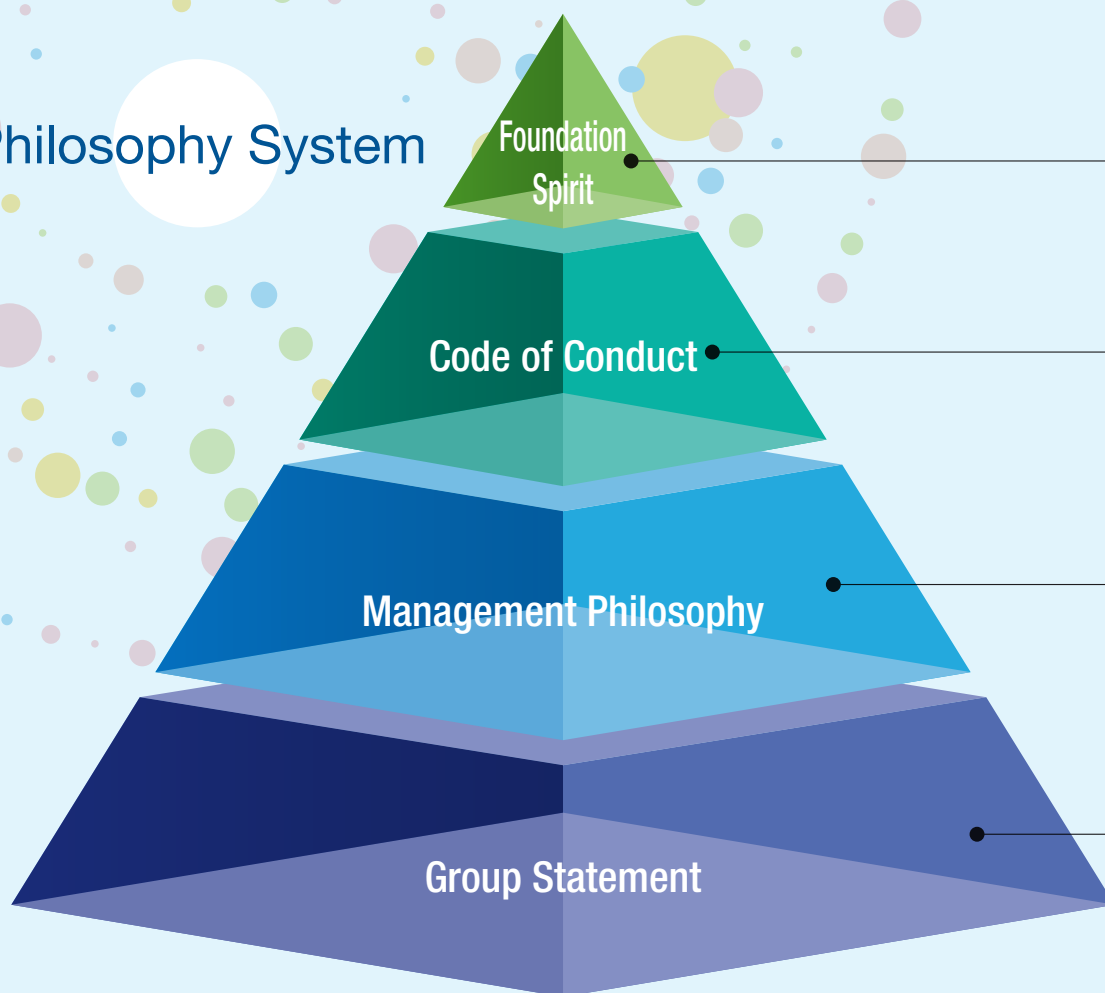


Integrated Report 2025

# Creator for the ***NEXT***



# Philosophy System



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### • Editorial Policy

The Daitron Group has prepared the Daitron Integrated Report 2025 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, 2024  
(January 1, 2024 to December 31, 2024)

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

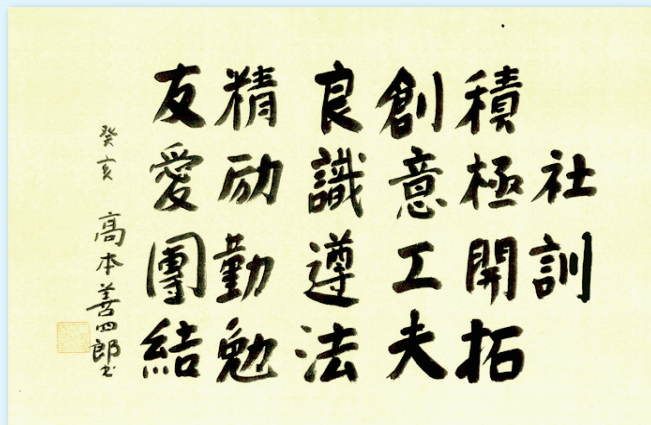
Organization Daitron Group

### \* 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

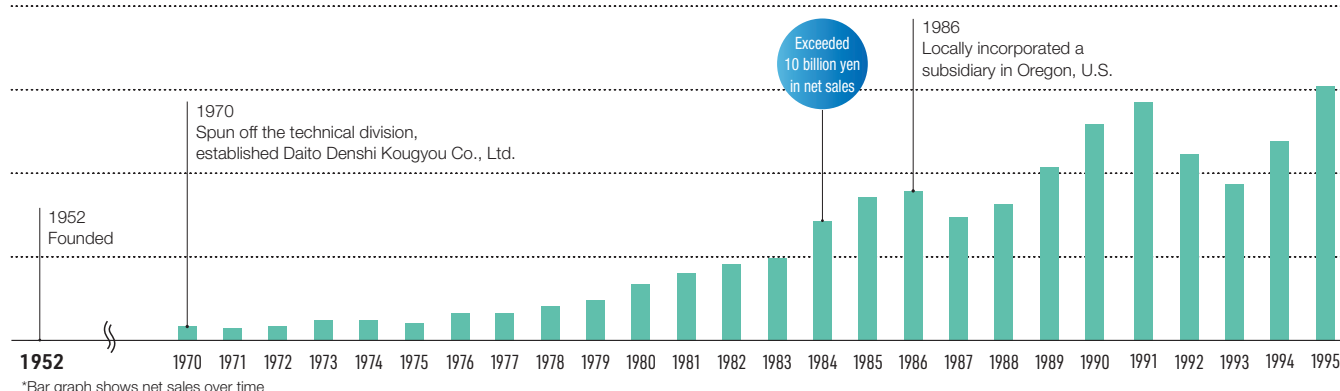
This Group Statement expresses our idea of what the Daitron Group should be like. Further, “NEXT” (NETWORK, ENGINEERING, X[SYNERGY], TRADING) implies our aspiration to create new value as an engineering trading company leading the electronics industry and capitalizing on its network.

# In the 73 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 Kougyou 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 Kougyou 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
- Upgraded the Malaysian Representative Office to a locally-incorporated subsidiary



Our offices at our founding



The newly-opened Tokyo Branch

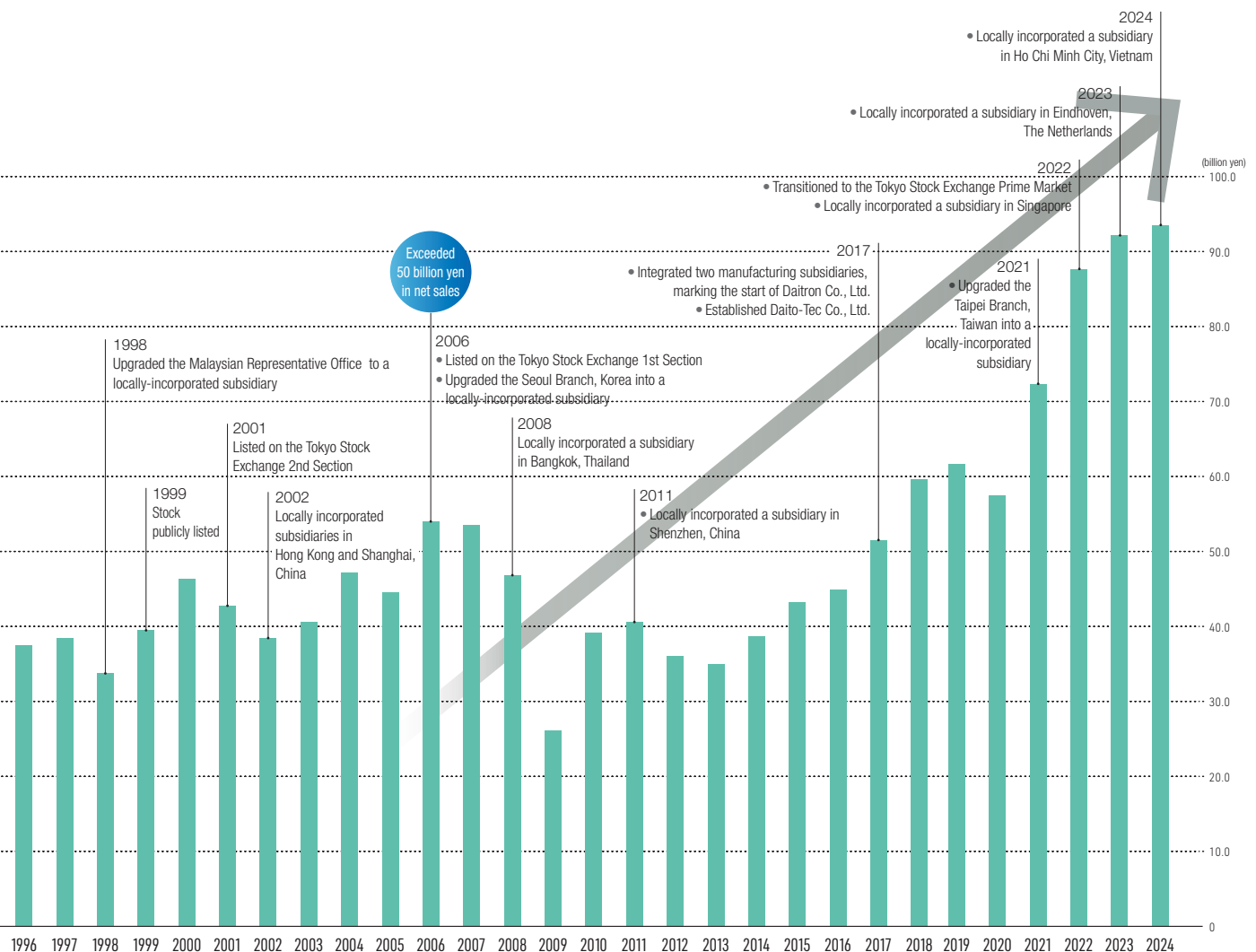


The Product Control Center



Production of Bendix connectors





### 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



Our first day on the Tokyo Stock Exchange

### 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.



Listing ceremony for the 2nd Section at TSE Arrows

### 2010s

#### 2011

- Locally incorporated a subsidiary in Shenzhen, China

#### 2016

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

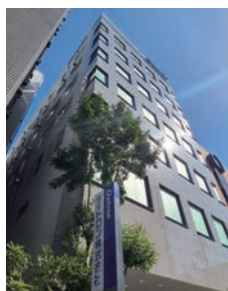
#### 2017

- 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



The Chubu Factory

The head office building

### 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

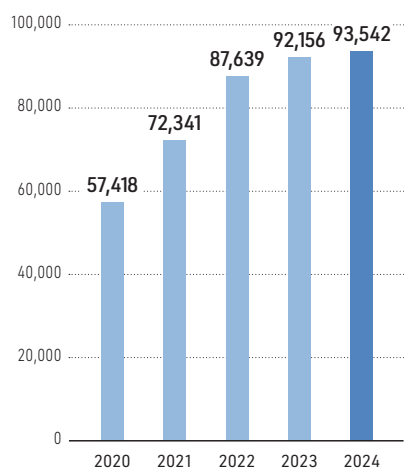
- Locally incorporated a subsidiary in Eindhoven, The Netherlands

#### 2024

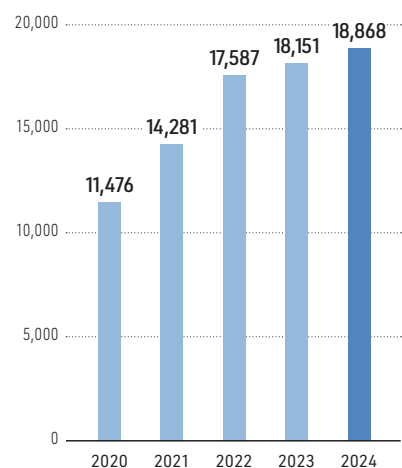
- Locally incorporated a subsidiary in Ho Chi Minh City, Vietnam

## Financial Information (Consolidated)

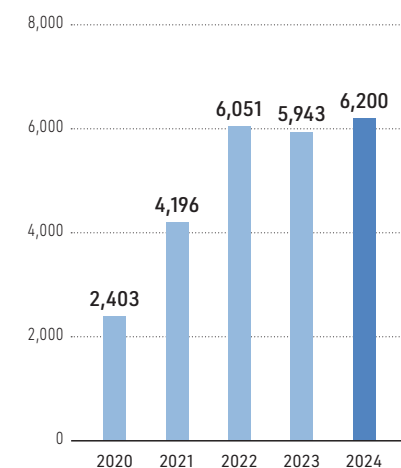
Net sales (million yen)



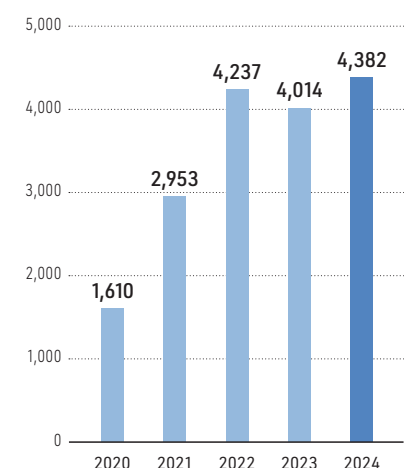
Gross profit (million yen)



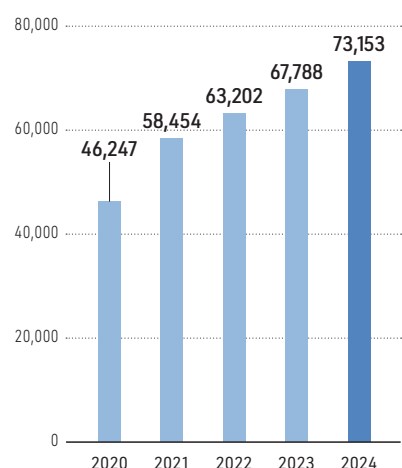
Operating income (million yen)



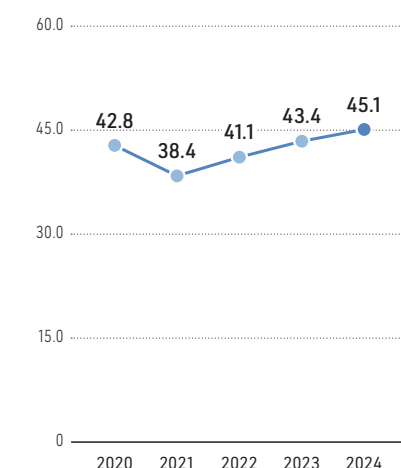
Net income attributable to owners of parent (million yen)



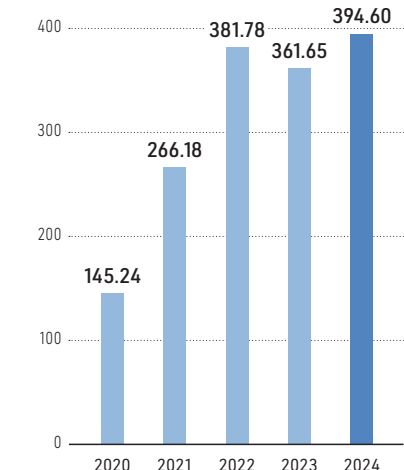
Total assets (million yen)



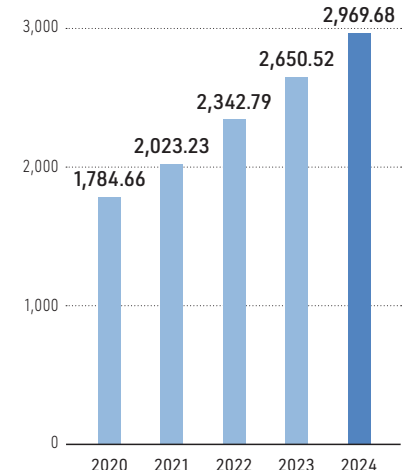
Shareholders' equity/Total assets (%)



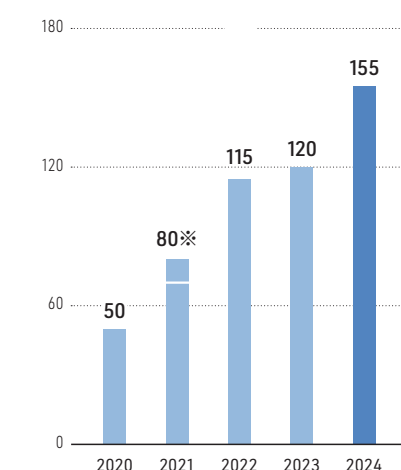
Net income per share (yen)



Net assets per share (yen)



Dividends per share (yen)



※Includes 70th anniversary dividends of 10 yen

## Non-Financial Information

Daitron (Consolidated)  
Number of employees**1,061**

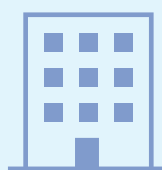
(As of December 31, 2024)

- Japan: 851
- Overseas: 210

Number of Group  
companies**13**

(As of December 31, 2024)

- Japan: 2 (including the Company)
- Overseas: 11

Worldwide Group  
locations**37** locations

(As of December 31, 2024)

- Sales offices: 29 (Japan: 17; Overseas: 12)
- Manufacturing locations: 7 (Japan: 6, Overseas: 1)
- Representative offices: 1 (Overseas)

Daitron (Non-Consolidated)  
Partner baseApprox. **7,000** companies

(As of December 31, 2024)

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

Original product ratio  
(sales base)**16.8%**

(FY2024)

**Daitron**Overseas business ratio  
(sales base)**26.3%**

(FY2024)

Daitron (Non-Consolidated)  
Ratio of female hires  
(Women as a share of new hires\*)**23.9%**

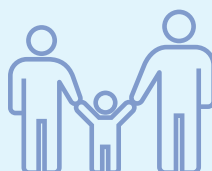
(FY2024)

\* 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)**79.3%**

(FY2024)

- Women: 100%
- Men: 71.4%

Daitron (Non-Consolidated)  
Ratio of outside officers**66%**

(As of March 28, 2025)

- Directors: 5 (including 3 Outside Directors)
- Directors who are members of the Audit and Supervisory Committee: 4 (including 3 Outside Directors)
- Total officers: 9 (including 6 outside officers)

\* Excluding directors who are members of the Audit and Supervisory Committee



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 **45.1%**
- Gross profit ratio **20.2%**

### Human Capital

Sustained cultivation/enhancement of human resources with superior field capabilities

- Number of Group employees **1,061**

### 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 **16.8%**  
(net sales base)

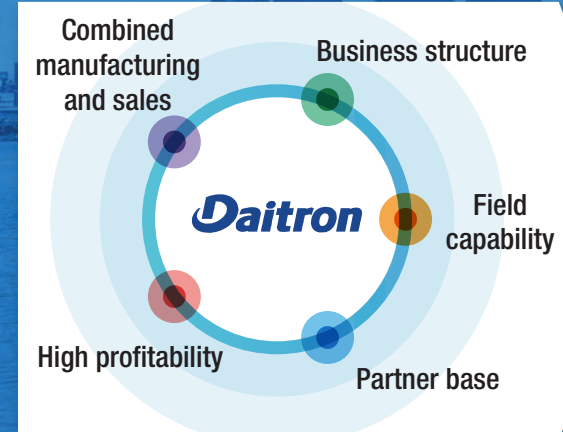
### Social and Relationship Capital

Rich partner base

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

## Efforts in management

### Daitron Group Strengths >> See pages 9-10



### Business Operation >> See pages 35-42

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

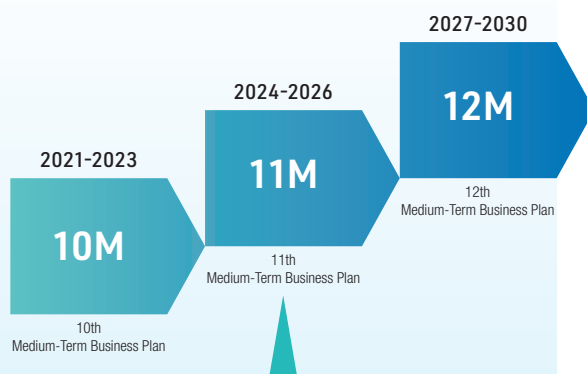
## Growth Strategy >> See pages 15-34

### 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 first year of 11M)

- Net sales: **93.5 billion yen**  
\* Four years of consecutive record highs from 2021 to 2024
- Operating income: **6.2 billion yen**  
\* Record high reached in 2024
- ROA: **6.2%** (target: 6% or more)
- ROE: **14.0%** (target: 12% or more)
- Equity ratio: **45.1%** (target: 50%)

Note: All figures are consolidated results for 2024

## 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 (key issues)

>> See pages 43-44

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

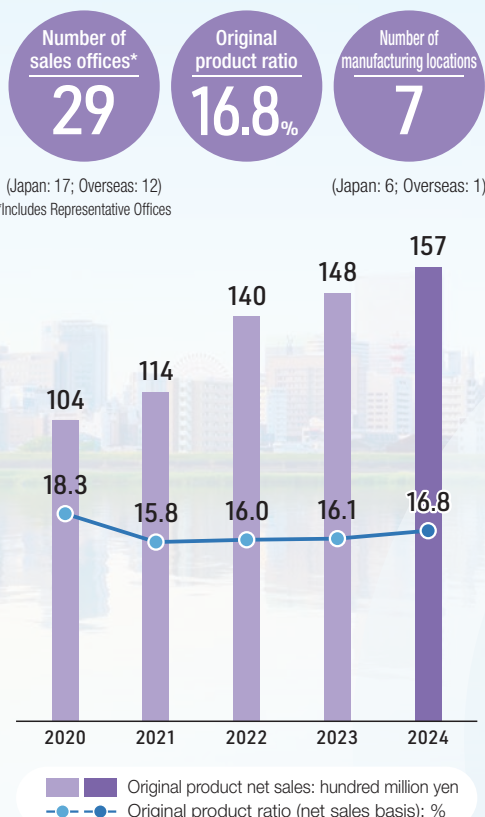


# As a technology-based company, Daitron Group

## 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 (net sales base), 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.

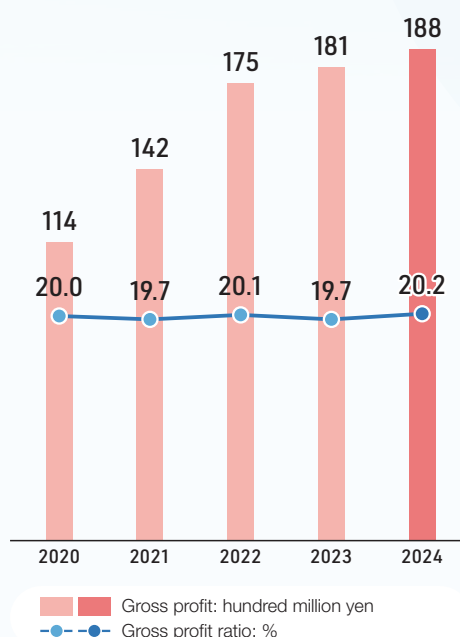


## High profitability

Gross profit ratio  
**20.2%**

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

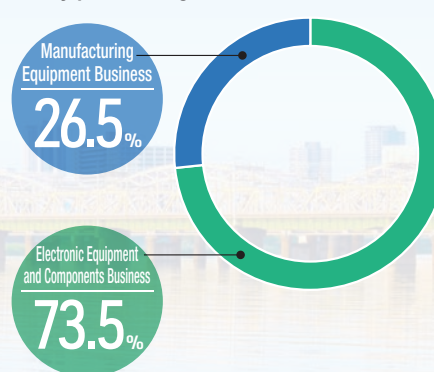
## Business structure

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 30 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 13 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.

### Suppliers

Japanese manufacturers

American and European manufacturers

Asian manufacturers



Total number of business partners:  
Approx. 2,000 companies  
(Major business partners: Approx. 200 companies)

**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**

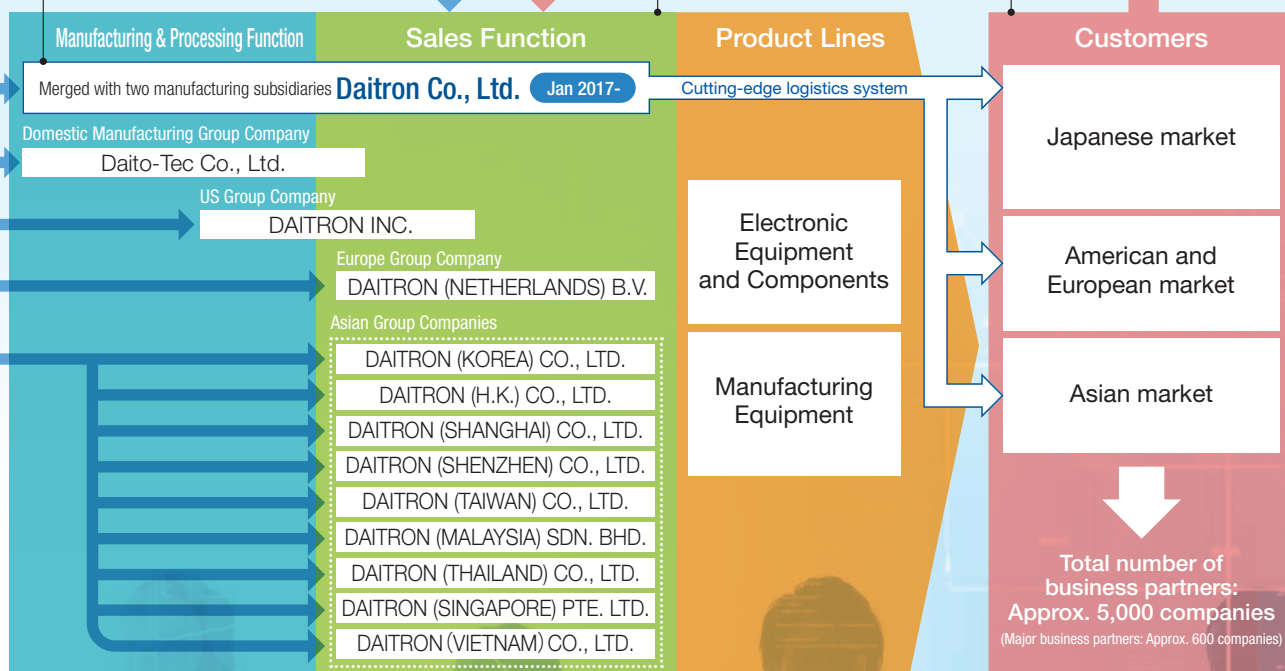
We support the electronics industry over a wide range of areas with our electronic equipment and components used in diverse business sites and products as well as various manufacturing equipment required in production.

**Trusted customer assets, a large number of accounts**

With our approximately 600 major customers and 5,000 customers total, mainly 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

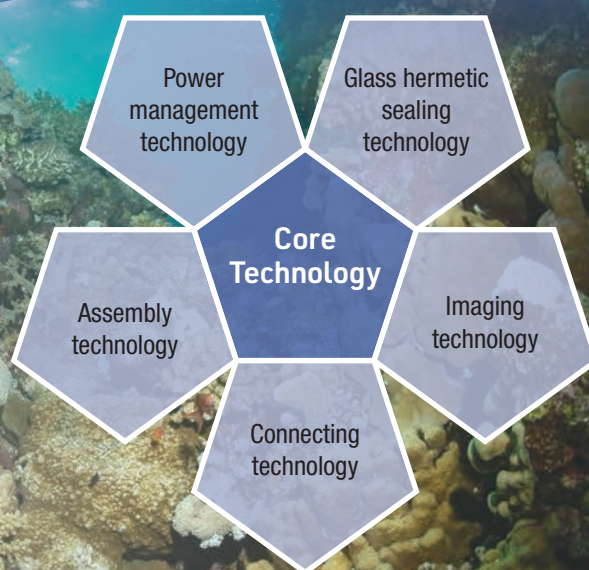




## Developing and providing solution technologies that lead to solutions to customer issues in diverse niche markets

### 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





**Daitron**

# Promoting the Maximization of Corporate Value to Realize our Long-Term Vision

President,  
CEO and COO  
Shinsuke Tsuchiya

### Positioning of our Long-Term Vision and Medium-Term Management Plan

#### At present we are implementing our Medium-Term Management Plan on the second step to achieve our “2030 Vision.”

We aim to realize our Long-Term Vision, “2030 VISION,” through Medium-Term Management Plans in three steps. We are currently implementing the second step, which is the 11th Medium-Term Management Plan (11M) (2024-2026), which marks the midpoint.

Two types of targets have been set for 2030 VISION: quantitative and qualitative. In the quantitative goals, we aim to achieve consolidated net sales of over 100 billion yen for further expansion. In the qualitative targets, we have set our “vision” from the two aspects of pursuing our group’s sustainability (= continuous growth) and contributing to social sustainability (= realizing a sustainable society) (see Figure 2 on page 17). By implementing our business activities around the world making full use of our unique technological capabilities and proposal-making capabilities, we aim to become a corporate group that co-creates diverse value together with all stakeholders.

#### In 11M, we will focus on developing the structure for further growth from the next term onwards, in addition to achieving consolidated net sales of over 100 billion yen

There is no reason to doubt the medium- to long-term growth and development of the electronics industry, but the short-term demand trends will have some fluctuation. The semiconductor market, which is one of the main markets in the electronics industry, has grown rapidly from 2021 to 2022. During this period, we received a major increase in orders due to companies procuring in advance, so we have a large backlog of orders. However, thereafter supply chains were disrupted due to the situation in Ukraine, etc., which caused a global shortage of semiconductors and longer delivery times. As a result, from the second half of 2023 there has been a general period of adjustment for inventories across the entire supply chain.

Based on these changes in the market environment, we have positioned the 11M period as three years to build the foundation for rapid growth toward 2030. In other words, this is a period for building sound systems to enable us to consistently achieve and grow consolidated net sales of over 100 billion yen.

Specifically, firstly, although the growth rate is expected to slow down during the 11M period, we want to

Figure 1 Overview of the Long-Term Vision and Steps for Achieving It

### Striving to achieve our Long-Term Vision “2030 VISION” through three steps – Currently we are implementing the 2nd step “11M” –





achieve consolidated net sales of over 100 billion yen in 2026, which is earlier than the target of 2030.

Secondly, we will continue to implement sustainable reforms to our organizational structure and business portfolio, with the aim of becoming a corporate group that can continue to grow and exceed consolidated net sales of 100 billion yen. In the case of reforms to our organizational structure, we have introduced a new business division system with the aim of strategically acquiring larger projects while maintaining our area sales system, which is the foundation of customer-oriented sales, one of our Group's strengths. Specifically, the M&S Company will establish a new "Electronics Division" and a "Machinery Division" to link up the sales bases dispersed in each area. It will also promote the Green Facilities Department, which has grown as a new business, to be the "Green Facilities Division," in order to maximize synergies within the business divisions, such as by centralizing the management of customer information and unifying the development of business strategies. We recognize that these organizational reforms are initiatives that should be undertaken continuously while responding to growth strategies based on the Medium-Term Business Plan and environmental changes both within and outside the Group. Business portfolio reform is an initiative with re-

spect to the four basic policies of the 11M plan (see Figure 3 on page 18), and the status of progress is as follows.

#### Progress of the Medium-Term Business Plan

#### Steady progress on the four key issues of domestic business, overseas business, original products, and new businesses

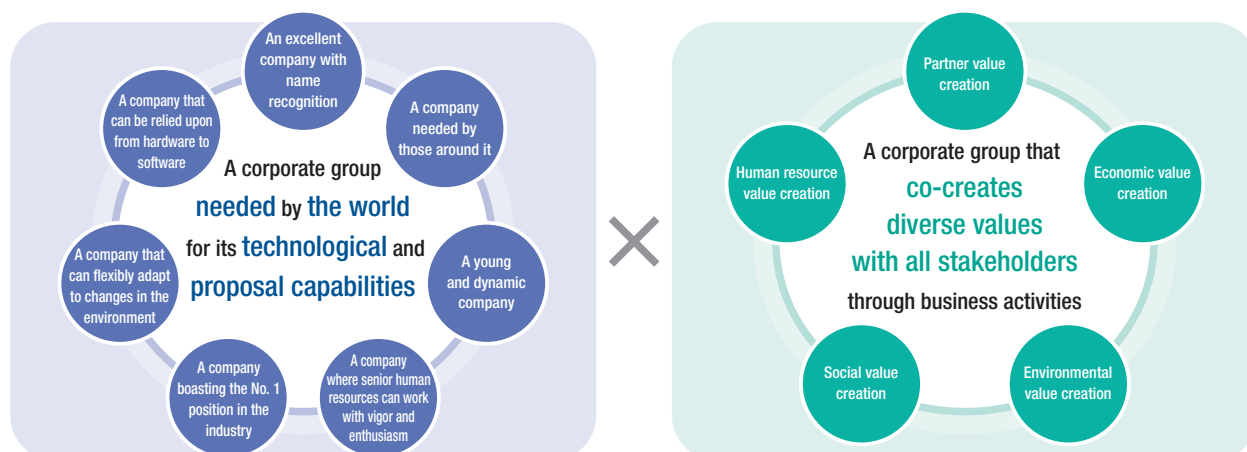
Our specific growth strategy for 11M is to continue the strategies of the previous Medium-Term Business Plan (10M) and to take a further step forward. Based on our four basic strategic policies, we are focusing on four main issues: domestic business, overseas business, original products, and new businesses.

In our domestic business, we will continue to strengthen 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 are currently considering Hokkaido, Shikoku, and Mie as potential locations for establishing new bases, and hope to reach a conclusion and have the new bases in operation during the 11M period. In particular, around the factories of major semiconductor manufacturers in Hokkai-

Figure 2 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)



\* The above five value creations correspond to our materiality initiatives



do there is a concentration of related industries and engineers. It is also attracting attention as a potential new regional data center base, and we see it as the most promising candidate for a base.

Regarding overseas business, which is the core of our medium- to long-term growth strategy, we are focusing on expanding our overseas bases in order to further strengthen our business. This is because the aim is to promote Out to Out business, that does not go through Japan. Based on our policy regarding bases, which has focused on “points” in major areas of the world, we want to step up to a base policy that firmly grasps entire areas as a “surface.” Specifically, we will establish a local corporation (= point) as the core base in an area, which will then lead to the establishment of satellite offices and maintenance offices (= surface). In recent years, we have established a local corporation in the Netherlands (2023) in the European market, and a local corporation in Vietnam (2024) in the Southeast Asian market. Also, in the Indian market, we are considering setting up a representative office in preparation for the launch of our next local corporation. Meanwhile, we are considering expanding our satellite offices and maintenance offices to serve as important bases for “area” expansion in the North American, European, Chinese markets, etc., and intend to

establish them as necessary. In addition, manufacturing bases can be considered to be an engine for strengthening our overseas business, and we are currently considering and preparing to establish a manufacturing base in Vietnam, which we see as the most promising location. By executing these initiatives, we aim to achieve our medium- to long-term target of 30% overseas business ratio (net sales basis) early, and to achieve 50% in the long term.

In the case of original products, which are a source of profits, as a result of promoting the expansion of the “Daitron” brand through our Group’s own development and joint development with partner companies, original product sales have continued to steadily increase (an increase of 51.0% over four years, from 10.4 billion yen in 2020 to 15.7 billion yen in 2024). Note that in recent years, the growth rate of the Group’s overall net sales has exceeded the growth rate of original product sales, which has led to sluggish growth in the “original product ratio” (net sales base). However, by continuing to maintain a steady increase on a monetary basis, we believe that we can gradually approach our target of 25%.

We are further strengthening our efforts to create and develop new businesses to cultivate new sources of revenue, and have doubled our target for the “business composition ratio” (net sales base) of new businesses from

**Figure 3** The four basic strategic policies in the Medium-Term Business Plan “11M”

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



5% in 10M to 10% in 11M. The Green Facility business is the core of a new business that is expected to generate sales of approximately 5 billion yen. We are working hard to develop follow-on new businesses, such as the “Battery Project” (Subcommittee of the Automotive Project) and the “Software Business Project.”

In particular, we recognize that entering the software market is an essential element for our Group to maintain its presence in the electronics industry long term. We aim to realize a new “combined manufacturing and sales” that combines software with hardware, and as a first step, we will aim to turn our “Software Business Project” into a profitable business during the 11M period.

**As a result of the mid- to long-term growth strategy, management indices in the results are trending close to the target levels**

As background to our initiatives to address the key issues mentioned above, the management indices set by our Group are trending close to the target levels in the results, and we evaluate that we are making steady progress toward 11M.

We have set a target of a gross profit ratio of 20% or more for indices related to business profitability. This is

achievable because of our combined manufacturing and sales management, which pursues maximizing synergy between our manufacturing and trading company functions, and our actual results have consistently been around 20% (20.2% in 2024).

We have set a target of 50% for equity ratio as an index of financial soundness, and we have maintained a healthy level close to the target at 45.1% in 2024.

We have set targets of ROE of 12% or more and ROA of 6% or more as indices of capital efficiency, and the results for 2024 are 14.0% and 6.2%, respectively, which exceed these targets.

We will continue to place importance on these management indices as basic indices to confirm that our positive growth strategy is leading to increased corporate value.

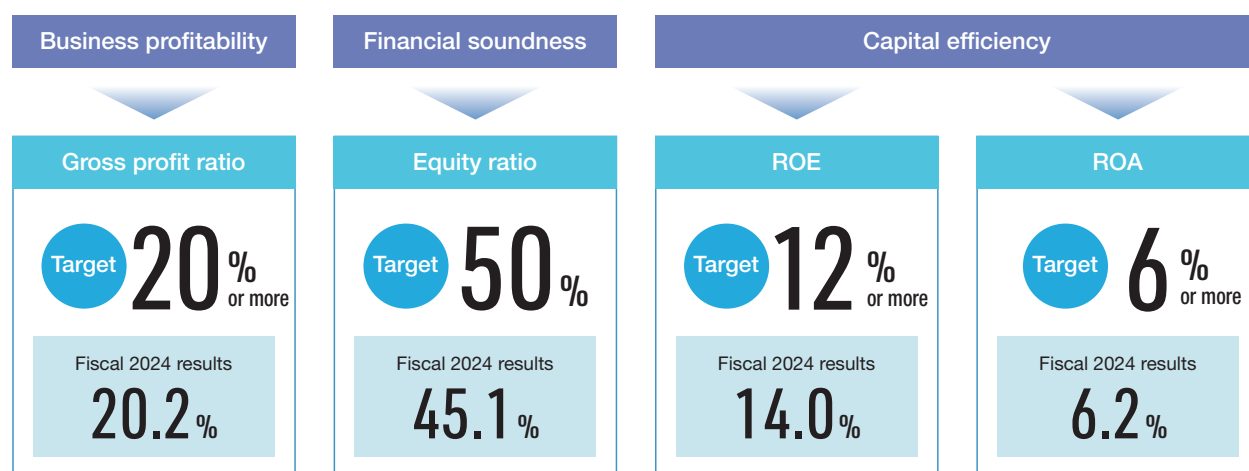
**Towards Maximizing Corporate Value**

**Aiming to maximize corporate value by directly linking the promotion of growth strategies to sustainability management**

Advanced digital technologies such as AI, IoT, and big data are penetrating into every aspect of social infrastructure and people’s daily lives, and the scope of the electron-

**Figure 4 Target Management Indices in the Medium-Term Business Plan “11M”**

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



ics industry, our group's field of operation, continues to expand rapidly.

Based on our belief that electronics technologies will be one of the key technologies for achieving carbon neutrality by 2050, We will promote sustainability management to contribute to the realization of a broadly sustainable society through its business activities through further positive implementation of the Group's growth strategy.

To further evolve and deepen this management in a more certain direction and maximize corporate value, we will promote our digital transformation strategy in earnest. In "defensive" (inward oriented) DX, we aim to achieve a dramatic improvement in operational efficiency by promoting information sharing, collaboration, and transparency across the entire group. In "offensive" (outward oriented) DX, we aim to create new solutions that combine hardware and software by promoting the Software Business Project.

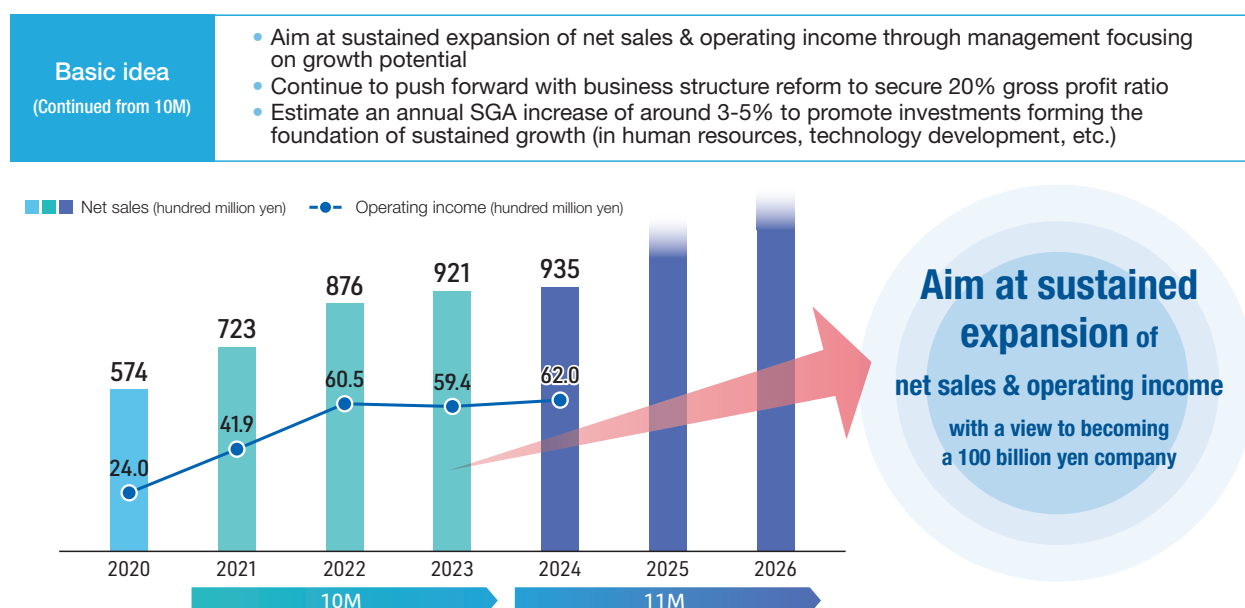
Our long-term goal of achieving consolidated net sales of 100 billion yen that we set in 2006 will soon be realized.

While looking ahead to the new phase of challenges in the next Medium-Term Business plan (12M) and be-

yond, we will continue to steadily progress with the creation of the foundations during the 11M period. We ask for your continued support and expectations for the Daitron Group's growth strategy.



Figure 5 Results targets in the Medium-Term Business Plan "11M"





Senior Managing Director,  
General Manager of Business  
Administration Division  
**Hajimu Mouri**

**Promotion of five strategies to achieve the basic policy of  
“Strengthen management foundations and  
increase corporate value”**

The Business Administration Division plays an important role in supporting the Group from various angles in order to sustainably enhance corporate value. In the 11th Medium-Term Business Plan (11M), our aim is to 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, and make the basic policy of the Management Division to “Strengthen management foundations and increase corporate value.”

To achieve this basic policy, we will promote five strategies: “DX strategy,” “Human resource cultivation and enhancement strategy,” “ESG management promotion strategy,” “PR/IR strategy,” and “Financial Strategy.” In particular, we will undertake DX strategy and Human resource cultivation and enhancement strategy as the two main pillars of our policy.

**Utilizing “DX promotion indicators” and “DX certification”,  
etc., for true DX leading to new value creation**

DX strategy is an extremely important factor that will greatly affect our competitiveness in the medium to long term. We believe that we must create true DX, in other words a transformation through digitalization that will lead to the

creation of new value in the future, and not just simple digitalization.

However, by planning and performing studies just within our Group, it is not possible to determine what is lacking in the Group's initiatives and what issues exist. We consider that we must start by clearly identifying the issues that need to be undertaken. Therefore, the Group has started on initiatives using a format provided by the Ministry of Economy, Trade and Industry to support DX in Japanese companies, and to use this as a catapult to accelerate our DX strategies.

The first initiative is the use of “DX promotion indicators.” The issues arising in DX are shown as indicators, and we intend to build and establish a system to enable us to extract the issues facing our Group through self-diagnosis, connect them to actions for their resolution, continuously evaluate the extent that the issues have been resolved, and manage progress.

The second is to acquire DX certification (METI certification system). Of course acquiring certification is not the objective. On the contrary, it is considered that the process towards acquisition is important. In other words, in the review process there are items for checking the our initiatives, with the aim of enabling us to self-diagnose its current status and identify issues. The initiative starts from 2025 in earnest, with a target of acquisition in 2026.

# Promotion of DX Strategies and Human Capital Management based on Financial and Capital Strategies that contribute to Maximizing Corporate Value

## Developing “DX promotion infrastructure” including cultivation of DX human resources for implementation of the DX strategy in earnest

Next, we believe that it is essential to develop DX promotion infrastructure in order to promote our DX strategy in earnest.

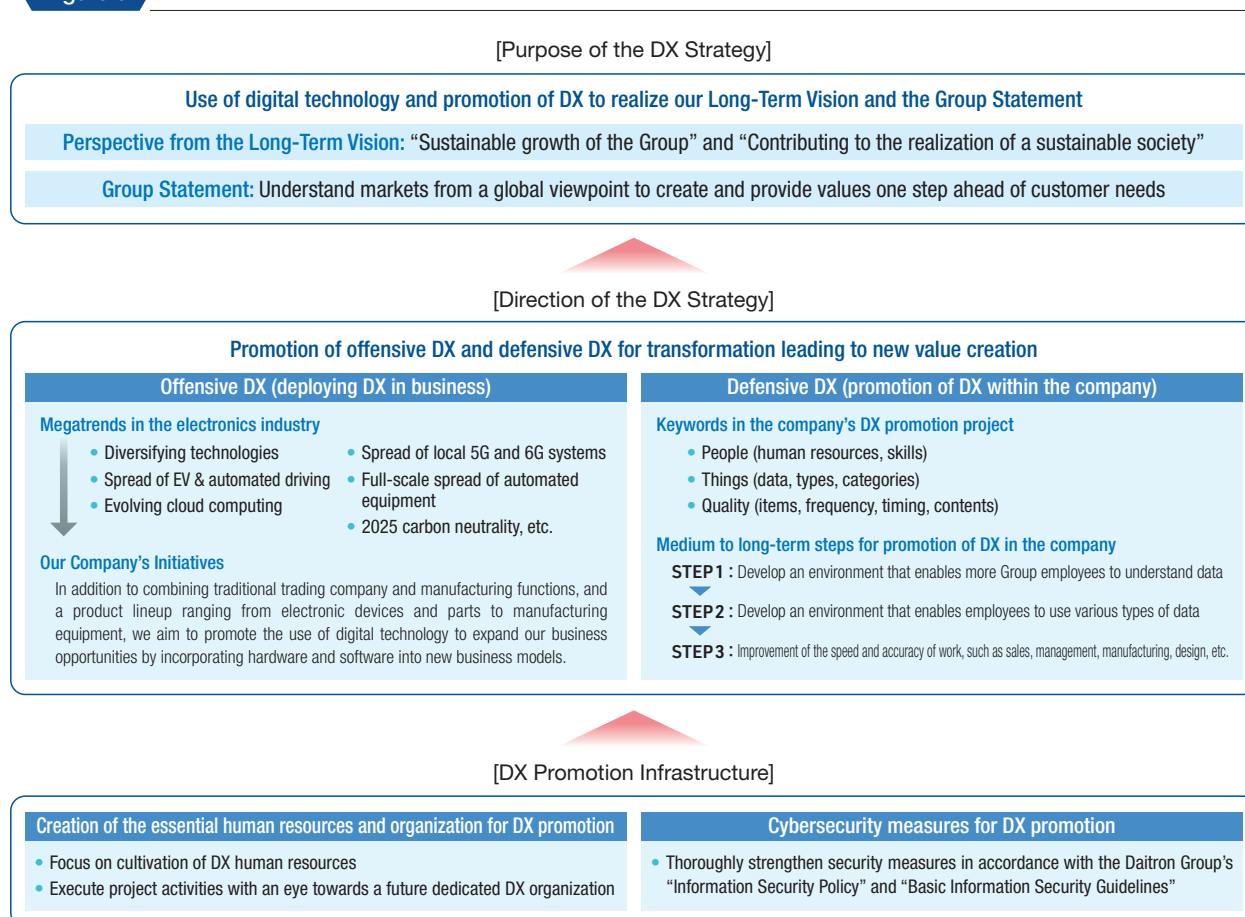
The most important factor in the DX promotion infrastructure is DX human resources. The DX strategy is a new challenge for the Group, and cultivating DX human resources is an urgent task to make this challenge successful.

In 2022 we identified five materiality issues (key issues), and established several subcommittees to deal with them in accordance with each materiality. One of these, the DX Sub-committee, has been working to investigate and formulate an action plan for cultivation of DX human

resources. As a result, in 2025 “DX Strategy Promotion Training” has been initiated. In 2025, the first year of this training, the focus will be on selected personnel from each business division. From the second year, this will be broadened to include anyone who wishes to receive training, so that the cumulative number of participants each year will steadily increase. For the future our aim is to construct a dedicated DX organization based on the enhanced DX human resources.

Another important factor of the DX promotion infrastructure is security. On this issue, our intention is to thoroughly implement and strengthen focused measures in accordance with our “Information Security Policy” and “Basic Information Security Guidelines,” which are clearly stated for the Group.

**Figure 6** Overview of the DX strategy





### The Ultimate purpose of Promoting DX is to Realize our Long-Term Vision and Group Statement

Our ultimate purpose of promoting the Group's DX strategy is to realize our Long-Term Vision and Group Statement. In other words, it is about creating new value, pursuing and realizing the sustainable growth of our group, and contributing to the realization of a sustainable society in an integrated manner.

To achieve this, we believe that we must simultaneously pursue offensive DX (deploying DX in business) and defensive DX (promoting DX within the company). Specific initiatives will be described in future progress reports (see Figure 6 on page 22).

### Start of education and training based on a new education system in the "Human resource cultivation and enhancement strategy"

Regarding the "Human resource cultivation and enhancement 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 2024, the first year of 11M, we embarked on a series of institutional reforms. In the case of personnel, we have reviewed our personnel system in response to changes in the economic situation and working styles. Also, we have undertaken to restructure our education system from the viewpoint of human resource cultivation.

Following on from the initiatives of 2024, education and training based on the new education system will begin in 2025. With the establishment of new training for management-level employees, the expansion of training aimed at developing and strengthening "global human resources" in response to globalization, and the formulation and commencement of the new "Daitron Career Up Ladies (DCL) Program" from the point of view of women's empowerment, the results of our initiatives for 2024 are taking a definite form.

Initiatives to cultivate and strengthen human resources do not immediately produce results. We recognize that it is essential to make continuous investments in human capital from a long-term perspective. We will continue to focus on investing in people as part of our active investment in growth, leveraging high profitability with a gross profit margin of around 20%.

### Pursuit of Optimal Balance between Growth Investment and Shareholder Returns in our "Financial and Capital Strategy"

"Financial and Capital Strategy" is to pursue the optimal balance between growth investments and shareholder returns, while maintaining financial soundness" (see Figure 7 on page 23).

Based on this basic policy, in 2025 we will disclose our "Cash Allocation Policy," which clarifies our thinking on how cash will be allocated for the remaining two years of 11M (2025-2026) (see Figure 8 on page 24).

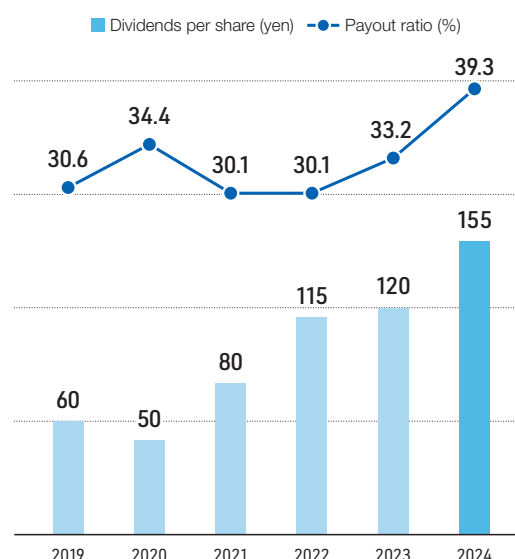
In the case of growth investment, we plan to invest about 1.5 billion yen in the "DX strategy" as described,

Figure 7 Financial and capital strategy

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



### Dividends per share and payout ratio over time



about 1 billion yen in research and development investment, and about 3.5 billion yen in new businesses and strengthening production capacity.

Also, in the case of shareholder returns, we will strive to enhance shareholder returns through such measures as executing a dividend policy based on the dividend policy revised in 11M (changing the target dividend payout ratio from 30% to 40%) and acquiring treasury shares as a flexible capital policy, as we implemented in February 2025.

#### Accelerating Initiatives to Improve Corporate Value Based on Strengthening the Governance System by Transitioning to a Company with an Audit and Supervisory Committee

In our long-term vision “2030 VISION,” we recognize that the most important thing is “governance” as we aim for sustainable growth for our Group and to contribute to the realization of a sustainable society. From this perspective, the Company has transitioned from a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee (resolution at the General Shareholders Meeting on March 28, 2025), in order to further enhance corporate governance by strengthening the supervisory function of the Board of Directors. Henceforth, we will be more proactive in our initiatives to increase corporate value under the new governance system.

Also, another important initiative for realizing our long-term vision is the pursuit of “materiality.” As we proactively promote the activities of the Sustainability Committee and the group of its subordinate subcommittees, we are

steadily progressing in the pursuit of specific action plans and various KPIs as their results.

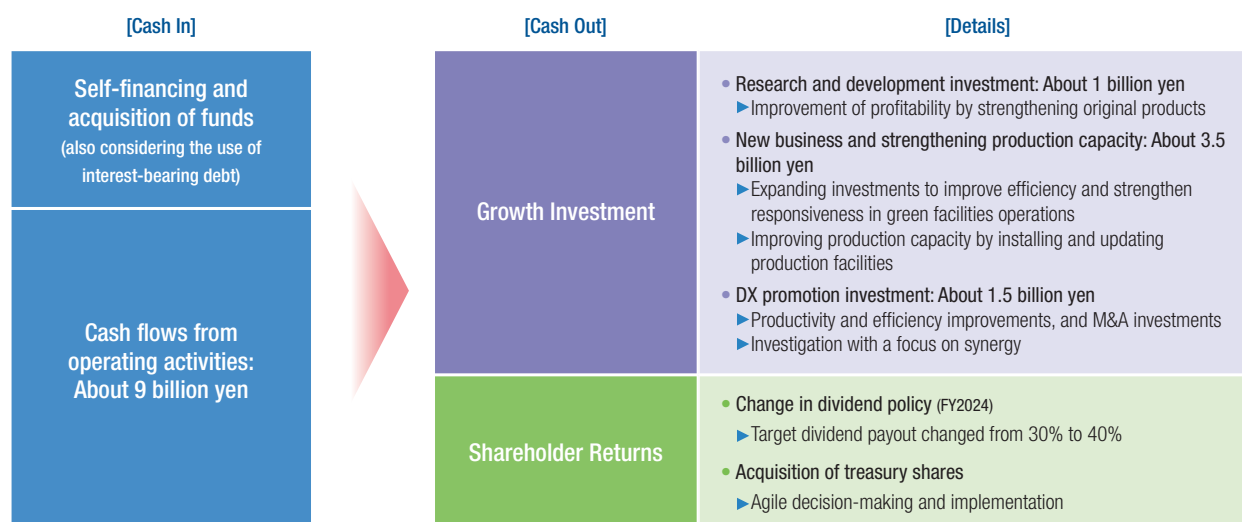
One of these results is the start of “DX strategy promotion training” by the DX Sub-committee as mentioned previously. In the future these results will be steadily increased, and the activities of each sub-committee will be continuously deepened.

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



**Figure 8** Cash allocation policy (2025 to 2026)

Assuming that a sound financial base is assured,  
the company's basic policy is to balance growth investments with stable shareholder returns,  
and we aim to increase corporate value through sustainable business growth.





This feature presents a roundtable discussion by three outside directors on the Daitron Group's medium- to long-term growth strategy, from the perspectives of the business environment, progress on the Medium-Term Business Plan, and sustainable improvement of corporate value.



Outside Director

Toru Wada

Outside Director

Akihiko Imai

Outside Director

Kazutoshi Hosoya

# Roundtable Discussion Theme

## Towards sustainable growth of the Daitron Group ...

### Evaluation of progress on the Medium-Term Business Plan (11M)

**Wada** In fiscal 2024, the first year of our Medium-Term Business Plan 11M, our consolidated financial results showed increases in both sales and operating income, achieving the highest levels since our founding. Firstly, this was a good performance under an uncertain economic climate.

**Hosoya** I agree. In fiscal 2024, the business environment has been severe for the company since the beginning of the year, with delayed recovery in the markets, etc. We were able to achieve increased revenue and profits under these circumstances, and I consider that this is due to the abundant quality and quantity of the intangible assets accumulated over the years, and also the corporate reforms implemented in recent years.

**Imaya** In recent years, technological innovations in the energy industry and automotive industry and the accelerating development of AI (artificial intelligence) industries have attracted attention, but this would not have been achieved without the support of electronics technolo-

gy. This means that there is no doubt about the medium- to long-term market growth of the electronics industry, to which the Group belongs. However, I believe that the effect of changes in the global economic and geopolitical environment, both direct and indirect, will be large, so we must pay close attention to it.

**Hosoya** Exactly, I agree. In fiscal 2024, we were able to continue our growth by our "ability to follow through" based on our overall strengths. However, in the future the business environment is expected to become even more unclear. In other words, economic and geopolitical uncertainties will increase, and this business environment will be a major obstacle to growth. I believe that flexible and speedy decision-making and responses to the rapid changes that will occur in the future will be necessary.

**Wada** I expect that this severe business environment will continue from fiscal 2024 onwards. Looking in detail at the situation by segment in fiscal 2024, the domestic sales and domestic manufacturing divisions both had a decline in sales and operating income compared

with the previous year. However, the overseas business division recovered from the previous year's decline to the same level as the year before last. Therefore overall the company has somehow been able to maintain an increasing trend of sales and profits, but it is undeniable that the company has hit a plateau. I also believe that the electronics industry will be a major growth industry in the long term, but I also recognize that we are facing a difficult situation in the short to medium term, and that we must tighten our belts.

**Imaya** I also believe that we must recognize the present severe business environment and determine the issues involved, and connect this with our next growth scenario. For example, our overseas business certainly achieved a V-shaped recovery in fiscal 2024, and the development and expansion of our overseas bases are progressing smoothly. However, it feels like our overseas business expansion strategy is progressing more slowly than planned due to increased uncertainty caused by global risk factors such as the coronavirus pandemic and geopolitical issues such as the situation in Ukraine and the Middle East.

**Hosoya** It is true that delays and the need to revise plans in various areas has been caused by the severe business environment. However, it is also true that overall the corporate reforms that have been undertaken across the Group are beginning to produce results. I expect that by continuing with active growth strategies, steady progress will be achieved in improving the Group's corporate value.

### Important points regarding future growth

**Wada** I also think that it was because of the accumulation of these reforms that we could set our dream of achieving consolidated net sales of 100 billion yen as the target for the 11M Medium-Term Business Plan. After realizing this goal, I think it will be necessary to take a "new leap" by expanding new businesses in order to achieve further growth. For example, in our domestic sales division, we have steadily expanded new businesses such as automotive, medical, and data centers, but we need to further accelerate this step in the future. In addition, the manufacturing division has not produced any remarkable new products for a long time, so I hope that research and development activities will be so actively implemented that they exceed the budget. Of course, it is also essential to strengthen the recruitment and training of research and development personnel.

**Imaya** We have established a new "Research and Development Team" in the Technology and Manufacturing Di-

vision to add to the "Marketing Team," which has been a source of strength for a long time, to contribute to invigorating research and development activities. The two teams will operate the organization synergistically. This has resulted in an increase in the number of cases of marketing and technical information being shared smoothly from the company-wide viewpoint. The result is improving the transparency of management promoting combined manufacturing and sales, and strengthening our initiatives to create intellectual property from our unique technologies. I have high expectations for our future research and development initiatives as the foundation for the continuation and growth of our group's business.

**Hosoya** In our Medium-Term Business Plan 11M, our Group has set the slogan "Make a leap forward in the global market as a technology-based company." First, we will strengthen and expand the stable foundation of our domestic business to strengthen our foothold, and based on that, we will work on overseas business, which is the main focus of our future growth strategy to expand our market. However, the main products we handle there must be original products with the Daitron brand, in order to improve both profitability and our market presence. I want to see active growth investments related to technological development and production.

**Wada** I also believe that overseas business is the key to medium- and long-term growth. In the Overseas Division, new local corporations have been established in Singapore, the Netherlands, and Vietnam, and we must quickly establish business operations at each of these. On the other hand, local corporations that have continuous poor performance require our full support. I do not believe that anything can be realized overnight, but it is important that we are constantly taking on new challenges.

**Hosoya** I think that initiatives focusing on local activities are essential for the growth of overseas business. I hope that we will continue to expand our overseas bases, and aim to use the community-based know-how cultivated in Japan for our sales activities in our overseas business.

**Imaya** I want us to have enhanced discussions with management in areas such as the technology development and commercialization process, quality control and cost management at factories, overseas marketing, and overseas base management, utilizing the experience and knowledge gained in the electronics industry, so as to contribute to improving the business continuity of the Group.

We have transitioned from a company with a Board of Auditors to a company with an Audit and Supervisory Committee in order to enhance corporate governance by strengthening the auditing function of the Board of Directors. Here we present messages from the four directors who have become Audit and Supervisory Committee members.



**As a full-time Audit and Supervisory Committee member, I want to work to improve the audit system and strengthen governance, while effectively exercising my expanded authority**

Our Group has more than 1,000 employees and consolidated net sales are close to over 100 billion yen.

We now have 39 business locations, including 17 domestic sales offices, 3 domestic distribution centers, 6 domestic manufacturing locations, 12 overseas sales offices, and 1 overseas manufacturing location, and further expansion is being considered.

Under these circumstances, we have transitioned from being a company with a Board of Corporate Auditors to a company with an Audit and Supervisory Committee.

An Audit and Supervisory Committee differs from traditional auditors and a Board of Corporate Auditors in that it is composed of directors with voting rights at the Board of Directors, and it has the function of expressing opinions regarding the appointment and remuneration of directors.

I will fully execute these newly assigned roles and functions, and as a full-time Audit and Supervisory Committee member, I want to cooperate and collaborate with the Outside Directors who are Audit and Supervisory Committee members and the internal audit staff to further enhance the audit system and to strengthen corporate governance.

Minoru Ujihara, Director and Full-time Audit & Supervisory Committee member

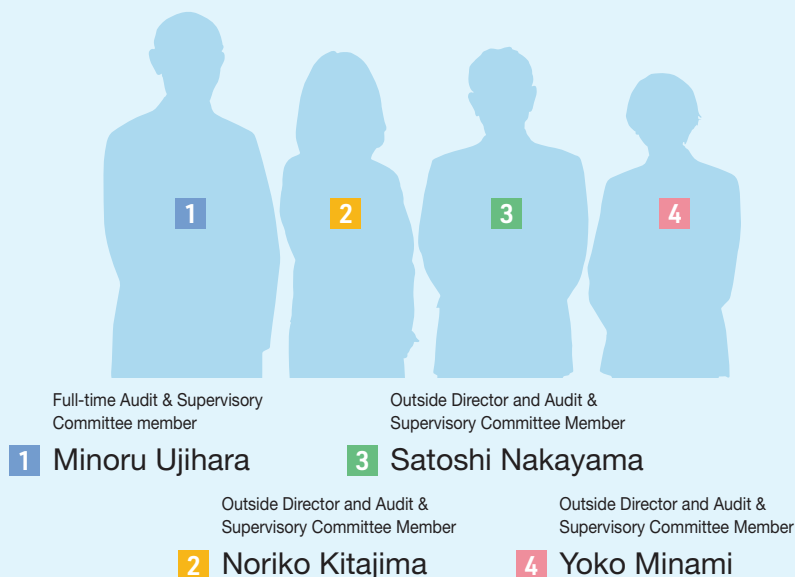
**I want to contribute to the creation of corporate value by anticipating medium- to long-term risks and monitoring precise risk management and internal controls.**

In the 10M period, we have steadily and reliably achieved most of our targets and established a management foundation to enable sustainable growth. In 11M, the company will continue creating and expanding new businesses, strengthening technology and product development and intellectual property strategies, and expanding its domestic and overseas bases, so further expansion of the organization is envisaged. Also, in a business environment that is rapidly changing due to the creation of economic blocs, rising inflation, etc., it is expected that the importance of economic security, intellectual property strategies in technological innovation, and information management will increase.

As an Outside Director and member of the Audit and Supervisory Committee, I see myself contributing to the creation of corporate value by overseeing whether appropriate risk management and internal controls are being implemented through activities such as discussions at Board of Directors meetings, close cooperation with the Audit Office, and attendance at various committees, while anticipating risks that are likely to occur in our business environment. If necessary, I will provide advice on building more effective internal control systems.

Noriko Kitajima, Outside Director and Audit & Supervisory Committee member

Following approval at the Annual General Meeting of Shareholders on March 28, 2025, we transitioned to being a company with an Audit and Supervisory Committee. In response to this, Mr. Minoru Ujihara has resigned from his position as full-time Auditor and has become a Director and Audit & Supervisory Committee member, and Ms. Noriko Kitajima and Mr. Satoshi Nakayama have resigned from their positions as Outside Auditors and have become Outside Directors and Audit & Supervisory Committee members. Also, Ms. Yoko Minami has been appointed as a new Outside Director and Audit and Supervisory Committee Member.



**I will actively offer advice for the sustainable growth of the Group while being conscious of my responsibilities as a director in addition to being an Audit and Supervisory Committee member**

As an Audit and Supervisory Committee member, I will continue to provide opinions on timely and appropriate responses to management risks and raise awareness of compliance, as I have done in the past. By these actions I hope to increase the trust in our governance among all stakeholders of the company.

With my responsibilities as a newly appointed Director, I will use my own experience and knowledge to provide advice to the executive management team to enable them to confidently and actively select actions that contribute to sustainable growth, based on the risk awareness and compliance contributed by this role. In particular, this is very compatible with my own career, and because evaluation based on financial figures is unavoidable for a company listed on the Prime Market, I will not hesitate to state the impact of individual management decisions on financial figures. Also, disclosure of non-financial information has become more important in recent years, so I will continue to work with all the company management to actively communicate the latest information.

Satoshi Nakayama, Outside Director and Audit & Supervisory Committee member

**I want to determine the ideal form of governance from the perspective of human capital management, and contribute to sustainable growth and healthy organizational management of the company.**

I was appointed as an Outside Director at the 73rd Annual General Meeting of Shareholders.

I am greatly honored to be given the opportunity to contribute to the growth and development of the Daitron Group.

In recent years, the importance of human capital management has increased, and corporate governance has also changed greatly.

In particular, we are now in an era where improving employee engagement, promoting diversity, and strict compliance are factors that are the key to increasing corporate value.

In this environment, there is a demand for companies with an Audit and Supervisory Committee to further strengthen the supervisory function of the Board of Directors and increase management transparency.

From an independent standpoint as an Outside Director, I will carefully assess whether the decisions made by management are contributing to the sustainable growth of the company, while also contributing to sound organizational management from the perspective of the company's most important asset, its people.

Yoko Minami, Outside Director and Audit & Supervisory Committee member



Basic Strategic Policy

1

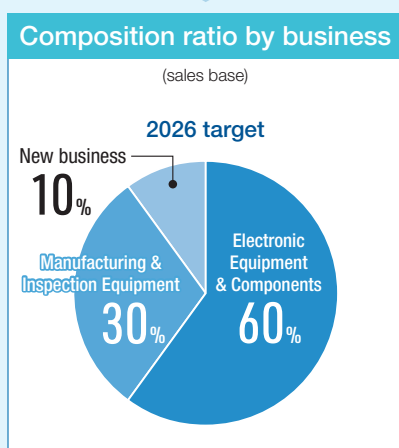
# Promote business structure reform!

- 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

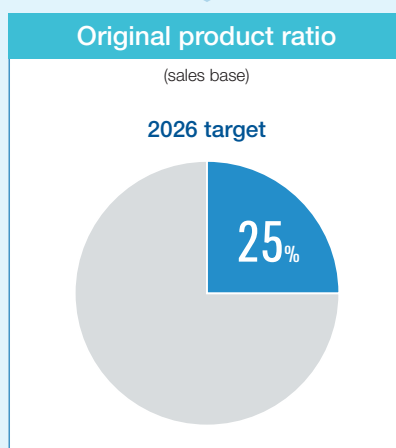


## Three KPIs for business structure reform

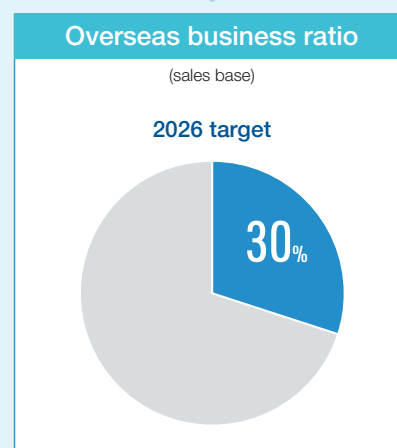
### Stability and Challenge Axis



### Profit Axis



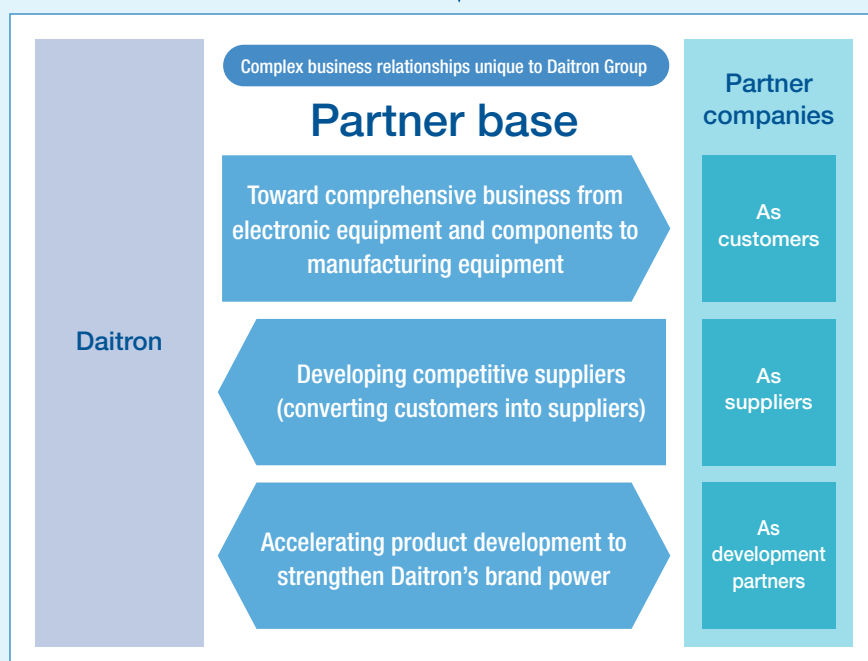
### Growth Axis



- |                                      |       |  |
|--------------------------------------|-------|--|
| <b>Composition ratio by business</b> | ..... | <b>Sales composition ratio of 10% is set as a new KPI target measuring new business creation</b><br>(Accelerate efforts to create new business in response to the achievement of 5% in the previous Medium-Term Business Plan (10M)) |
| <b>Original product ratio</b>        | ..... | <b>Maintaining the 25% target from the previous Medium-Term Business Plan (10M)</b><br>(Original products = limited to our own products and those developed in collaboration with partner companies)                                 |
| <b>Overseas business ratio</b>       | ..... | <b>The sum of exports from Japan to overseas and sales of overseas subsidiaries.</b><br><b>Maintaining the 30% target from 10M</b>   |

## 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

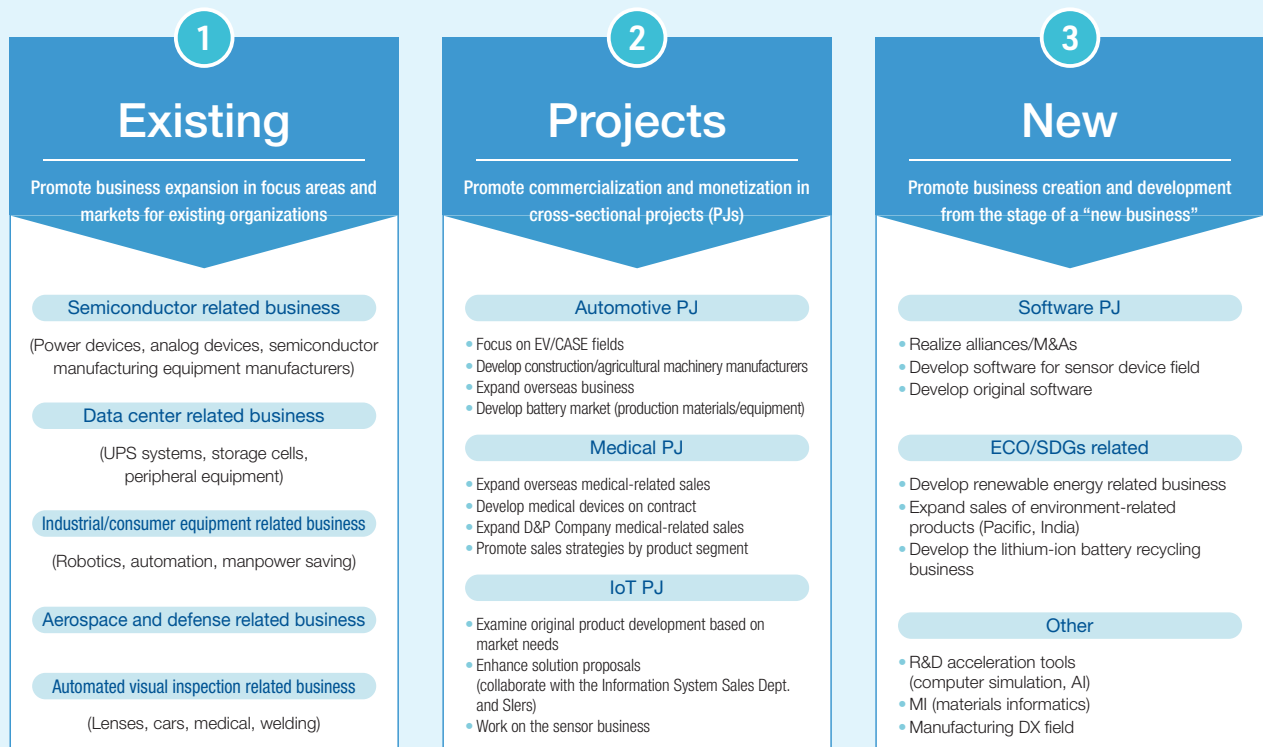
3

## 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!

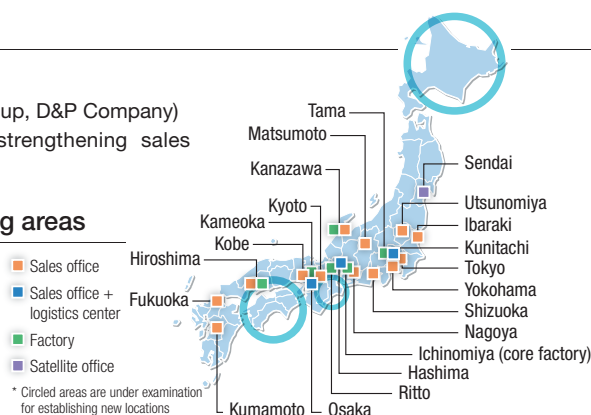
### 1 Reinforce domestic business as a foundation for stable growth

#### 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

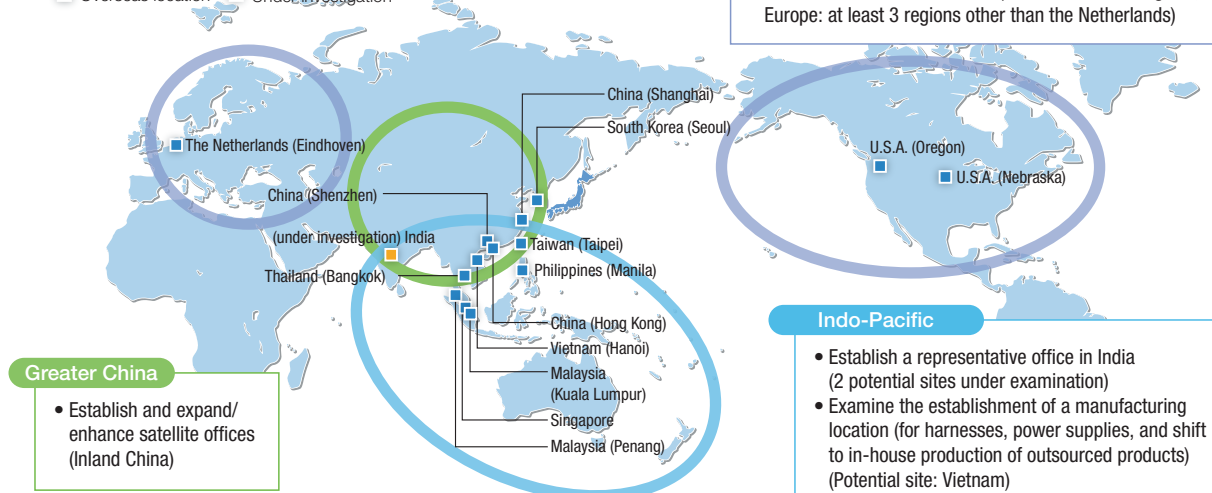
#### Continue to promote expansion focused on the electronic equipment & components business

\* 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 power toward sustained growth!

### 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
  - Cultivate DX and human resources

#### 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
  - ① Strengthen committee activities
 

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
  - ② Transition from being a company with a Board of Auditors to a company with an Audit and Supervisory Committee  
By making Audit and Supervisory Committee members, who are responsible for auditing the execution of duties by directors, members of the Board of Directors, the supervisory function of the Board of Directors will be strengthened and corporate governance will be further enhanced.

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

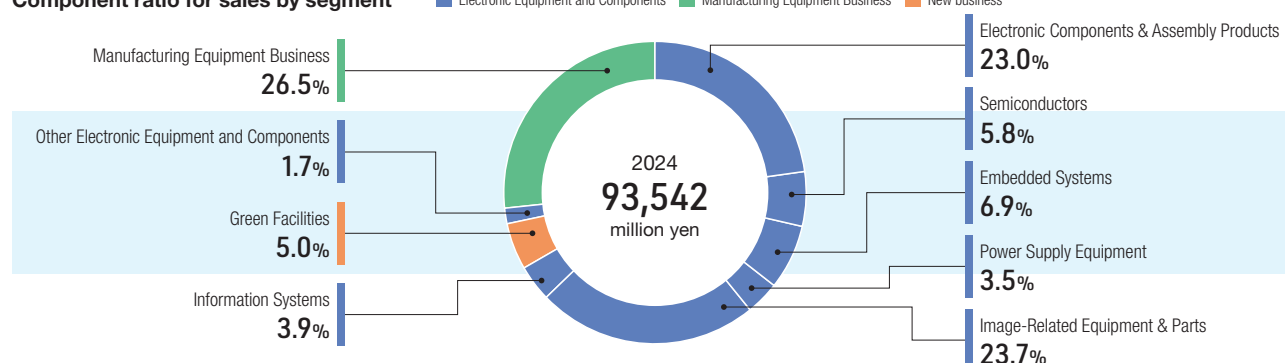
We operate two product segments: the Electronic Equipment and Components Business and the Manufacturing Equipment Business. Business operation is comprised of three organizations: M&S Company, which handles domestic sales and marketing, D&P Company, which handles domestic manufacturing, and Global Business 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

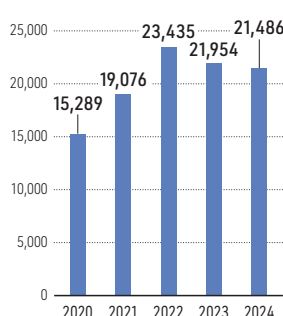
### Status by Product Segment

Component ratio for sales by segment

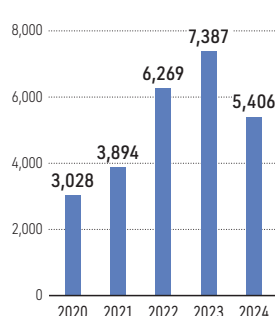
Electronic Equipment and Components Manufacturing Equipment Business New business



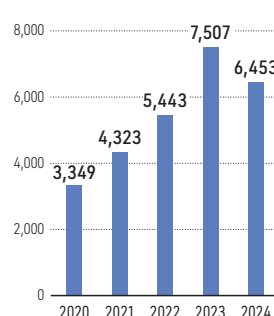
Electronic Components & Assembly Products (million yen)



Semiconductors (million yen)



Embedded Systems (million yen)



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

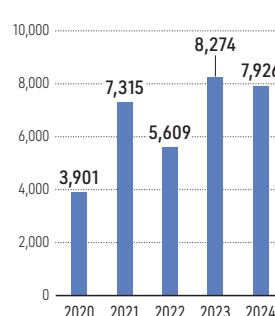
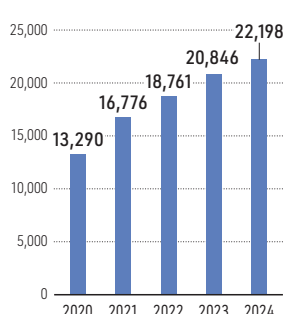
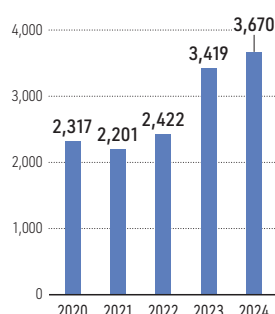


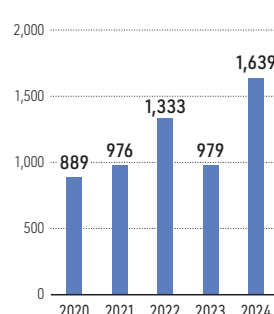
Image-Related Equipment & Parts (million yen)



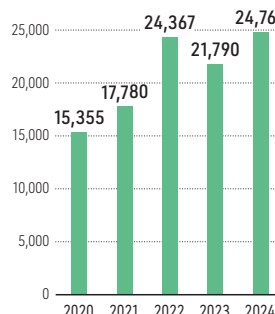
Information Systems (million yen)

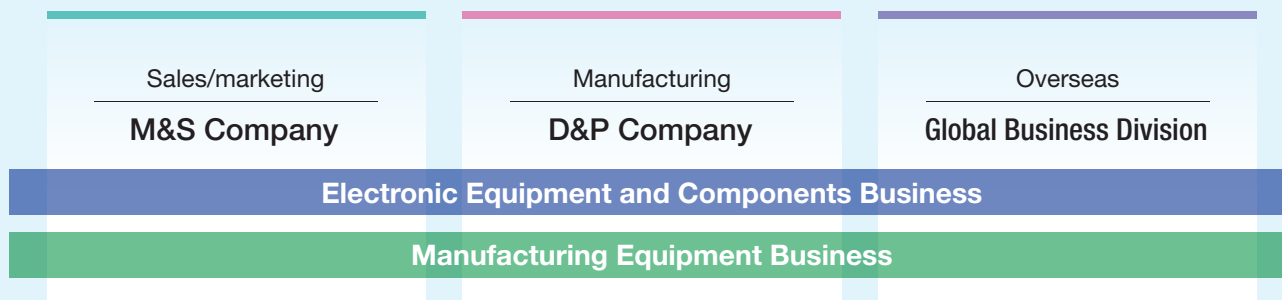


Other Electronic Equipment and Components (million yen)



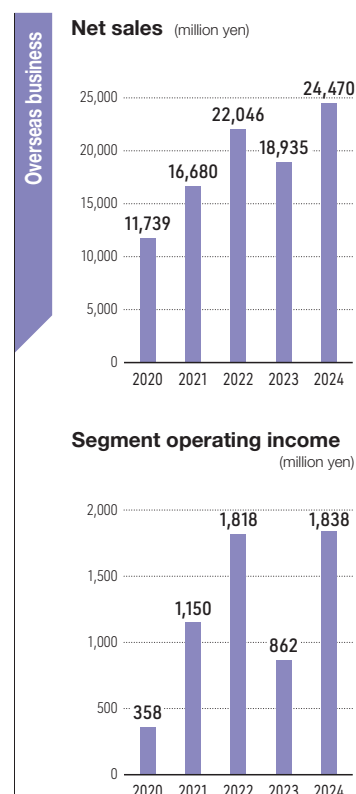
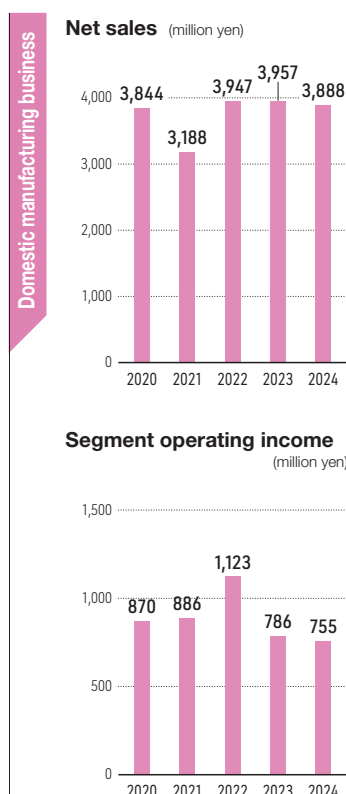
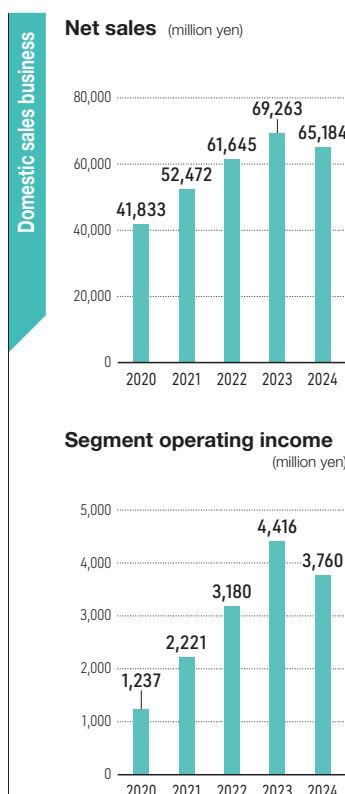
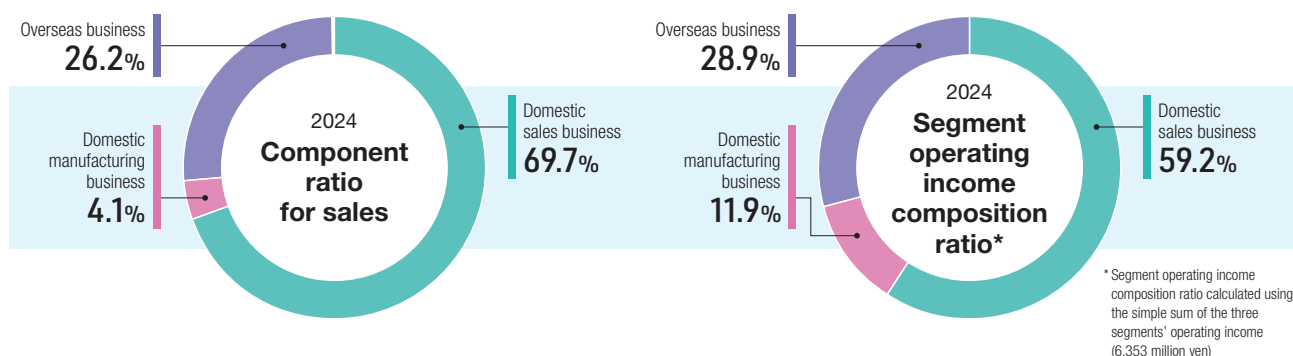
Manufacturing Equipment (million yen)





## Segment Information 2

## Status by Business Segment





## Marketing & Sales Company

**We will continue to take on challenges with flexible thinking that is not bound by conventional ideas, and work to expand into new markets, customers, and suppliers.**

Senior Managing Corporate Officer  
President, M&S Company

Shinji Ikutani



The M&S Company is an in-house company that handles trading functions mainly in the Japanese market. It has set two slogans in its Medium-Term Business Plan 11M: “Elevate stable foundations and strengthen new business development,” and “Adapt to various changes with new ideas.” While further strengthening its stable foundations to survive in a rapidly changing business environment, the company is constantly challenging itself with flexible thinking that is not bound by conventional ideas, and working to expand into new markets, customers, and suppliers. Also, we have five basic strategic policies: “cultivating customers,” “community-based sales,” “new business cultivation,” “overseas business collaboration,” and “next-generation human resource development.”

Through our initiatives in 2024, we have achieved many results that will have an impact on the next fiscal year onward. For example, by further deepening our customer base and strengthening our ties to local communities, we have been able to improve our stable foundation. Also, as a result of continuing to actively approach areas and markets of interest, transactions with new customers and suppliers have steadily expanded. In addition, through the continued promotion of company-wide collaborative projects, we have seen continuous steady growth in automotive-related (including battery market) and IoT-related fields. The Green Facilities Division (GFD), which has grown steadily as a new business, continues to secure stable profits.

In 2025, we will continue to pursue our five basic strategic policies, with “collaboration” as our keyword. When it comes to

“cultivating customers,” collaboration extending beyond the boundaries of sales departments is essential for “All Daitron” product development. Also, in the case of “community-based sales,” community collaboration is essential for expanding sales of our original products, which are the source of our Group’s high profitability and the source of our differentiation advantage. Likewise, “new business cultivation” and “overseas business collaboration” require know-how and organizational collaboration that spans business divisions and domestic and overseas sales divisions. We will continue to promote such multi-layered collaboration and continue to work across various boundaries.

Regarding organizational aspects, from 2025 Green Facilities will be elevated to a business division, resulting in a three-division structure consisting of Electronics, Machinery, and Green Facilities. Also, the Electronic Devices and Information Systems divisions will continue to report directly to the company President, and proactive development measures will be implemented, with an view towards business expansion into the software field.

The present situation in the electronics industry is certainly not plain sailing, but with the expansion of AI and IoT, continued demand for data centers, the shift to electric vehicles, and advances in safety support and autonomous driving technologies, growth is expected in the medium- to long-term. Going forward, I will continue my work to ensure our M&S (Marketing & Sales) activities exceed the expectations of our stakeholders.

### Basic Strategic Policies for 2025

#### 1 Cultivating customers

- Further cultivation of key customers by continuing to deploy “All-Daitron” products

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
- Strengthen sales of original products through community collaboration
- Strengthen cultivation of new markets and customers by full utilization of trade shows

#### 3 New business cultivation

- Promoting cross-divisional projects
  - Automotive (including batteries)
  - Medical
  - IoT (including 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

## Development & Production Company

**We aim to create new value by combining and integrating the technologies and know-how of the Group, and evolving and developing into a technology-based company.**

Managing Corporate Officer  
President, D&P Company

Tsuneto Chihara



The 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 extremely competitive and high-value-added technologies and products.

In our Medium-Term Business Plan 11M, we will implement the following based on our two slogans: “Create new value through unity” and “Focus on the basics of a manufacturer.” 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.

The main achievements of our initiatives in the first year of 11M (2024) were, firstly regarding technological development, since the integration in 2017 we have promoted the consolidation and sharing of technologies that each factory and product development department individually possessed, which has significantly improved the accuracy and speed of development. In particular, in the Equipment Business Operation, we are progressing with developing a system for sharing technology as division assets in the fields of electricity, machinery, and software. As a

result, I feel that this is steadily leading to improvements in the technological capabilities of the whole division, and the formation and strengthening of the intellectual property management system. Next, in terms of manufacturing, we have steadily strengthened cooperation between factories, and as a result, we are now able to produce our main products at multiple factories in accordance with customer delivery plans, which has resulted in improved productivity.

In 2025 we will continue to push forward with our strategy from four perspectives: technology development, manufacturing, sales, and human resources. In the area of “technology development,” we will strive to continuously increase the number of patent applications, which is a KPI that reflects the results of our active promotion of R&D activities. At the same time, we will focus on creating high-added-value products by developing original products focused on four major themes (see below), including IoT and AI software. Regarding “human resources,” we are strengthening our recruitment of software-related engineers as future human resources for all four of these themes. In the case of manufacturing, we will continue to work to strengthen cooperation between factories as mentioned above, and will also promote standardization at all factories in order to further improve productivity.

Going forward, we will continue to pool all of the strengths of the D&P Company to contribute to the evolution and development of our Group as a “technology-based company.”

## Basic Strategic Policies for 2025

### 1 Technology development

To “create new value:”

- Continuous increase in the number of patent applications by steadily promoting research and development
- Promotion of the development of original products focused on the four themes
  - ▶ IoT, DX-related
  - ▶ Next-generation measurement technology
  - ▶ AI software, imaging inspection
  - ▶ Environmental energy, renewable energy

### 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

### 2 Manufacturing

To “solidify basic manufacturer operations:”

- Production outsourcing / collaboration between factories
- Promotion of standardization at all factories
- Enhancing cost reductions

### 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 (including responding to increased production capacity)
- Strengthening recruitment of software engineers

### Global Business Division

The Global Business Division plays a central role in promoting challenging management to lead the Group's growth strategy.

Corporate Officer  
Division Manager - Global Business Division

Akio Tanaka



The domains and markets related to semiconductors, electricity, and electronics on which our Group focuses are expanding globally. This expansion trend is expected to continue going forward, although there are risk factors such as global trade friction that create uncertainty for the future. Under these circumstances, the Group's overseas business, which brings together employees from more than 10 countries at 14 overseas locations, has adopted the slogan "Fostering mutual trust amid diversity and improving teamwork and work quality." We are continuing to work to unerringly capture strong overseas demand in close cooperation with both the M&S and D&P Companies and with the Global Business Division playing a central role, with the aim of evolving and developing our Group into a global "technology-based company."

In the Medium-term Business Plan 11M, our aim is to achieve an overseas business ratio of 30% or more as an important KPI, 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.

Regarding 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. In addition, starting in 2025, we will establish a new "Overseas Strategy Team" within this

business division. With this organization at the core, we will build a new collaborative system with our overseas bases to develop new markets, new customers, and new sales channels globally. We will also establish an "Import Business Team" to promote the import of overseas products into Japan. Additionally, we will work to move away from an over-reliance on China and aim to level sales by country and region, in this way strengthening our presence in Europe, North America, Indo-Pacific and Asia.

As part of the "system development" initiative, we are steadily expanding our overseas locations, with the incorporation of a local office in Vietnam and the opening of a maintenance office in the USA in 2024, and the opening of a satellite office in Germany in April 2025. We will continue to actively look into opening new overseas bases with the aim of increasing the Group's presence and recognition in overseas markets.

Next, regarding "recruiting and cultivating global human resources," we are implementing various types of training with the aim of establishing flexible methods for recruiting and developing human resources, such as introducing an internship work system at overseas bases, training overseas base management controllers, and training field service technicians, etc. In addition, we will also focus on developing human resources with the aim of strengthening our import/export business generalists and technical services.

We will work to be more challenging in our management so that overseas business will lead the Group's future growth strategy.

### Basic Strategic Policies for 2025

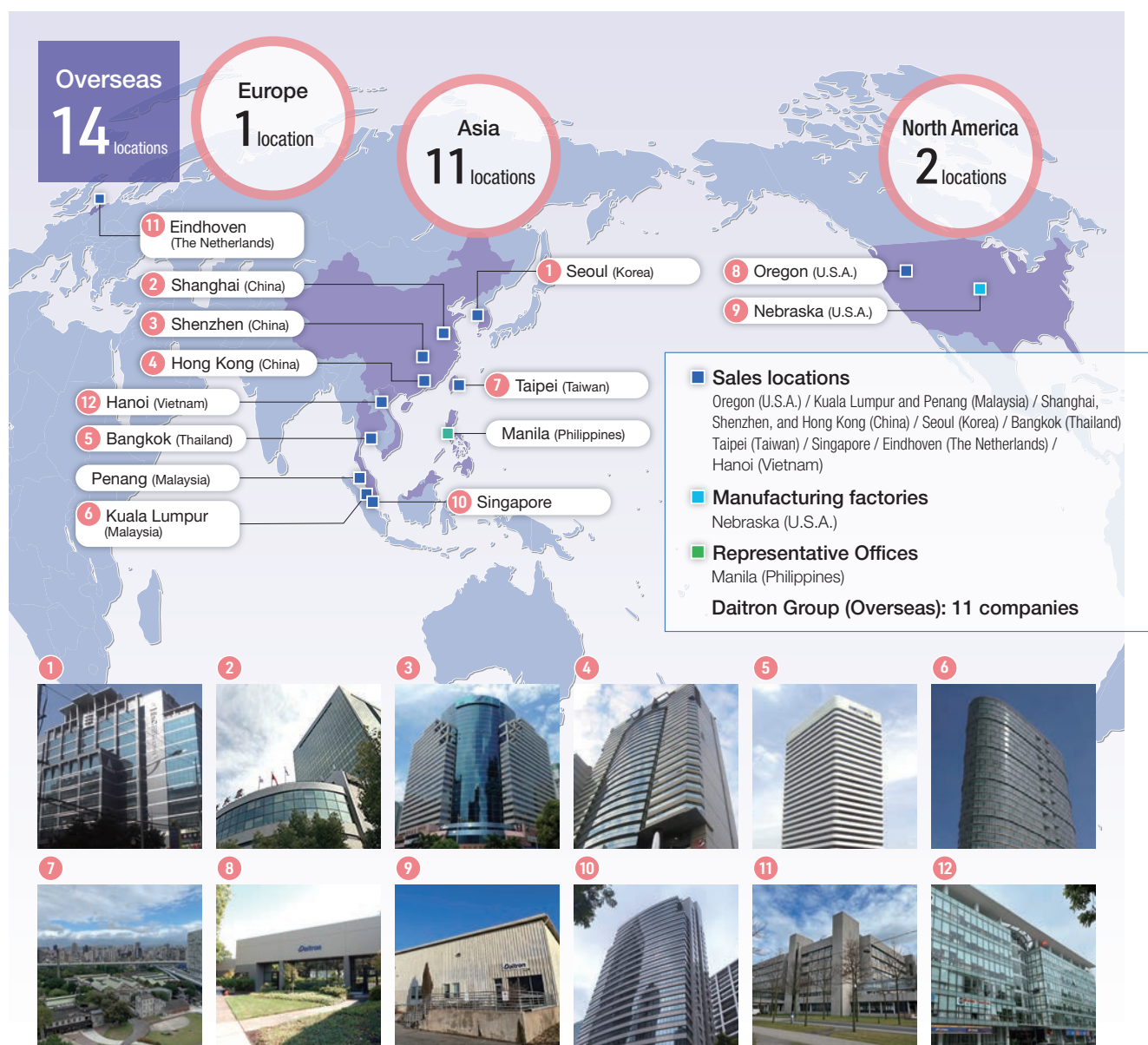
#### 1 Product portfolio reform

- **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
- **Promoting global marketing with the "Overseas Strategy Team" at the core (developing new markets, new customers, and new sales channels)**
  - ▶ Strengthening our presence in Europe, North America, Indo-Pacific and Asia
  - ▶ Leveling sales ratios by country and region
- **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

- **Enhancement of overseas locations (including achievements in 2024)**
  - Incorporated an office in Hanoi, Vietnam (June 2024)
  - Opened a maintenance office in Dallas, Texas, USA (October 2024)
  - Opened a satellite office of the Netherlands corporation in Germany (April 2025)
  - Survey and study for establishment of a manufacturing base in Vietnam
  - Survey and study for establishment of a representative office in India
- **Recruiting and cultivating global human resources**
  - Introduction of an overseas location work internship system (in-house global training)
  - Cultivation of overseas base management controllers
  - Cultivation of import/export business generalists
  - Cultivation of human resources for strengthening technical services

## Overseas location deployment



## Overseas net sales and overseas business ratio over time





## 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]

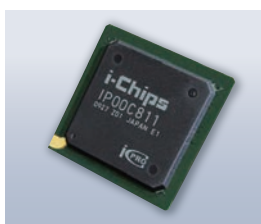
Analog IC, high-frequency IC, power discrete devices, image IC, optical devices

- 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

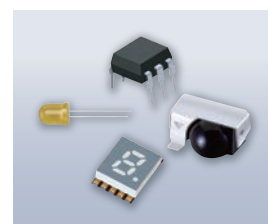
etc.



Analog ICs



Imaging IC



LED, optical elements

### Embedded Systems

#### [Major Products]

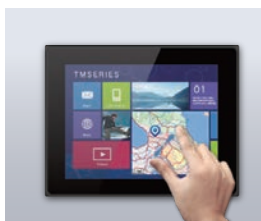
Embedded Systems

- 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]

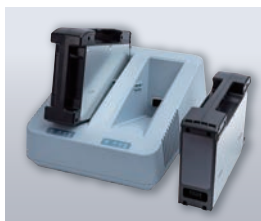
Switching power supply, uninterruptible power supply (UPS), transformer, battery pack

- 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]

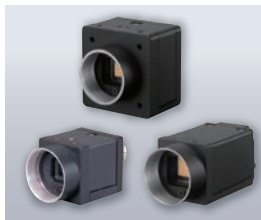
CMOS camera, lens, light, image processing equipment, software

- 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®-DSR"

### Information Systems

#### [Major Products]

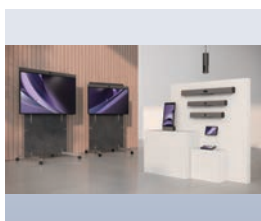
Video transmission systems, authentication devices (RFID, IC card, vein authentication, face authentication)

- 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

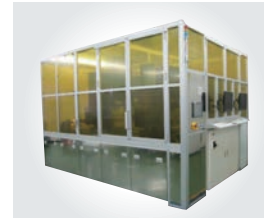
etc.



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



Wire bonders for batteries



Electrolyte leak inspection equipment

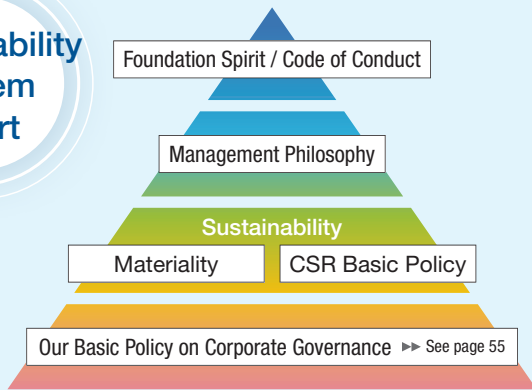
### Other Manufacturing Equipment

#### [Major Applications]

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

etc.

## 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"> <li>Reinforcement of manufacturing function (= enhancement of technological, developmental, and manufacturing technological capabilities)</li> <li>Reinforcement of trading function (= enhancement of marketing power, partner base, and sales capabilities)</li> <li>Development of new markets and new customers (= creation of sustainable new partner value)</li> <li>Contribution to the introduction of ICT and automation across industry to support improvements in productivity and efficiency</li> </ul>
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"> <li>Diversity-minded recruitment and utilization of human resources</li> <li>Establishment of personnel and education/training systems which lead diversity to innovation</li> <li>Respect for human rights of all employees, and support for the realization of society respectful of human rights</li> <li>Creation of a satisfying workplace (safe work environment, work-style reform, and career-path system)</li> </ul>
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"> <li>Contribution to ICT infrastructure, air, sea and land infrastructure, and the energy industry to support the convenient, safe and secure lives of people</li> <li>Contribution to environmental load reduction through provision of electronics technologies to a wide area of industry</li> </ul>
Economic value creation	To continually work to create high added value one step ahead for maximized economic value	<ul style="list-style-type: none"> <li>Continuous devotion to the development of high added value products and services toward creation of value one step ahead</li> <li>Promotion of business offering more comprehensive solution as the basics for the above purpose</li> <li>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</li> </ul>
Management foundations establishment	To build healthy and strong management foundations as the bases for creating the Five Values	<ul style="list-style-type: none"> <li>Reinforcement of corporate governance, compliance, and risk management systems</li> <li>Securing of sound financial bases (improved equity ratio and reduced management costs)</li> <li>Enhancement of the BCP (business continuity plan) and supply chain management</li> <li>Thorough reinforcement of environmental management systems and quality management systems</li> </ul>

## 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.

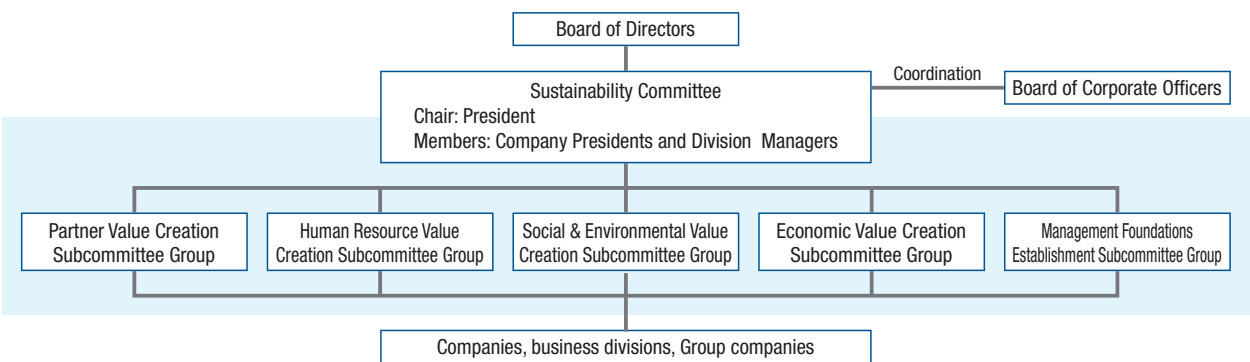
1 Governance

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.

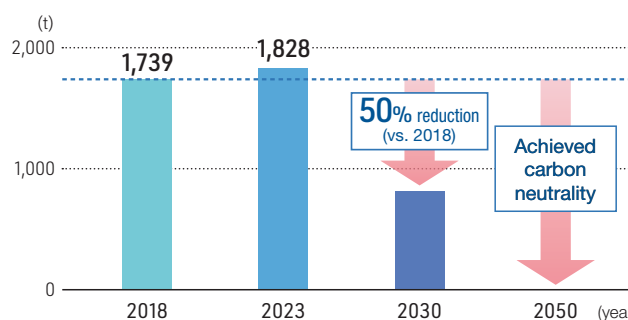
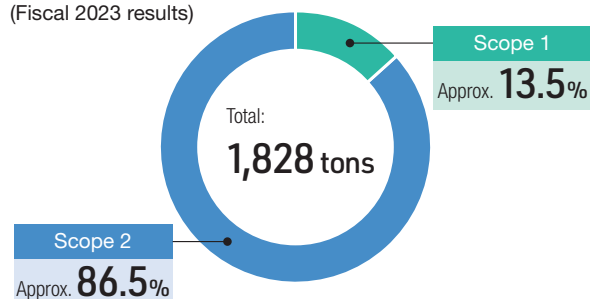
## 4 Metrics and Targets

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 <sub>2</sub> emissions	Reduction targets		
			2030	2035	2050
1 + 2	2018	1,739 tons	50%	Over 90%	Carbon neutrality
3	2023	149,789 tons			

### Scope 1 and 2 emissions (Fiscal 2023 results)



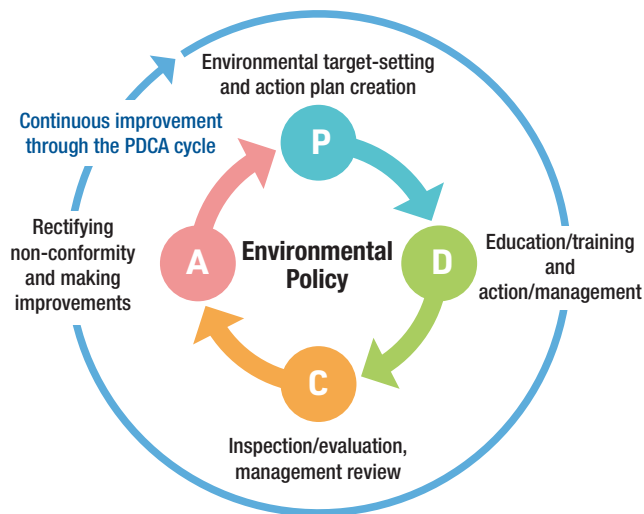
\* CO<sub>2</sub> emissions for the base year (2018) have been revised due to more precise calculation methods

## 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**  
(as of December 2024)

**All domestic locations**

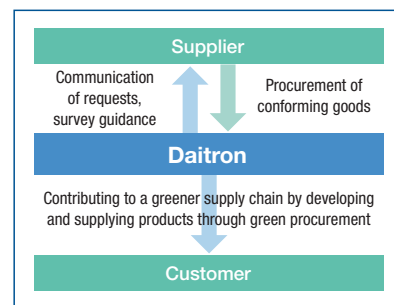
- Head Office
- M&S Company: Acquired 16 places of business
- D&P Company (Equipment Business Operation, Parts Business Operation)
- Global Business Division

## 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.

## TOPICS

Major reduction in the heavy work required by workers when inspecting the inside of ship engine cylinders!

## Operability Greatly Improved Compared with Existing Products “Kirari NINJA®-DSR”

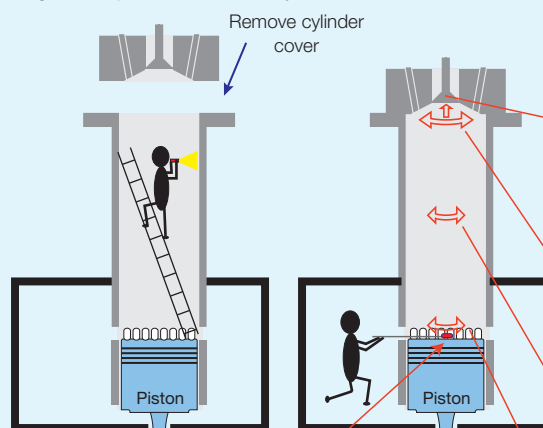


Maintenance is essential for a safe and secure voyage, and one of these maintenance operations is regular inspections of the inside of ship engine cylinders. The purpose of this inspection work is to determine whether there is anything abnormal inside the cylinder that could be an indicator of a malfunction, such as scratches, cracks, corrosion, or deposits. However, the workers must enter the inside of the cylinder to perform an open inspection, this requires long hours of work in high temperatures, which places a heavy burden on the workers. Even after the inspection, commissioning tests performed after reassembly and, depending on the circumstances, reassembly work must be added, making it extremely demanding work.

We received a request from MTI Co., Ltd. (a R&D subsidiary of Nippon Yusen Kabushiki Kaisha) to automate visual inspections in order to simultaneously reduce the burden on workers and improve inspection accuracy, and in 2015 we jointly developed the first “Kirari NINJA®” (patent registered in 2022).

This product was well received in the marine industry, and in response to new demand for application to a wider range of marine cylinders and improved operability, we released the third-generation “Kirari NINJA®-DSR” in 2024. With the many inquiries from overseas, we are promoting the development of new overseas sales channels for the new series of products, with the aim of selling 200 units per year, double the previous sales.

Image of Inspection Inside a Cylinder



Conventional (open inspection)

Kirari NINJA®-DSR

Photo of the “Kirari NINJA®-DSR” product

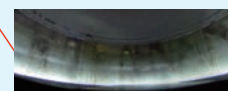
The product is arranged in the center of the piston inside the cylinder, and images can be automatically taken and saved while turning



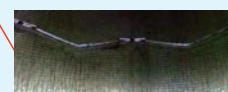
Images Taken Inside the Cylinder



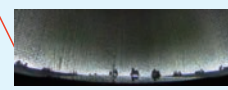
Exhaust valve combustion surface



Near top dead center



Near oil injection hole



Near bottom dead center

### Main effects contributing to society



Workers	Society
<ul style="list-style-type: none"> <li>Reduction of burden on workers and reduction of environmental impact</li> <li>Improvement of inspection accuracy</li> <li>Enables subsequent evaluation and analysis</li> </ul>	<ul style="list-style-type: none"> <li>Increases operational efficiency by reducing inspection time (8 hours ⇒ 1 hour)</li> <li>Enables preventive maintenance, reducing the risk of major accidents</li> </ul>

Promoting sales expansion in the overseas shipping market, which is about 10 times the size of the Japanese market

New Market Development Group  
Nakatsu, Group Head



We want to contribute to society by providing this device to tens of thousands of merchant ships around the world

Product Development Department  
Nakao, Employee



Kirari NINJA® is one of our unique products, that is utilized in the shipping industry in Japan and overseas. Although this is a niche product aimed at target niche market, we receive many direct inquiries from overseas users, and our products are becoming more widely recognized in the market. There are more overseas end users than Japanese. The overseas shipping market is nearly 10 times larger than the Japanese market, so we want to increase sales by steadily expanding sales channels in overseas markets.

It is said that there are currently 58,000 merchant ships in the world, excluding fishing boats and work boats, and all of these merchant ships conduct daily and periodic inspections of the inside of their engines to prevent engine problems. It has been assessed that the introduction of “Kirari NINJA®” has helped prevent accidents resulting in injury or death, and we have received the special award “2019 Seafarer Safety Initiative Grand Prize” from the Ministry of Land, Infrastructure, Transport and Tourism. We at the Product Development Department want to continue working to create new value and contribute to society.

## 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.

## Status of major KPIs related to human resource initiatives (1)

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

Ratio of female employees  
in career-track positions

- Fiscal 2023 results **20.9%**
- Fiscal 2024 results **25.4%**

## Plan for the Future

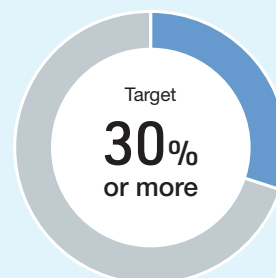
We have already exceeded our target of 15% or more by the end of March 2026, but we will continue to aim to increase the ratio of female full-time employees in career-track positions, expand the fields in which female employees are deployed, and become an even more rewarding company to work for. Specifically, we will continue to implement initiatives such as (1) continuing to operate the system for changing course from general employee to career track employee to provide opportunities for women to advance their careers, and (2) increasing the ratio of new graduates hired for career track positions (especially sales and technical positions).

Ratio of women in management positions  
(Section Manager equivalent)

- Fiscal 2023 results **5.1%**
- Fiscal 2024 results **7.1%**

## Plan for the Future

We have set a target of reaching 10% or more by the end of March 2026, but current progress is still only about 70% of the target. To achieve this target, we will actively implement support measures such as the "Daitron Career Up Ladies (DCL) Program," a training program for women's career development, to encourage independent career development.

New personnel system\*  
utilization rate

- |                     | Working from home | Staggered work hours |
|---------------------|-------------------|----------------------|
| Fiscal 2023 results | 40.3%             | 8.5%                 |
| Fiscal 2024 results | 33.7%             | 9.3%                 |

## Plan for the Future

We have decided that the working from home system will continue after transitioning from the "with-COVID" era to the "after-COVID" era. We will continue to evaluate the effectiveness of the use of the staggered work hours system.

\* A new personnel system initiated in 2023 that introduced a working from home and a staggered work hours system in accordance with job type, work content, and lifestyle



## Status of major KPIs related to human resource initiatives (2)

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



Target  
**2 or more**

In April 2024, we changed the amount of leave for special occasions when a spouse gives birth from the current two days to five days. We have also expanded the range of purposes for which the accumulated paid leave system can be used from the previous limitation to illness to include childcare, nursing care, elderly care, volunteering, etc., creating a workplace environment that makes it easier for men to take childcare leave. Note that the rate at which our female employees took childcare leave was 100%, and 12 male employees took childcare leave (6 in 2023), resulting in a childcare leave utilization rate of 57.1% (60% in 2023). The utilization rate of childcare leave systems, including our company-specific systems, was 71.4% (80% in 2023), and the goals of the action plan were achieved.

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



In April 2024, we introduced a shortened working hour system for employees with children up to the end of the third grade of elementary school, so a goal of the action plan was achieved.

## 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 our Management Philosophy.

In September 2023, we proclaimed our “Health Management Declaration,” which established a health management promotion system. In September 2024, we created a “Health Management Strategy Map” and are working to promote “collaborative health” to efficiently and effectively promote the health of all officers and employees, and their families. Specifically, we are implementing three measures: enhancing health management, creating a safe and secure work environment, and maintaining and improving health.

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.

Reporting sessions are held by external specialists such as clinical psychologists to report the results of stress tests to managers at department head level or higher, and we are working to create a comfortable working environment.

In addition, in order to promote effective health management projects and improve health literacy, we have deployed industrial physicians and industrial nurses specializing in mental health. Also, the Personnel and General Affairs Department, which is the department in charge of health management and safety and hygiene management, works in cooperation with medical professionals to provide more detailed preventive mental and physical health care.

Also, as a countermeasure against harassment, we have set up a dedicated consultation hotline (a third-party organization whose privacy is protected).

Note that we have been recognized for two consecutive years as one of a Certified Health & Productivity Management Outstanding Organization 2024 (Large Corporation Category) and a Certified Health & Productivity Management Outstanding Organization 2025 (Large Corporation Category), jointly selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



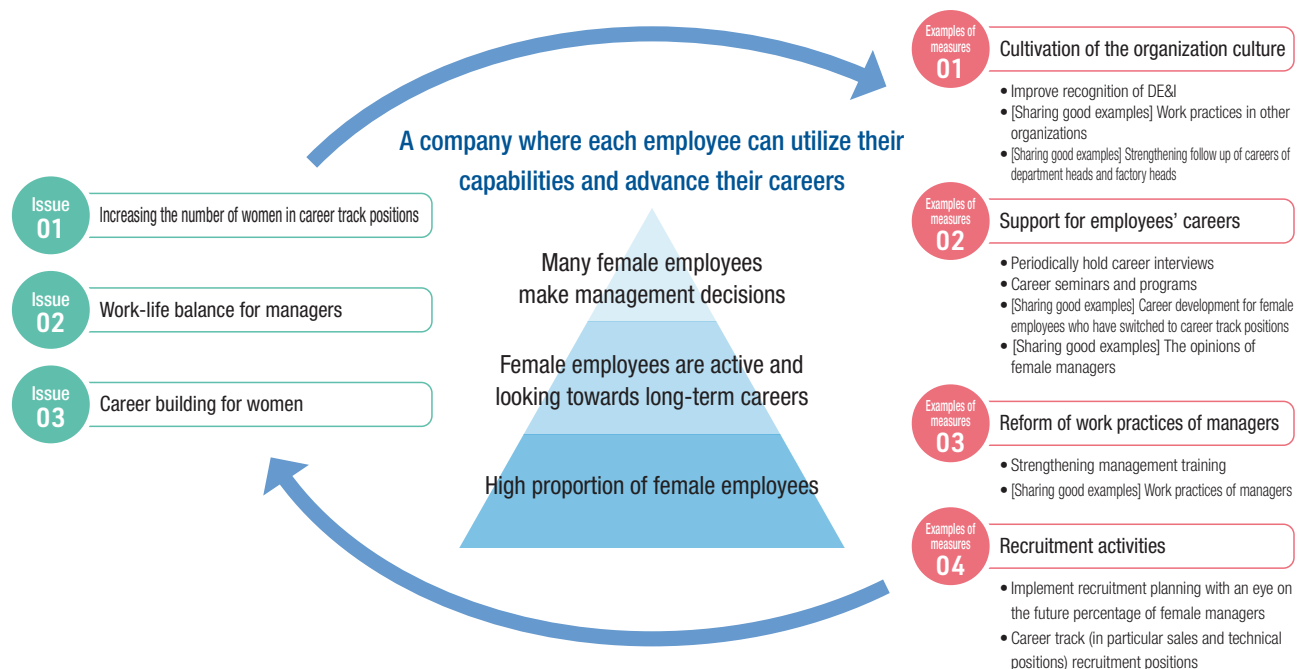
## Diversity, Equity & Inclusion

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, we have been working to create an environment in which employees can fully utilize their abilities (as mentioned above). Additionally, to promote the participation of women in the workplace, we are focusing on the “Daitron Career Up Ladies (DCL) Program,” which supports the career advancement of women.

#### ► Overview of the “Daitron Career Up Ladies (DCL) Program”



### 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. As a specific result of this initiative, we have organized a team in which people with disabilities are mainly responsible for providing administrative support to the sales and management departments at our Osaka Head Office. By delegating this work, the workload in each department has been reduced, and by reviewing operations productivity has also been improved.

#### ► Main training and education programs

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.

Employment data (most recent 3 years)	2022	20 (new graduates), 50 (mid-career hires)
	2023	30 (new graduates), 38 (mid-career hires)
	2024	27 (new graduates), 27 (mid-career hires)



New employee training (FY2024)

## Overview of the education system

We have restructured our education system, and from 2025 we will develop the education system and provide education and training based on two new themes: “Required/recommended” and “Self-development.”

### [Required/recommended education system]

	According to rank	Management / leadership	DE&I	Global human resources	Career formation	Compliance / security
Managers, department heads		Executive coaching				
Department head						
Section head	Training by rank	Management training	Empowering women training	Cross-cultural communication	Career design training	Compliance training
Group head, chief		Leadership training	Diversity training			Harassment training
Leader		Management training	Women's leadership cultivation training			Information security training
General employee	New employee training					
Mid-career employee	Mid-career employee training					
Prospective employee	Prospective employee training					

### [Self-development education system]

	Business basics	Management	Management / leadership	DE&I	Global human resources	Career formation	Compliance / security	DX	Reform of working practices / Health management	Specialist knowledge
Certification, exams					TOEIC				Mental health certification	To-Be engineer test
e-learning		MBA basics			English	Career development			Reform of working practices	Specialist knowledge and technology
Correspondence education	Liberal arts		Leadership				Compliance	DX basics IT literacy	Mental health self-care	
External dispatch to open lectures	Business skills		Management	Diversity	Cross-cultural communication			AI-RPA Data analysis and use		

## 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

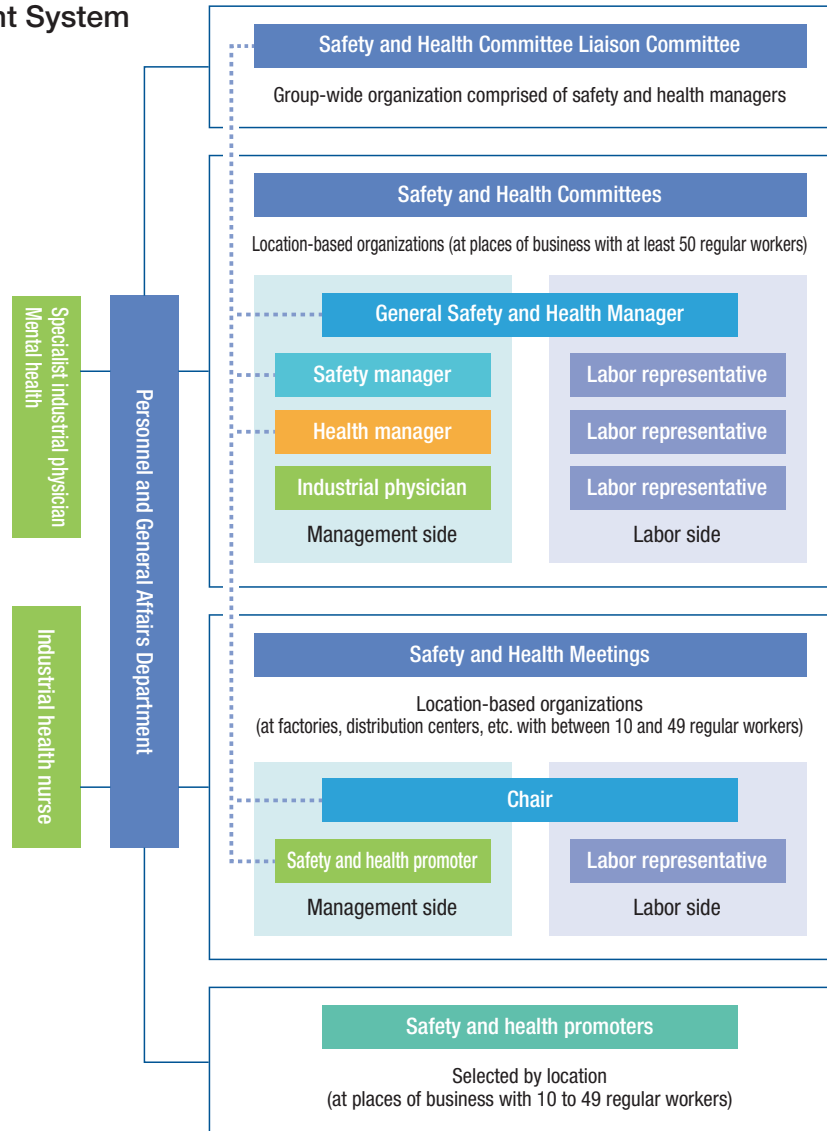
We recognize that providing our employees with a safe and sanitary work environment is our responsibility as a company and one of the most important issues in management.

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.

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.

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.



### 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 2024)

#### • 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

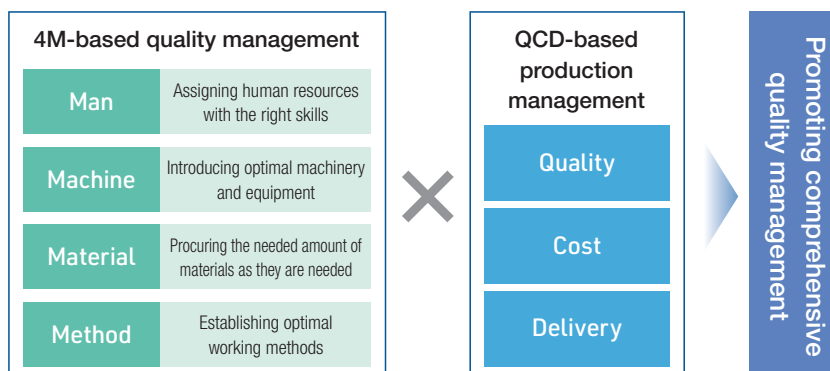
#### • D&P Company:

- 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.



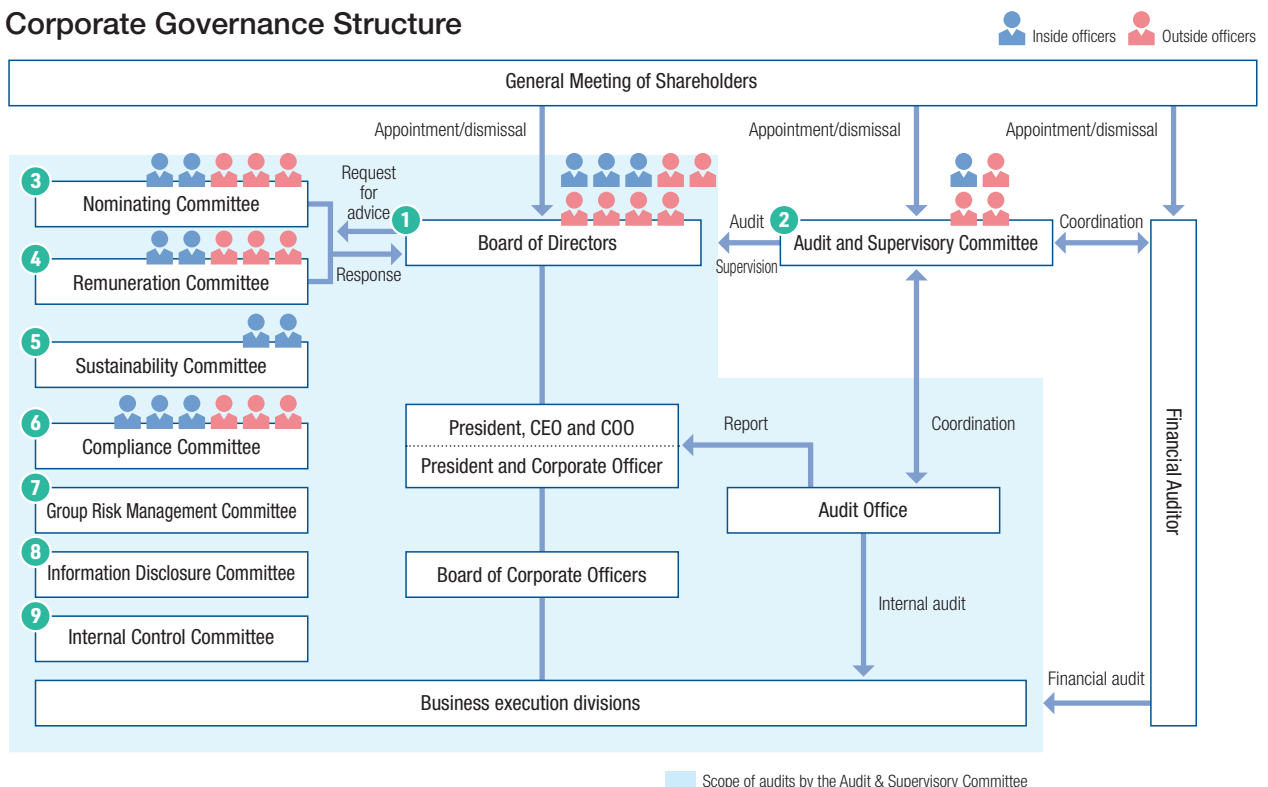
## Our Basic Policy on Corporate Governance

Amid this rapidly changing business environment surrounding corporations with the increasing globalization of the world economy, for corporate 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 basic concepts of our corporate governance principles include building good relationships of trust with all the stakeholders, ensuring timely and proper information disclosure and management transparency, 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 Audit & Supervisory Committee

The Company's Audit and Supervisory Committee currently consists of four members (one full-time member and three Outside Directors), 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, the Audit and Supervisory Committee attends 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 consists of corporate auditors (Audit and Supervisory Committee: includes outside officers) of the Company and its subsidiaries. It meets regularly to exchange information and opinions on audits of Group companies in accordance with the Audit Policy, 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	Audit & Supervisory Committee	Group Corporate Auditor Liaison Committee	Nominating Committee	Remuneration Committee	Sustainability Committee	Compliance Committee
President, CEO and COO	Shinsuke Tsuchiya	◎			○	○	◎	◎
Senior Managing Director	Hajimu Mouri	○		○	○	○	○	○
Outside Director	Toru Wada	○			○	◎		
Outside Director	Akihiko Imaya	○			◎			
Outside Director	Kazutoshi Hosoya	○				○		
Director, Audit and Supervisory Committee Member	Minoru Ujihara	○	◎	◎				○
Outside Director, Audit and Supervisory Committee Member	Noriko Kitajima	○	○	○	○			○
Outside Director, Audit and Supervisory Committee Member	Satoshi Nakayama	○	○	○		○		○
Outside Director, Audit and Supervisory Committee Member	Yoko Minami	○	○	○				○

## Director Skill Matrix

Position	Name	Specialization/Experience						
		Corporate management	Finance/Accounting	Overseas business	Legal affairs/Risk management	Personnel, Labor, and HR development	R&D	Sales
President, CEO and COO	Shinsuke Tsuchiya	●		●				●
Senior Managing Director	Hajimu Mouri	●	●		●	●		
Outside Director	Toru Wada				●	●		
Outside Director	Akihiko Imaiya	●		●			●	●
Outside Director	Kazutoshi Hosoya	●					●	●
Director	Minoru Ujihara		●	●				
Outside Director	Noriko Kitajima				●	●		
Outside Director	Satoshi Nakayama		●					
Outside Director	Yoko Minami					●		

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

## Outside Officers

The Company has six Outside Directors. The Outside Directors meet the criteria for independence set forth by the Tokyo Stock Exchange, and the Company designates all of its Outside Directors as independent directors.

Outside Director <b>Toru Wada</b>	Toru Wada has extensive experience and highly professional knowledge about corporate legal affairs, etc., as attorney-at-law, 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, 2024, he holds 1,000 shares of Company stock. However, the Company has judged that there are no concerns of conflict of interest with him. Also, he is Joint Partner of Phoenix Law Offices, but there is no special relationship between our company and Phoenix Law Offices.
Outside Director <b>Akihiko Imaiya</b>	Akihiko Imaiya 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 <b>Kazutoshi Hosoya</b>	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 Director <b>Noriko Kitajima</b>	Noriko Kitajima has extensive experience and 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 Director. She also serves as Joint Partner of Phoenix Law Offices, Outside Director (Audit & Supervisory Board Member) of Daiei Kankyo Co., Ltd., and Outside Director (Audit and Supervisory Committee member) of Taki Chemical Co., Ltd. However, there are no particular relationships between the Company and Phoenix Law Offices, Daiei Kankyo Co., Ltd., and Taki Chemical Co., Ltd.
Outside Director <b>Satoshi Nakayama</b>	Satoshi Nakayama has extensive experience and 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 Director. He also serves as Director of Satoshi Nakayama Certified Public Accountant Office, Senior Partner of Kyorisshi Audit Corporation, and Outside Director of Fujicco Co., Ltd. (Audit & Supervisory Committee member). However, there are no particular relationships between the Company and Satoshi Nakayama Certified Public Accountant Office, Kyorisshi Audit Corporation, and Fujicco Co., Ltd.
Outside Director <b>Yoko Minami</b>	Yoko Minami has extensive experience and professional knowledge regarding labor as a certified social insurance and labor consultant. We believe that she can provide meaningful checks on the Company's decision-making and have therefore appointed her as an Outside Director.



## Director and Corporate Auditor Attendance at Fiscal 2024 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% (3/3)	100% (5/5)	—
President, CEO and COO	Shinsuke Tsuchiya	100% (18/18)	100% (3/3)	—	—
Senior Managing Director	Hajimu Mouri	100% (18/18)	—	100% (5/5)	—
Outside Director	Yasutoshi Kimura	100% (18/18)	100% (3/3)	100% (5/5)	—
Outside Director	Toru Wada	100% (18/18)	100% (3/3)	100% (5/5)	—
Outside Director	Akihiko Imaiya	100% (18/18)	100% (3/3)	—	—
Outside Director	Kazutoshi Hosoya	100% (18/18)	—	—	—
Corporate Auditor	Minoru Ujihara	100% (18/18)	—	—	100% (14/14)
Outside Corporate Auditor	Noriko Kitajima	100% (18/18)	—	100% (5/5)	100% (14/14)
Outside Corporate Auditor	Satoshi Nakayama	100% (18/18)	—	—	100% (14/14)

## 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 2024, 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:

- Continuously held discussions aimed at making improvements to ensure diversity such as gender, nationality, etc., in the composition of the Board of Directors.

As a result, with the approval at the General Meeting of Shareholders held on March 28, 2025, we have changed the composition of our Board of Directors through the election of new officers. Through this, we aim to enhance discussions on various future management issues, and further strengthen corporate governance.

### Future Action

The Board of Directors will continue to implement initiatives to further improve its effectiveness, based on the results of this evaluation. 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, 2025, 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 (excluding Directors who are Audit & Supervisory Committee member) 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.

Remuneration for Directors who are Audit & Supervisory Committee members is determined through discussion among the Directors who are Audit & Supervisory Committee members, within the scope of the remuneration limits.

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

At the General Meeting of Shareholders held on March 28, 2025, a resolution was passed setting the maximum amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee members) at 500,000,000 yen per year (of which the portion for Outside Directors is 80,000,000 yen). At the time of conclusion of this General Meeting of Shareholders, the number of Directors (excluding Directors who are Audit & Supervisory Committee members) is five (including three Outside Directors). Also, separate from the maximum amount of remuneration above, a resolution was passed to set performance-linked remuneration for Executive Directors at a maximum of 35,000,000 yen per year and 10,000 shares per year. The number of Executive Directors at the time of conclusion of this General Meeting of Shareholders was two.

The maximum amount of remuneration for Directors who are Audit & Supervisory Committee members is 100,000,000 yen per year as resolved at this General Meeting of Shareholders. At the time of conclusion of this General Meeting of Shareholders, the number of Directors who are Audit & Supervisory Committee members is four. 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 who continue to hold office after the conclusion of this meeting at the time of their respective retirements, corresponding to the lengths of their periods of service until the system's abolishment.

### Details of General Shareholders Resolutions on Officer Remuneration

Officer Category	Total Remuneration (thousand yen)	Total Remuneration by Type (thousand yen)			Number of Eligible Officers	
		Fixed Remuneration	Performance-Linked Remuneration, etc.			Non-Financial Remuneration
			Financial Remuneration	Non-Financial Remuneration		
Directors (excluding Outside Directors)	161,532	110,280	48,576	2,676	—	3
Corporate Auditors (excluding Outside Corporate Auditors)	14,280	10,680	3,600	—	—	1
Outside officers	57,600	43,200	14,400	—	—	6

(Note) The above performance-linked remuneration shows the amount of officers' bonuses for fiscal 2024.

## 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.

## 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
- Ensuring transparent and sound management
- Appropriate risk management
- Timely and proper information disclosure

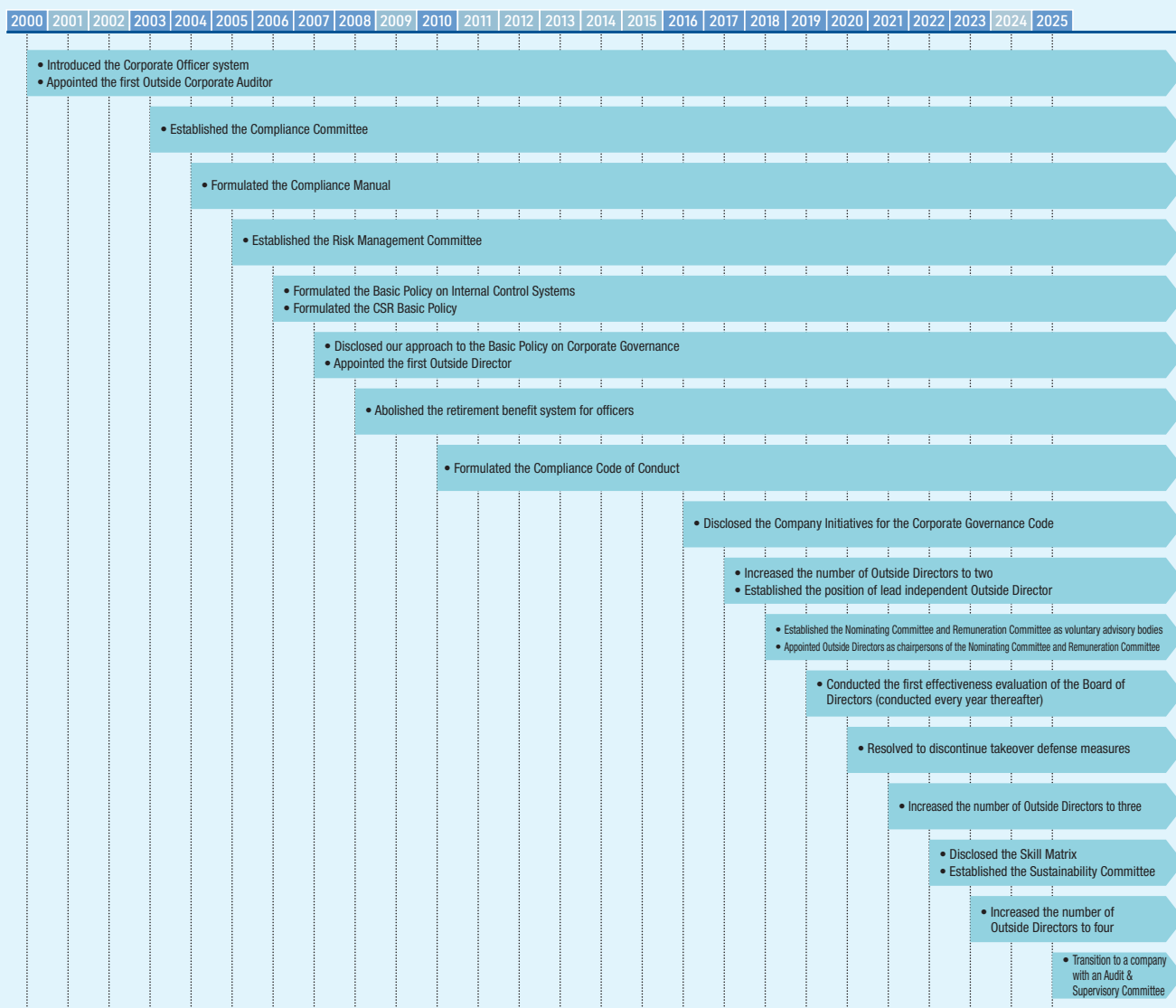
### Status of Internal Control System

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



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. 2019 Managing Corporate Officer  
Apr. 2021 Senior Managing Executive Officer  
(to present)  
Mar. 2023 Senior Managing Director (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)



(as of April 1, 2025)

## Director and Audit & Supervisory Committee Member



Director, Audit and  
Supervisory Committee Member

### 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  
Mar. 2025 Director of the Company  
(to present)



Outside Director, Audit and  
Supervisory Committee Member

### 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  
Mar. 2025 Outside Director of the Company  
(to present)



Outside Director, Audit and  
Supervisory Committee Member

### Satoshi Nakayama

Oct. 1987 Joined Tohmatsu 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 Kyorisshi Audit  
Corporation, Senior Partner (to  
present)  
Mar. 2023 Outside Corporate Auditor of the  
Company  
Mar. 2025 Outside Director of the Company  
(to present)



Outside Director, Audit and  
Supervisory Committee Member

### Yoko Minami

Apr. 1986 Joined Fujitec Co., Ltd.  
July 1989 Joined Tohmatsu Awoki & Sanwa  
(currently Deloitte Tohmatsu Tax  
Co.)  
July 2016 Joined Semikawa Tax Adviser Co.,  
Ltd. Established Yoko Minami  
Social Insurance and Labor  
Consultant Office, Director  
Mar. 2025 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 nine 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	Takayuki Mio	General Manager of Parts Business Operation, D&P Company
Corporate Officer	Akio Tanaka	Division Manager - Global Business Division
Corporate Officer	Takahiro Yamamoto	General Manager of Electronics Business Department and General Manager of East Japan Business Dept., M&S Company
Corporate Officer	Masaharu Kato	General Manager of Green Facility Dept. and General Manager of Sales Dept., M&S Company
Corporate Officer	Yoshikazu Inoue	Deputy General Manager of Business Administration Division and General Manager of Personnel and General Affairs Dept.

## Financial Summary

	2014	2015	2016	
<b>Consolidated management performance*1</b>				
Net sales	38,702	43,214	44,932	
Cost of sales	30,405	33,744	34,879	
Gross profit	8,297	9,469	10,052	
Gross profit ratio (%)	21.4	21.9	22.4	
Selling, general and administrative expenses	7,522	7,927	8,141	
SG&A to net sales ratio (%)	19.4	18.3	18.1	
Operating income	774	1,542	1,910	
Ordinary income	861	1,537	1,863	
Net income attributable to owners of parent	641	1,131	1,217	
Depreciation expense	272	233	231	
Capital investment	143	180	1,163	
Research and development expense	141	139	167	
<b>Consolidated financial position</b>				
Total assets	27,312	28,681	32,068	
Net assets	12,161	13,179	13,914	
Total interest-bearing debt	1,202	1,122	1,609	
<b>Per-share information (consolidated)</b>				
Earnings per share (yen)	57.74	101.91	109.62	
Net assets per share (yen)	1,094.87	1,186.64	1,252.94	
<b>Consolidated cash flows</b>				
Cash flows from operating activities	722	447	1,472	
Cash flows from investing activities	-123	15	-1,171	
Cash flows from financing activities	-182	-278	201	
Period-end cash and cash equivalents	6,092	6,251	6,727	
<b>Dividends</b>				
Payout ratio (consolidated, %)	26.0	24.5	27.4	
Annual dividends (yen)	15	25	30	
<b>Main management indices</b>				
Return on equity (ROE)*2 (%)	5.4	8.9	9.0	
Return on assets (ROA)*2 (%)	2.5	4.0	4.0	
Debt-to-equity (D/E) ratio (times)	0.10	0.09	0.12	
Shareholders' equity/Total assets (%)	44.5	45.9	43.4	
<b>Other</b>				
Period-end share price (yen)	627	793	936	
Number of consolidated employees	638	644	666	
Number of consolidated subsidiaries	11	11	11	
<b>KPIs for business structure reform</b>				
Composition ratio by business				
Electronic Equipment and Components Business (%)	79.4	73.6	75.6	
Manufacturing Equipment Business (%)	20.6	26.4	24.4	
New business	—	—	—	
Original product ratio*3 (%)	22.4	24.8	24.0	
Overseas sales ratio (%)	16.5	15.8	16.3	

\*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)

	2017	2018	2019	2020	2021	2022	2023	2024
	51,684	59,662	61,621	57,418	72,341	87,639	92,156	93,542
	40,193	46,843	49,138	45,941	58,060	70,052	74,004	74,674
	11,490	12,818	12,482	11,476	14,281	17,587	18,151	18,868
	22.2	21.5	20.3	20.0	19.7	20.1	19.7	20.2%
	8,968	9,272	9,276	9,072	10,084	11,535	12,208	12,668
	17.4	15.5	15.1	15.8	13.9	13.2	13.2	13.5
	2,522	3,546	3,205	2,403	4,196	6,051	5,943	6,200
	2,583	3,592	3,220	2,436	4,325	6,210	6,015	6,335
	1,867	2,274	2,171	1,610	2,953	4,237	4,014	4,382
	278	272	348	337	322	327	391	454
	339	907	227	140	428	412	743	303
	150	166	150	146	93	150	123	177
	35,383	43,114	45,757	46,247	58,454	63,202	67,788	73,153
	15,492	16,977	18,765	19,798	22,455	26,012	29,451	33,003
	902	697	544	374	467	583	761	619
	169.15	205.25	195.86	145.24	266.18	381.78	361.65	394.60
	1,397.97	1,530.94	1,691.87	1,784.66	2,023.23	2,342.79	2,650.52	2,969.68
	-53	5,502	2,377	3,065	2,796	-275	315	10,013
	-292	-876	-313	-156	-371	-237	-627	-353
	-1,286	-758	-816	-762	-672	-1,004	-1,501	-1,603
	5,094	8,923	10,150	12,260	14,183	12,882	11,224	19,541
	26.6	26.8	30.6	34.4	30.1	30.1	33.2	39.3
	45	55	60	50	80	115	120	155
	12.7	14.0	12.2	8.4	14.0	17.5	14.5	14.0
	5.5	5.8	4.9	3.5	5.6	7.0	6.1	6.2
	0.06	0.04	0.03	0.02	0.02	0.02	0.03	0.02
	43.8	39.4	41.0	42.8	38.4	41.1	43.4	45.1
	2,335	1,227	1,906	1,576	2,146	2,282	2,801	2,745
	763	795	823	855	893	942	1,003	1,061
	9	9	9	8	9	10	11	12
	74.3	69.0	63.5	69.7	68.1	68.4	70.8	68.5
	21.8	25.4	33.8	26.7	24.5	27.8	23.7	26.5
	3.9	5.6	2.7	3.6	7.4	3.8	5.5	5.0
	24.2	26.0	21.9	18.3	15.8	16.0	16.1	16.8
	19.5	21.2	27.1	20.5	23.3	25.5	21.0	26.3

## Company Information (as of December 31, 2024)

Trade Name	Daitron Co., Ltd.	
Established	June 24, 1952	
Representative	Shinsuke Tsuchiya, President	
Capital	2,200,708,560 Yen	
Number of Employees	1,061 (consolidated)	
Places of Business	Head Office	Osaka
	Headquarters	Tokyo
	Sales Offices	Sendai, Utsunomiya, Ibaraki, Tokyo, Kunitachi, Yokohama, Matsumoto, Shizuoka, Nagoya, Hashima, Kanazawa, Kyoto, Osaka, Kobe, Hiroshima, Fukuoka, Kumamoto
	Representative Offices	Manila (Philippines) /Hanoi (Vietnam)
	Logistics Centers	Kunitachi, Hashima, Osaka
	Factories	Tama, Ichinomiya, Kanazawa, 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: 12 (Overseas: 11, included)	



▲Head Office

## Stock Information (as of December 31, 2024)

### Stock Information

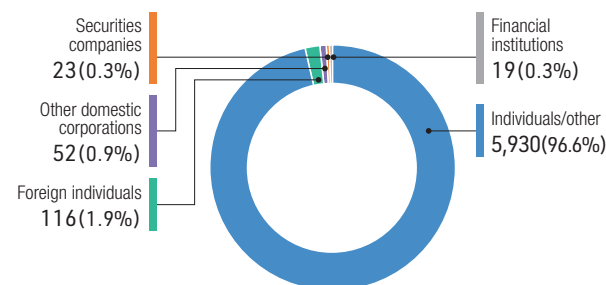
Total number of authorized shares	40,000,000
Total number of issued shares	11,155,979
Number of shareholders	6,140

### Major shareholders

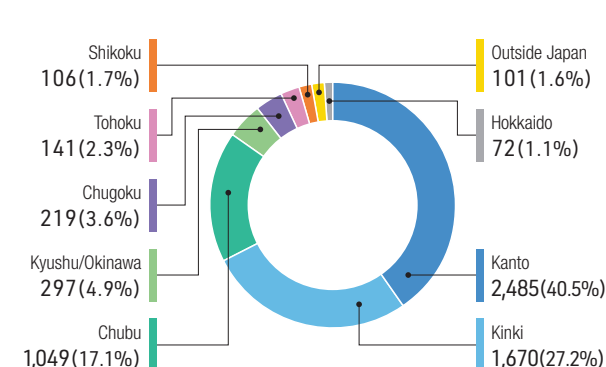
Shareholder name	Number of shares held (thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	1,226	11.0
Public Interest Incorporated Foundation Daitron Welfare Foundation	1,000	9.0
Custody Bank of Japan, Ltd. (Trust account)	487	4.3
Yasuyuki Ohmori	400	3.6
Mizuho Bank, Ltd.	399	3.5
Daitron Employee Shareholding Association	398	3.5
MUFG Bank, Ltd.	363	3.2
Hikari Tsushin, Inc.	337	3.0
Goldman Sachs Japan Co., Ltd.	223	2.0
Daitron Partner Shareholding Association	192	1.7

\*Shareholding ratios are calculated excluding treasury shares (49,847)

### Shareholder distribution by type



### Shareholder distribution by region





## Group Company Information (as of December 31, 2024)

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
DAITRON VIETNAM CO., LTD.	Vietnam	USD 300,000	Daitron Co., Ltd. 100%	Sales and import/export of electronic equipment/components and manufacturing equipment for Vietnam 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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