely high priority in business administration and have established the Risk Management Committee for the purpose of improved corporate value and reliability. Its mission is to prevent diverse possible risks that could seriously affect our business administration, to quickly and properly cope with each situation so that it would not damage the stakeholders' interests, and consequently to conserve management resources. Under this system administrators in charge of carrying out these activities are designated from each section, and are required to report promptly on the occurrence of any important issue concerning risk management.

8 Information Disclosure Committee

We have created the Information Disclosure Committee for securing timely and appropriate disclosure of important corporate information while keeping it true, complete, and accurate. This system has made possible a fair and quick decision on when and what information should be disclosed. We also perform practical inspections to ensure that there are no omissions in disclosure content.

9 Internal Control Committee

The Internal Control Committee operates, maintains, and evaluates internal control over financial reporting, and reports the results of internal control evaluations and other information to the President, CEO and COO in a timely manner, including when financial results are announced.

Organizational Memberships (◎ indicates the chairperson, while ○ indicates members)

Position	Name	Board of Directors	Board of Corporate Auditors	Group Corporate Auditor Liaison Committee	Nominating Committee	Remuneration Committee	Sustainability Committee	Compliance Committee
Chairman and Director	Isayuki Mae	◎			○	○	○	◎
President, CEO and COO	Shinsuke Tsuchiya	○			○		◎	○
Senior Managing Director	Hajimu Mouri	○		○		○	○	○
Director (Outside)	Yasutoshi Kimura	○			◎	○		
Director (Outside)	Toru Wada	○			○	◎		
Director (Outside)	Akihiko Imaiya	○			○			
Director (Outside)	Kazutoshi Hosoya	○						
Standing Corporate Auditor	Minoru Ujihara		◎	◎				○
Corporate Auditor (Outside)	Noriko Kitajima		○	○		○		○
Corporate Auditor (Outside)	Satoshi Nakayama		○	○				○

Director Skill Matrix

Position	Name	Specialization/Experience						
		Corporate management	Finance/Accounting	Overseas business	Legal affairs/Risk management	Personnel/HR development	R&D	Sales
Chairman and Director	Isayuki Mae	●		●				●
President, CEO and COO	Shinsuke Tsuchiya	●		●				●
Senior Managing Director	Hajimu Mouri		●		●	●		
Director (Outside)	Yasutoshi Kimura	●	●					
Director (Outside)	Toru Wada				●			
Director (Outside)	Akihiko Imai	●					●	
Director (Outside)	Kazutoshi Hosoya	●					●	

*The above table does not show all skills possessed by each individual.

Outside Officers

The Company has four Outside Directors and two Outside Corporate Auditors. The Outside Directors and Outside Corporate Auditors meet the criteria for independence set forth by the Tokyo Stock Exchange, and the Company designates all of its Outside Directors and all of its Outside Corporate Auditors as independent directors and corporate auditors.

Outside Director Yasutoshi Kimura	Yasutoshi Kimura has extensive experience and highly professional knowledge as a certified public accountant and tax accountant, and the Company believes that he will be able to provide beneficial opinions about the Company's management, and has therefore appointed him as an Outside Director. Note that as of December 31, 2023, he holds 6,000 shares of Company stock. However, the Company has judged that there are no concerns of conflict of interest with him. He also serves as head of the Kimura CPA Office and Outside Director (Audit Committee Member) of sinops Inc. However, there are no particular relationships between the Company and either of these organizations.
Outside Director Toru Wada	Toru Wada has extensive experience and highly professional knowledge about corporate legal affairs as a certified public accountant, and the Company believes that he will be able to provide beneficial opinions about the Company's management, and has therefore appointed him as an Outside Director. Note that as of December 31, 2023, he holds 1,000 shares of Company stock. However, the Company has judged that there are no concerns of conflict of interest with him. He also serves as Joint Partner of Phoenix Law Offices and Outside Corporate Auditor of OUG Holdings Inc. However, there are no particular relationships between the Company and either of these organizations.
Outside Director Akihiko Imai	Akihiko Imai has extensive experience and advanced knowledge in corporate management from his past experience as a manager of a group of companies operating globally, and the Company believes that he will be able to provide beneficial opinions about the Company's management, and has therefore appointed him as an Outside Director.
Outside Director Kazutoshi Hosoya	Kazutoshi Hosoya has advanced professional knowledge in manufacturing from his many years as a manager of a global manufacturer in a business field similar to that of the Company's, and the Company believes that he will be able to accurately assess the management environment and industry trends of the Group and provide useful opinions and suggestions, and has therefore appointed him as an Outside Director.
Outside Corporate Auditor Noriko Kitajima	Noriko Kitajima has highly professional knowledge about corporate legal affairs and other topics as an attorney at law, and the Company has determined she has the ability to provide meaningful checks and balances on the Company's decision-making, and has therefore appointed her as an Outside Corporate Auditor. She also serves as Joint Partner of Phoenix Law Offices, Outside Audit & Supervisory Board Member of Daiei Kankyo Co., Ltd., and Outside Director (Audit Committee Member) of SANKYO KASEI CORPORATION. However, there are no particular relationships between the Company and either of these organizations.
Outside Corporate Auditor Satoshi Nakayama	Satoshi Nakayama has highly professional knowledge about finance and accounting as a certified public accountant, and the Company has determined that he has the ability to provide meaningful checks and balances on the Company's decision-making, and has therefore appointed him as an Outside Corporate Auditor. He also serves as head of Satoshi Nakayama CPA Office and Representative of Kyo-Risshi Audit Corporation. However, there are no particular relationships between the Company and either of these organizations.

■ Director and Corporate Auditor Attendance at Fiscal 2023 Meetings of the Board of Directors, Nominating Committee, Remuneration Committee, and Board of Corporate Auditors

Title	Name	Board of Directors meetings attended	Nominating Committee meetings attended	Remuneration Committee meetings attended	Board of Corporate Auditors meetings attended
Chairman and Director	Isayuki Mae	100% (18/18)	100% (2/2)	100% (6/6)	—
President, CEO and COO	Shinsuke Tsuchiya	100% (18/18)	100% (2/2)	—	—
Senior Managing Director	Hajimu Mouri	100% (18/18)	—	100% (6/6)	—
Outside Director	Yasutoshi Kimura	100% (18/18)	100% (2/2)	100% (6/6)	—
Outside Director	Toru Wada	100% (18/18)	100% (2/2)	100% (6/6)	—
Outside Director	Akihiko Ima	100% (18/18)	100% (2/2)	—	—
Outside Director	Kazutoshi Hosoya* ¹	100% (14/14)	—	—	—
Standing Corporate Auditor	Minoru Ujihara	100% (18/18)	—	—	100% (14/14)
Outside Corporate Auditor	Shunsaku Yagi* ²	100% (4/4)	—	100% (1/1)	100% (4/4)
Outside Corporate Auditor	Noriko Kitajima* ³	100% (18/18)	—	100% (5/5)	100% (14/14)
Outside Corporate Auditor	Satoshi Nakayama* ¹	100% (14/14)	—	—	100% (10/10)

*1 The number of total meetings is since March 30, 2023, the date this officer assumed office.

*2 The number of total meetings is until March 30, 2023, the date this officer retired from office.

*3 This officer newly became a member of the Remuneration Committee on March 30, 2023.

■ Effectiveness Evaluation of the Board of Directors

As part of its efforts to strengthen corporate governance, the Company conducts evaluations of the effectiveness of its Board of Directors.

Overview of Effectiveness Evaluation

In December 2023, the Company's Board of Directors conducted a self-evaluation using the Board of Directors Effectiveness Evaluation Questionnaire for all Directors and Corporate Auditors, including outside officers (10 Directors and Corporate Auditors in total). Based on the aggregated results, an analysis was conducted and awarenesses were shared about the current status of the Company's Board of Directors, and future initiatives to enhance the Board's effectiveness were discussed.

Overview of Evaluation Results and Future Initiatives

Based on the aggregated results and analysis of the responses to the Board of Directors Effectiveness Evaluation Questionnaire (38 items in total), it was determined that the effectiveness of the Company's Board of Directors has been adequately secured. In addition, as for the initiatives from the previous fiscal year's effectiveness evaluation:

- Ensuring gender, nationality, and other diversity in the composition of the Board of Directors, it was decided to retain these as initiatives for further improvement of the effectiveness of the Board of Directors since sufficient improvement could not be claimed as of the evaluation despite ongoing discussions.

Future Action

Based on the results of the effectiveness evaluation, the Company's Board of Directors will discuss and consider the initiatives listed in the Overview of Evaluation Results and Future Initiatives, and will proceed with efforts to further improve the effectiveness of the Board of Directors. We will continue to evaluate the effectiveness of the Board of Directors and analyze the results annually to continue said effectiveness and strengthen corporate governance.

■ Director and Corporate Auditor Training

The Company encourages Directors to participate in external seminars for the purpose of self-development, etc. and to build personal networks outside our organization. The Company bears the costs of such seminars in accordance with internal regulations. In addition, for the purpose of training Directors, Corporate Auditors, and senior management, the Company has a policy of inviting outside lecturers to address the annual Group Joint Board of Officers and Group Corporate Auditor Liaison Meeting.

■ Officer Remuneration

The Company's Board of Directors, at a meeting held on March 28, 2024, revised the policy regarding the determination of the details of individual Director remuneration. The Remuneration Committee was consulted in advance on the details of the resolution to be adopted by the Board of Directors and delivered its report to the Board of Directors.

The Board of Directors has also confirmed that the method of determining the details of remuneration for individual Directors and the details of remuneration determined are consistent with the determination policy before the aforementioned revision and that the report from the Remuneration Committee has been respected. Therefore, it has determined that the remuneration for individual directors for the current fiscal year is consistent with the determination policy before the aforementioned revision.

The Company's basic policy is to set an appropriate level of remuneration for each Director based on his or her duties in a compensation linked to shareholder benefit so as to sufficiently function as an incentive for the sustainable improvement of corporate value. Here, the Board of Directors is given the authority to determine the amount of remuneration for the Company's officers and the policy regarding the determination of the method of calculation thereof.

The remuneration of officers consists of base remuneration (financial remuneration) as fixed remuneration, bonuses as performance-linked remuneration (financial remuneration), and share-based remuneration (non-financial remuneration), taking into consideration that they are responsible for improving business performance in each fiscal year and for improving corporate value over the medium to long term. For Directors who are not Executive Directors, remuneration consists of base remuneration (financial remuneration) as fixed remuneration and bonuses as performance-linked remuneration (financial remuneration).

Details of General Shareholders Resolutions on Officer Remuneration

The maximum amount of remuneration for Directors is 500,000,000 yen per year (not including employee salary portions) as resolved at the Extraordinary General Meeting of Shareholders held on September 20, 1991. The number of Directors as of the close of this General Meeting of Shareholders was 13. In addition, separately to the maximum amount of remuneration above, in a resolution of the Annual General Meeting of Shareholders held on March 28, 2024, a separate resolution was passed to set performance-linked share-based remuneration for Executive Directors at a maximum of 10,000 shares per year and 35,000,000 yen per year. The number of Executive Directors as of the close of this General Meeting of Shareholders was 3.

The maximum amount of remuneration for Corporate Auditors is 50,000,000 yen per year as resolved at the Annual General Meeting of Shareholders held on March 31, 1999. The number of Corporate Auditors as of the close of this General Meeting of Shareholders was 2. The Company resolved to abolish the retirement benefit system for officers as of the conclusion of the 56th Annual General Meeting of Shareholders held on March 28, 2008, and to pay retirement benefits to Directors and Corporate Auditors who continue to hold office after the conclusion of said meeting at the time of their respective retirements, corresponding to the lengths of their periods of service until the system's abolishment.

Total Remuneration by Officer Category, Total Remuneration by Type, and Number of Eligible Officers

Officer Category	Total Remuneration (thousand yen)	Total Remuneration by Type (thousand yen)				Number of Eligible Officers
		Fixed Remuneration	Performance-Linked Remuneration	Retirement Benefits	Non-Financial Remuneration	
Directors (excluding Outside Directors)	167,330	109,950	57,380	—	—	3
Corporate Auditors (excluding Outside Corporate Auditors)	15,190	10,680	4,510	—	—	1
Outside officers	55,500	41,100	14,400	—	—	7

(Note) The above performance-linked remuneration shows the amount of officers' bonuses for fiscal 2023.

■ Cross-Shareholdings

It is the Company's policy to hold shares of partner companies when it is judged that said holdings assist the Company in achieving objectives such as maintaining and strengthening business relationships and creating synergies in order to improve its corporate value over the medium to long term, and to sell shares that fall out of the scope of this policy.

In addition, the Company shall provide specific explanations regarding such information as the purpose of cross-shareholdings.

The Board of Directors regularly reviews the status of transactions, risk/return assessments, and eligibility of major cross-shareholdings, and examines whether to maintain or sell said holdings.

With respect to the exercise of voting rights for cross-shareholdings, the Company does not provide unconditional agreement to all proposals by the company in question, but decides whether to exercise its voting rights in approval or disapproval based on whether or not it is deemed to contribute to the improvement of the Company's corporate value.

■ Compliance with the Corporate Governance Code

With regard to the following Corporate Governance Code item for which we are not in compliance, we have disclosed the reason for non-compliance and will continue to examine the optimal corporate governance for the Company.

Principle 4-11: Preconditions for Board and Auditor Board Effectiveness

The Company's Board of Directors consists of individuals with professional expertise and abundant experience in the fields of management, finance and accounting, marketing, personnel and human resource development, legal affairs and risk management, and research and development. In addition, we have appointed Directors with overseas work and management experience, and our understanding is that the Board of Directors is composed in a way that is both diverse and appropriately sized to effectively fulfill the roles and responsibilities of a board of directors. At this time, the Company has not appointed any female Directors and is aware that this is an issue to be addressed in the future. In addition, the Company has appointed attorneys at law, certified public accountants, and other professionals as its Corporate Auditors, who have appropriate knowledge of financial, accounting, and legal matters. Each Director engages in active discussions at Board of Directors meetings, and the Board functions effectively.

■ Basic Approach to and Status of Internal Control System

Basic Policy on Internal Control Systems

The Group's basic policy for strengthening corporate governance is as follows.

- Building good relationships of trust with all the stakeholders
- Appropriate risk management
- Ensuring transparent and sound management
- Timely and proper information disclosure

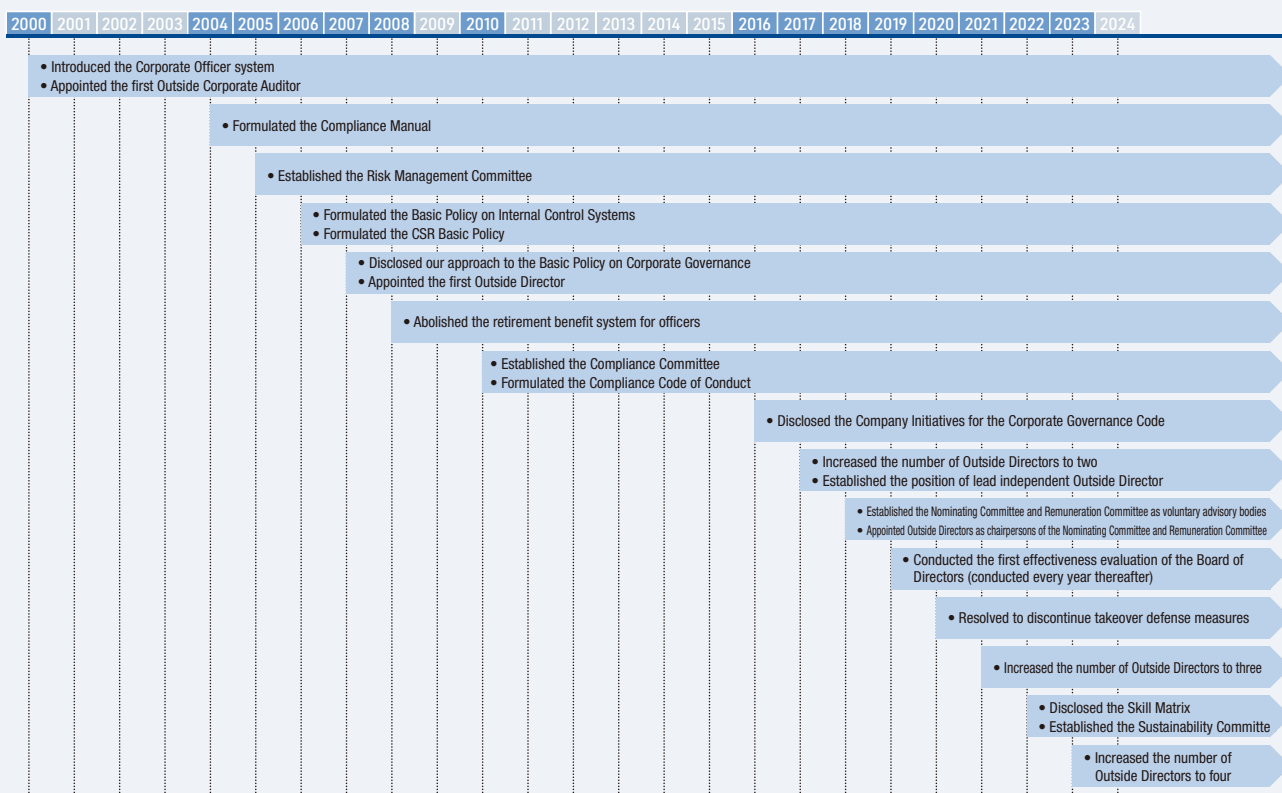
Status of Internal Control System

We have established and are operating an internal control system as a framework and process for the control of business operations in order to ensure sound and efficient corporate management based on the above basic policy, and in particular, we recognize the following items as our top priorities and are working to address these.

- Formation of an organization and culture for the prevention of misconduct and compliance with laws and regulations, and the maintenance of their effectiveness
- Establishment of a system to reasonably identify, evaluate, and appropriately manage foreseeable risks in corporate management
- Formation of an organization and culture for ensuring the reliability of business reports and disclosure information, and the maintenance of their effectiveness

Through these efforts, we have established and are operating an internal control system in order to fulfill the responsibility and trust we have toward our stakeholders with regard to social responsibility for corporate behavior and social requirements on corporate ethics.

Initiatives to Strengthen Governance



Directors



Chairman and Director

Isayuki Mae

Apr. 1978 Joined the Company
Jan. 2000 General Manager of International Electronics Sales Dept., International Operation
Mar. 2001 Director
Jan. 2002 General Manager, International Operation
Apr. 2003 Senior Corporate Officer
Dec. 2004 Vice General Manager of Electronics Operation
Head of Business Strategy Office
Apr. 2007 Deputy General Manager of Marketing & Sales Division
Jan. 2009 General Manager of Group Business Strategy Division
General Manager of Business Planning Dept.
Apr. 2009 Managing Director
Mar. 2011 President and COO
Mar. 2013 President and Corporate Officer
Chief Operating Officer
Jan. 2017 President, M&S Company
Mar. 2021 Chairman and Representative Director
Apr. 2021 Chief Executive Officer
Mar. 2023 Chairman and Director (to present)
(Significant concurrent positions outside the Company)
Director, Chairman, Daitron Inc.



President, CEO and COO

Shinsuke Tsuchiya

Apr. 1984 Joined the Company
Apr. 2006 President, Daitron Inc.
Mar. 2013 Corporate Officer
Deputy General Manager of Marketing & Sales Division
General Manager of Overseas Business Development Dept.
Jan. 2014 General Manager of Machinery Operation
Head of Machinery Business Promotion Office
Mar. 2015 General Manager of Overseas Business Operation, Marketing & Sales Division
Jan. 2017 General Manager of Overseas Business Operation, M&S Company
Jan. 2018 General Manager of Overseas Business Division
Mar. 2019 Director
Apr. 2019 Managing Corporate Officer
Mar. 2021 President and COO (to present)
Apr. 2021 President and Corporate Officer (to present)
Chief Operating Officer (to present)
Apr. 2023 Chief Executive Officer (to present)



Senior Managing Director

Hajimu Mouri

Apr. 1983 Joined the Company
Dec. 2003 General Manager of System Administration Dept.
July 2009 Head of Audit Office
Apr. 2011 General Manager of Finance Dept., Business Administration Division
Mar. 2013 Corporate Officer
Deputy General Manager of Business Administration Division
Mar. 2015 Senior Corporate Officer
General Manager of Business Administration Division (to present)
Jan. 2017 Corporate Officer
Jan. 2019 General Manager of Personnel and General Affairs Dept., Business Administration Division
Mar. 2019 Director
Apr. 2021 Managing Corporate Officer
Apr. 2021 Senior Managing Executive Officer (to present)
Mar. 2023 Senior Managing Director (to present)

Corporate Auditors



Standing Corporate Auditor

Minoru Ujihara

Apr. 1981 Joined the Company
Dec. 2004 General Manager of Accounting Dept.
Apr. 2007 Head of Audit Office
Apr. 2012 General Manager of Business Administration Dept., Marketing & Sales Division
Jan. 2013 General Manager of Business Management Dept., Business Administration Division
July 2014 General Manager of Management System Dept., Business Administration Division
Mar. 2015 Deputy General Manager of Business Administration Division
Mar. 2019 Standing Corporate Auditor of the Company (to present)



Outside Corporate Auditor

Noriko Kitajima

Oct. 2000 Registered as attorney-at-law (to present)
Joined Takahiko Inoue Law Office
Jan. 2012 Co-Chairman of Phoenix Law Offices (to present)
Mar. 2017 Outside Corporate Auditor of the Company (to present)



Outside Corporate Auditor

Satoshi Nakayama

Oct. 1987 Joined Tohatsu Awoki & Sanwa (currently Deloitte Touche Tohmatsu LLC)
Aug. 1991 Registered as a certified public accountant (to present)
June 2007 Partner of Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
July 2020 Established Satoshi Nakayama Certified Public Accountant Office, Director (to present)
Established Kyorishhi Audit Corporation, Senior Partner (to present)
Mar. 2023 Outside Corporate Auditor of the Company (to present)

(as of April 1, 2024)



Outside Director

Yasutoshi Kimura

Nov. 1973 Joined Tohatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)

Sep. 1977 Registered as a certified public accountant (to present)

July 1991 President and Representative Director of Tohatsu Consulting Co., Ltd. (Currently ABeam Consulting Ltd.)

July 1995 Senior Partner of Tohatsu & Co. (currently Deloitte Touche Tohmatsu LLC)

Sep. 1999 Established KIMURA Certified Public Accountants, Director (to present)

Mar. 2000 Outside Corporate Auditor of the Company

Mar. 2007 Outside Director of the Company (to present)



Outside Director

Toru Wada

Apr. 1985 Registered as attorney-at-law (to present)

Mar. 1989 Established Toru Wada Law Firm, Director

Feb. 2003 Established Phoenix Law Offices, Co-Chairman (to present)

Mar. 2003 Outside Corporate Auditor of the Company

Mar. 2017 Outside Director of the Company (to present)



Outside Director

Akihiko Imai

Apr. 1981 Joined Sharp Corporation

Jan. 2002 General Manager of System LCD Division, Mobile LCD Business Dept.

May 2005 General Manager of Mobile LCD Business Dept.

Sep. 2008 General Manager of Mobile Business Development Dept.

Apr. 2009 General Manager of Personal Solution Business Development Dept.

Apr. 2013 Executive Officer

Oct. 2016 General Manager of Structural Reform Dept., Display Device Company

Feb. 2018 Vice President, Display Device Company

Mar. 2021 Outside Director of the Company (to present)



Outside Director

Kazutoshi Hosoya

Apr. 1979 Joined Hioki E.E. Corporation

Mar. 2005 Executive Officer, Director of ATE Dept.

Dec. 2006 Executive Officer, Director of R&D Dept.

Feb. 2011 Director, Executive Officer, Director of R&D Dept.

Jan. 2013 Director, Managing Director Executive Officer, Director of R&D Dept.

May 2013 Director, Managing Director Executive Officer, Director of R&D Dept. and Head of Corporate Planning Office

Jan. 2017 Appointed to President

Jan. 2021 Director

Feb. 2021 Special Advisor

Mar. 2023 Outside Director of the Company (to present)

Corporate Officer System

The Company has introduced a corporate officer system to vitalize the Board of Directors by separating decision-making and supervisory functions from business execution. The following are our eight corporate officers.

Position	Name	Responsibility
President and Corporate Officer	Shinsuke Tsuchiya	Chief Executive Officer and Chief Operating Officer
Senior Managing Executive Officer	Shinji Ikutani	President, M&S Company
Senior Managing Executive Officer	Hajimu Mouri	General Manager of Business Administration Division
Managing Corporate Officer	Tsuneto Chihara	President, D&P Company
Corporate Officer	Hiroshi Kurata	General Manager of Procurement Department, M&S Company
Corporate Officer	Shinji Oka	General Manager of Green Facility Department, M&S Company
Corporate Officer	Takayuki Mio	General Manager of Parts Business Operation, D&P Company
Corporate Officer	Akio Tanaka	Division Manager - Global Business Division



Outside Director
Yasutoshi Kimura

Daitron's Growth Strategy

Daitron has enjoyed consistent and stable growth over the last 10 years. In the past, the Company was at the mercy of the silicon cycle, and would fall into the red every few years, but recently it has become more resistant to recession. This resistance is the result of Daitron's work to diversify and stabilize its business structure by developing markets outside of the semiconductor-related industry.



Outside Director
Toru Wada

Greater Rigor in Risk Management

Daitron's 10th Medium-Term Business Plan, which began in 2021, has been successfully completed with annual sales in excess of 90 billion yen and ordinary income in excess of 6 billion yen. The main reason for these positive results amidst an uncertain outlook amid the COVID-19 pandemic, prolonged delivery times and price increases for materials, and the faltering Chinese economy, was the sol-



Outside Director
Akihiko Imaya

Toward Growth into a Vibrant Company

My hope is to contribute to the improvement of Daitron's sustainability by guiding discussions in the field, utilizing my long years of experience in the electronics business.

The Japanese economy is finally emerging from deflation, driven by the forces of decarbonization (otherwise known as green transformation, or GX) and digital transfor-



Outside Director
Kazutoshi Hosoya

Using the Power to Create to Unlock Corporate Value Enhancement and Growth

The three years of the 10th Medium-Term Business Plan (10M), the first step of the 2030 VISION Long-Term Vision, was completed last year. The market environment during this period has been changing dramatically due to accelerating factors such as technological innovation and sustainability transformation (SX). However, there were also negative factors for the industry from a geopolitical perspective, including the

However, Daitron still faces many challenges.

The first of these is the rate of growth of new business. The Company has been successful in creating a decent amount of new businesses over the past 20 years. However, my sense is that the growth rate in this area has been somewhat slow. I would like to see a more concentrated and focused investment of management resources, so that Daitron can reach a fuller bloom over a shorter horizon.

The second issue is the development of original products in the manufacturing sector. Although Daitron is a

distinctive trading company with its catchphrases like “combined manufacturing and sales,” the speed of expansion of its manufacturing side has not exceeded my expectations. The reason for this could be attributed to the lack of new products coming out of the original product family. In other words, although Daitron is putting reasonable investments in new product development, from my point of view, they seem a bit weak here. I hope that will invest more vigorously in new product development.

id performance of the domestic sales business, a core business for Daitron. In addition to existing businesses such as semiconductor-related business, the Company has been focusing on new businesses such as automobile-related business, medical-related business, and large power supply contracting business for data centers. These new businesses have enjoyed steady growth. During this period, Daitron was able to cultivate many new customers and develop many new products. However, this kind of business expansion also entails increased risk of quality

defects, construction defects, accidents, bad debts, and so on. In addition, the number of quality defects on the domestic manufacturing side, especially in the parts manufacturing business, has not been decreasing. In the 11th Medium-Term Business Plan, which began this year, Daitron will steadily implement the various measures included in the plan to improve its business performance. At the same time, the Company will further strengthen its risk management in the desire to not fall victim to any unexpected pitfalls.

mation (DX). Daitron has woven together a value chain of electronic components and their manufacturing equipment, which are fundamental technologies for GX and DX. This gives Daitron a great social mission to fulfill.

The 11th Medium-Term Business Plan sets a goal of attaining appropriate business scale. In the belief that continuous investment in human resource development and technological development is necessary for business continuity, the Company has set goals for the scale of its business and for its organizational structure to ensure an effec-

tive and continuous scale of investment. Daitron seeks to grow into a vibrant company that consistently and steadily develops commercial distribution based on human resources capable of forming and maintaining a global value chain, and develops commercial products based on its proprietary technologies.

COVID-19 pandemic, and for some industries, including the electronics industry, demand continued to greatly exceed supply for some time, leading the market into turmoil for some in more recent years. During this period, however, the Company successfully achieved record performance for three consecutive years. I consider this to be the result of the market's need for corporate value like Daitron's, where sales, management, and manufacturing capabilities cultivated to date are combined with recent organizational reforms. This market appraisal and Daitron's value in the market is reflective of the level of trust in its ability to deliver results.

Now, in 2024, Daitron launches the 11th Medium-Term Business Plan (11M). Under 11M, in addition to further solidifying its foundations, Daitron sees globalization and being a technology-based company, as stated in its medium- to long-term slogan, as major keys to increasing its corporate value. I see Daitron's power to create as offering great potential in these areas. Globalization will create Daitron users in each region. As a technology-based company, it will create high value-added commercial products by its own accord. Various activities are already underway to realize this goal, and I look forward to seeing the fruits of these.

Financial Summary

	2013	2014	2015	
Consolidated management performance*1				
Net sales	34,899	38,702	43,214	
Cost of sales	27,428	30,405	33,744	
Gross profit	7,470	8,297	9,469	
Gross profit ratio (%)	21.4	21.4	21.9	
Selling, general and administrative expenses	7,332	7,522	7,927	
SG&A to net sales ratio (%)	21.0	19.4	18.3	
Operating income	138	774	1,542	
Ordinary income	252	861	1,537	
Net income attributable to owners of parent	-77	641	1,131	
Depreciation expense	414	272	233	
Capital investment	99	143	180	
Research and development expense	129	141	139	
Consolidated financial position				
Total assets	23,766	27,312	28,681	
Net assets	11,630	12,161	13,179	
Total interest-bearing debt	1,321	1,202	1,122	
Per-share information (consolidated)				
Earnings per share (yen)	-6.94	57.74	101.91	
Net assets per share (yen)	1047.04	1,094.87	1,186.64	
Consolidated cash flows				
Cash flows from operating activities	288	722	447	
Cash flows from investing activities	-110	-123	15	
Cash flows from financing activities	-434	-182	-278	
Period-end cash and cash equivalents	5,581	6,092	6,251	
Dividends				
Payout ratio (consolidated, %)	—	26.0	24.5	
Annual dividends (yen)	5	15	25	
Main management indices				
Return on equity (ROE)*2 (%)	-0.7	5.4	8.9	
Return on assets (ROA)*2 (%)	-0.3	2.5	4.0	
Debt-to-equity (D/E) ratio (times)	0.11	0.10	0.09	
Shareholders' equity/Total assets (%)	48.9	44.5	45.9	
Other				
Period-end share price (yen)	389	627	793	
Number of consolidated employees	651	638	644	
Number of consolidated subsidiaries	11	11	11	
KPIs for business structure reform				
Composition ratio by business				
Electronic Equipment and Components Business (%)	79.5	79.4	73.6	
Manufacturing Equipment Business (%)	20.5	20.6	26.4	
Original product ratio*3 (%)	22.2	22.4	24.8	
Overseas sales ratio (%)	18.0	16.5	15.8	

*1 From fiscal 2022, figures are calculated based on application of the Accounting Standard for Revenue Recognition

*2 Shareholders' equity and total assets are calculated using the averages of those at the beginning and at the end of the period, respectively

*3 From fiscal 2021, the definition of original products has been changed

(Unit: Million yen)

	2016	2017	2018	2019	2020	2021	2022	2023
	44,932	51,684	59,662	61,621	57,418	72,341	87,639	92,156
	34,879	40,193	46,843	49,138	45,941	58,060	70,052	74,004
	10,052	11,490	12,818	12,482	11,476	14,281	17,587	18,151
	22.4	22.2	21.5	20.3	20.0	19.7	20.1	19.7
	8,141	8,968	9,272	9,276	9,072	10,084	11,535	12,208
	18.1	17.4	15.5	15.1	15.8	13.9	13.2	13.2
	1,910	2,522	3,546	3,205	2,403	4,196	6,051	5,943
	1,863	2,583	3,592	3,220	2,436	4,325	6,210	6,015
	1,217	1,867	2,274	2,171	1,610	2,953	4,237	4,014
	231	278	272	348	337	322	327	391
	1,163	339	907	227	140	428	412	743
	167	150	166	150	146	93	150	123
	32,068	35,383	43,114	45,757	46,247	58,454	63,202	67,788
	13,914	15,492	16,977	18,765	19,798	22,455	26,012	29,451
	1,609	902	697	544	374	467	583	761
	109.62	169.15	205.25	195.86	145.24	266.18	381.78	361.65
	1,252.94	1,397.97	1,530.94	1,691.87	1,784.66	2,023.23	2,342.79	2,650.52
	1,472	-53	5,502	2,377	3,065	2,796	-275	315
	-1,171	-292	-876	-313	-156	-371	-237	-627
	201	-1,286	-758	-816	-762	-672	-1,004	-1,501
	6,727	5,094	8,923	10,150	12,260	14,183	12,882	11,224
	27.4	26.6	26.8	30.6	34.4	30.1	30.1	33.2
	30	45	55	60	50	80	115	120
	9.0	12.7	14.0	12.2	8.4	14.0	17.5	14.5
	4.0	5.5	5.8	4.9	3.5	5.6	7.0	6.1
	0.12	0.06	0.04	0.03	0.02	0.02	0.02	0.03
	43.4	43.8	39.4	41.0	42.8	38.4	41.1	43.4
	936	2,335	1,227	1,906	1,576	2,146	2,282	2,801
	666	763	795	823	855	893	942	1,003
	11	9	9	9	8	9	10	11
	75.6	78.2	74.6	66.2	73.3	75.5	72.2	76.3
	24.4	21.8	25.4	33.8	26.7	24.5	27.8	23.7
	24.0	24.2	26.0	21.9	18.3	15.8	16.0	16.1
	16.3	19.5	21.2	27.1	20.5	23.3	25.5	21.0

Company Information

Trade Name	Daitron Co., Ltd.	
Established	June 24, 1952	
Representative	Shinsuke Tsuchiya, President	
Capital	2,200,708,560 Yen	
Number of Employees	1,003 (consolidated)	
Places of Business	Head Office	Osaka
	Headquarters	Tokyo
	Sales Offices	Sendai, Utsunomiya, Ibaraki, Tokyo, Kunitachi, Yokohama, Matsumoto, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Hiroshima, Fukuoka, Kumamoto
	Representative Offices	Manila (Philippines) /Hanoi (Vietnam)
	Logistics Centers	Kunitachi, Hashima, Osaka
	Factories	Tama, Ichinomiya, Nonoichi, Ritto, Kameoka
Business Lines	Manufacturing and sales of electronic components & assembly goods, semiconductors, embedded systems, power supply equipment, image-related equipment & components, information systems, semiconductors & FPD manufacturing equipment, electronic components manufacturing equipment, etc. Import/export of the above products	
Number of Group Companies	Consolidated: 11 (Overseas: 10, included)	



▲Head Office

Stock Information

Stock Information

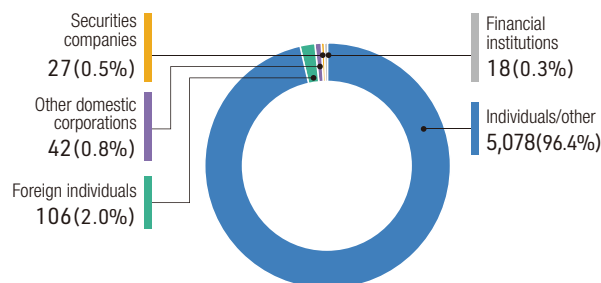
Total number of authorized shares	40,000,000
Total number of issued shares	11,155,979
Number of shareholders	5,271

Major shareholders

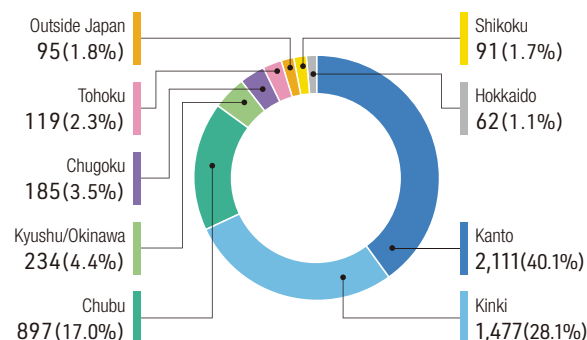
Shareholder name	Number of shares held (thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,109	9.9
Public Interest Incorporated Foundation Daitron Welfare Foundation	1,000	9.0
Custody Bank of Japan, Ltd. (Trust account)	588	5.2
Yasuyuki Ohmori	400	3.6
Mizuho Bank, Ltd.	399	3.5
Daitron Employee Shareholding Association	383	3.4
MUFG Bank, Ltd.	363	3.2
Daitron Partner Shareholding Association	183	1.6
Nippon Life Insurance Company	181	1.6
HIROSE ELECTRIC CO., LTD.	171	1.5

*Shareholding ratios are calculated excluding treasury shares (52,917)

Shareholder distribution by type



Shareholder distribution by region



Group Company Information

Company Name	Country	Capital	Investment Ratio	Business Lines
Daito-Tec Co., Ltd.	Japan	JPY 10,000,000	Daitron Co., Ltd. 100%	Manufacture and sales of electronic equipment/components
DAITRON INC.	USA	USD 4,000,000	Daitron Co., Ltd. 100%	Manufacture, sales, and import/export of electronic equipment/components for North American markets, sales and import/export of semiconductor manufacturing equipment for North American markets
DAITRON (NETHERLANDS) B. V.	Netherlands	EUR 700,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for European markets
DAITRON (KOREA) CO., LTD.	South Korea	KRW 1,500,000,000	Daitron Co., Ltd. 100%	Sales, procurement, and import/export of electronic equipment/components for South Korean and East Asian markets
DAITRON (SHANGHAI) CO., LTD.	China	USD 550,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for Chinese markets
DAITRON (H.K.) CO., LTD.	China	HKD 3,800,000	Daitron Co., Ltd. 100%	Sales, procurement, and import/export of electronic equipment/components for Hong Kong and South Chinese markets
DAITRON (SHENZHEN) CO., LTD.	China	RMB 500,000	DAITRON (H.K.) CO., LTD. 100%	Sales and import/export of electronic equipment/components for South Chinese markets
DAITRON (TAIWAN) CO., LTD.	Taiwan	TWD 20,000,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for Taiwanese markets
DAITRON (MALAYSIA) SDN. BHD.	Malaysia	MYR 2,500,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for Malaysian and South-East Asian markets
DAITRON (THAILAND) CO., LTD.	Thailand	THB 2,000,000	DAITRON (MALAYSIA) SDN. BHD. 49% Thai local companies (Japanese-owned financial institutions) 51%	Sales and import/export of electronic equipment/components and manufacturing equipment for Thai and South-East Asian markets
DAITRON (SINGAPORE) PTE. LTD.	Singapore	SGD 500,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for Singaporean and South-East Asian markets

For an updated list of Group companies, please visit our website.

<https://www.daitron.co.jp/en/company/network/group.html>





DAITRON CO., LTD.

[For inquiry concerning our IR activities]

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