

FY 2025 2Q Financial Material

Daitron Co., Ltd.

Securities Code: 7609



Outline of Consolidated Settlement of Accounts (performance results and earnings forecasts)

Quarterly Performance Change



■ 2Q cumulative performance

Net Sales **¥48,852 mil.**
(109.1% y/y)

Operating income **¥ 3,723 mil.**
(140.0% y/y)

Ordinary income **¥ 3,651 mil.**
(129.2% y/y)

Net income* **¥ 2,555 mil.**
(135.6% y/y)

Graph of quarterly performance change

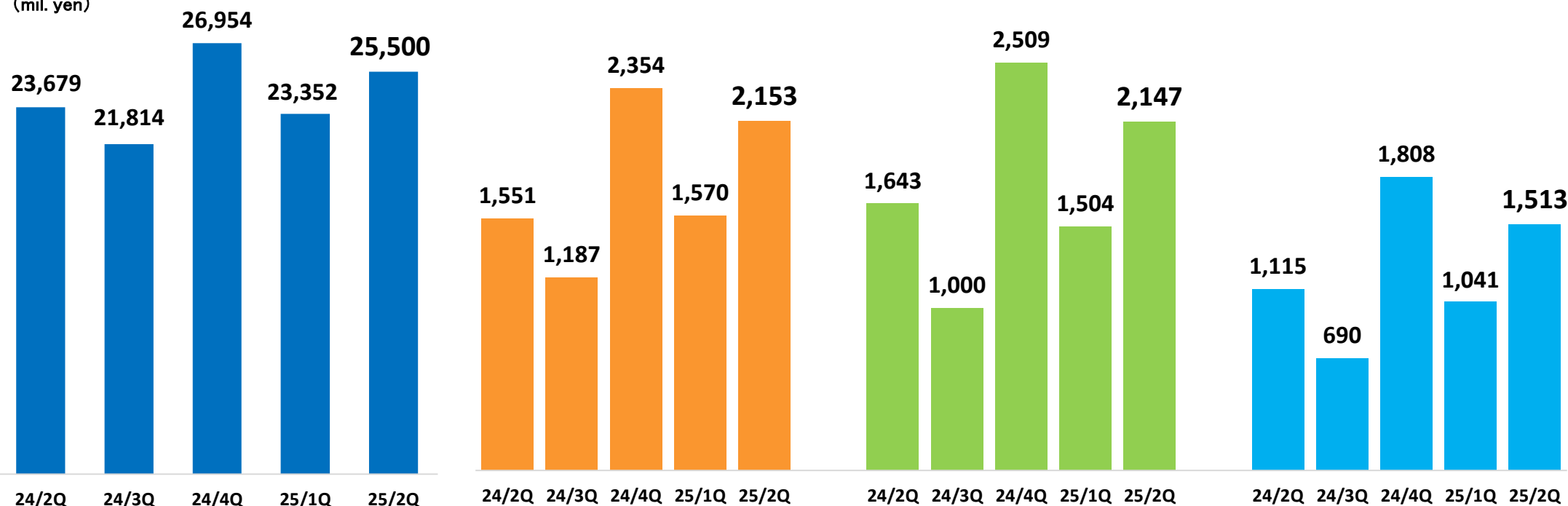
Net Sales

Operating income

Ordinary income

Net income *

(mil. yen)

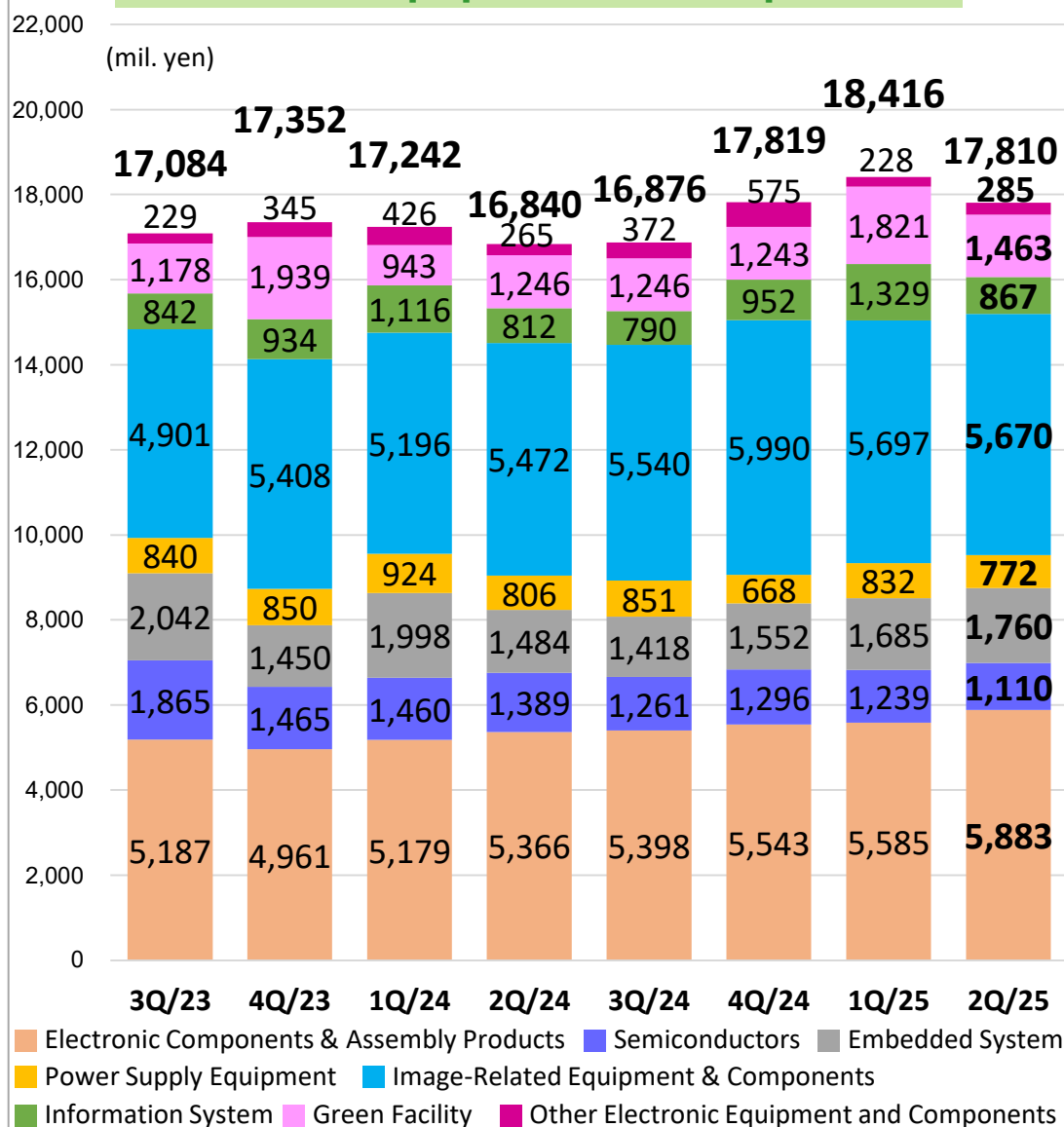


* Net income attributable to owners of parent

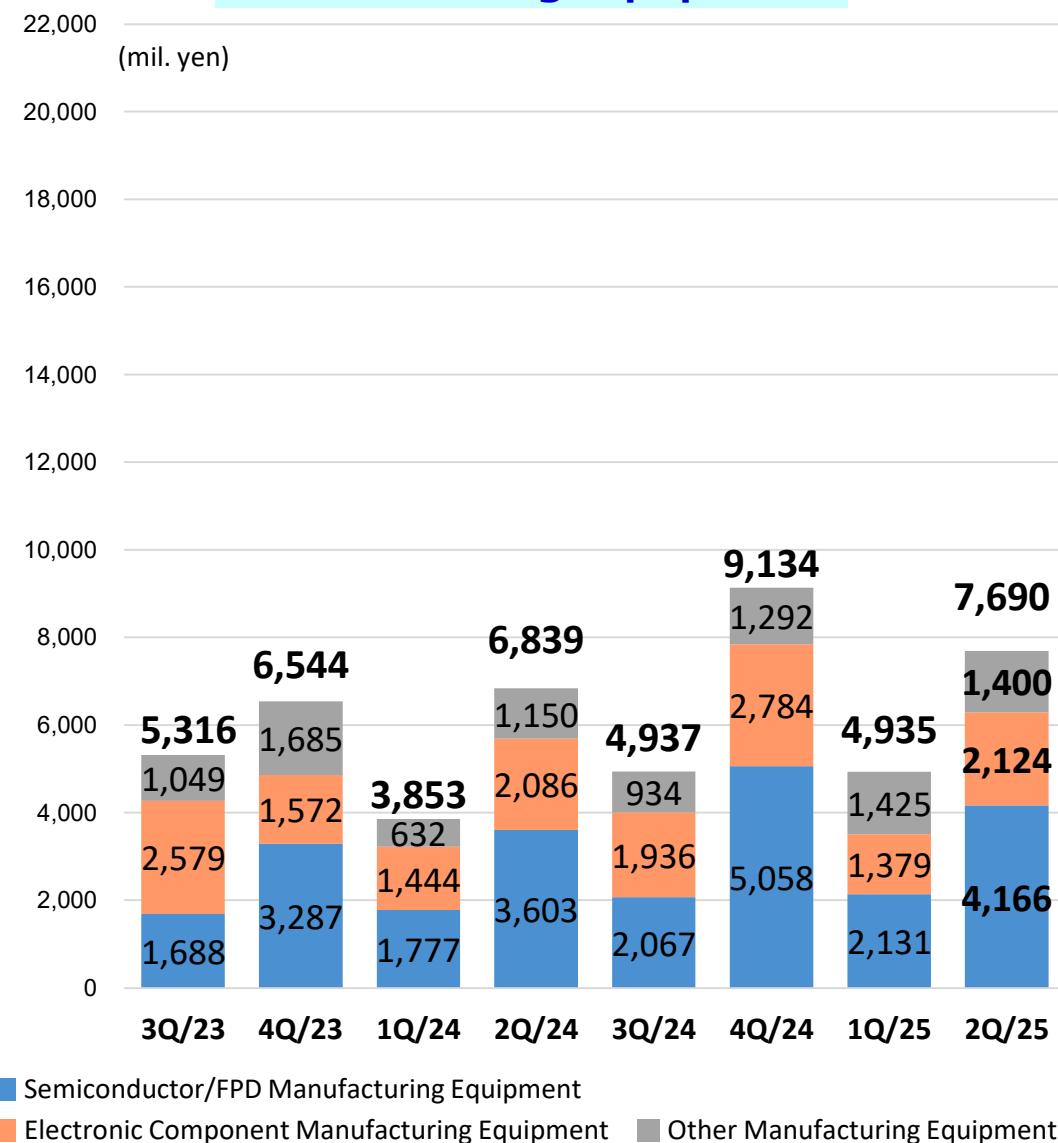
Product Segment Quarterly Performance Change



Electronic Equipment & Components



Manufacturing Equipment



Consolidated Financial Position Comparison (y/y)

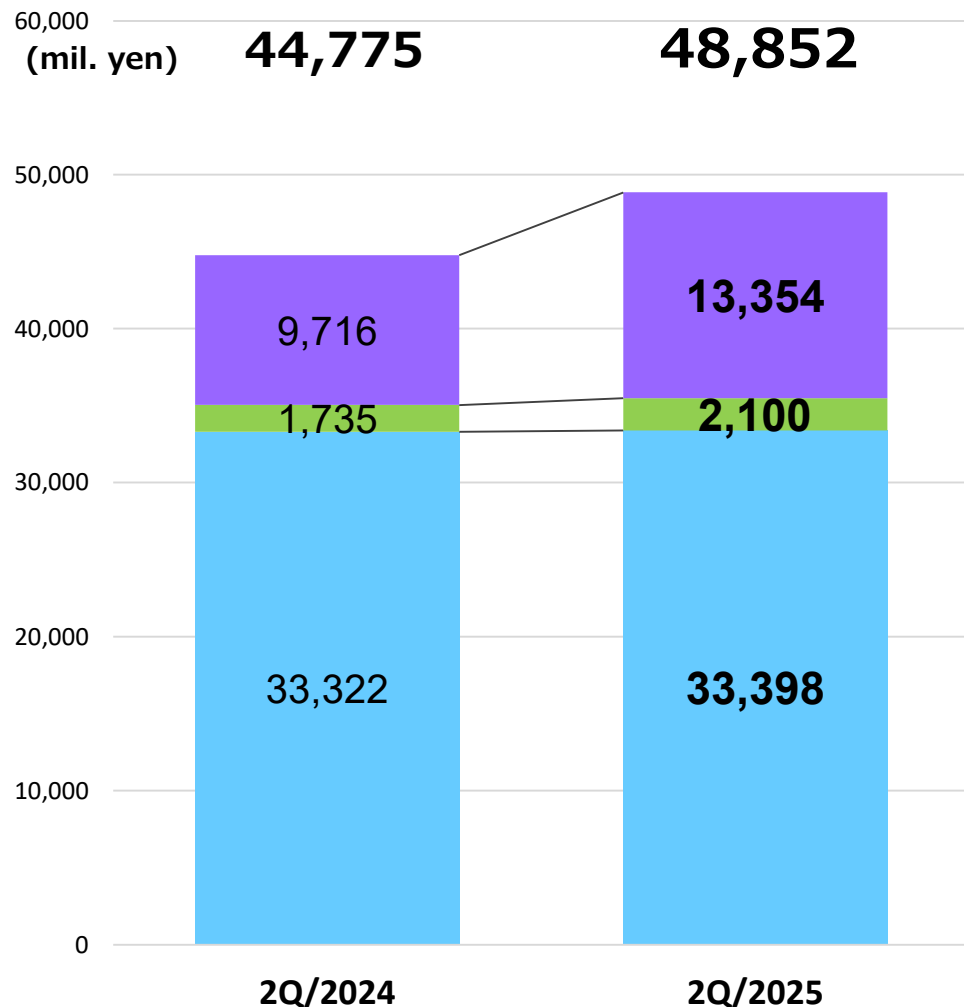


(mil. yen)	FY 2024	2Q/2025	Difference
Total assets	73,153	71,441	△1,712
Total liabilities	40,149	38,799	△1,350
Shareholders' equity	32,981	32,628	△353
Net assets	33,003	32,641	△362
Equity ratio	45.1%	45.7%	0.6Pt
Net asset per share (yen)	2,969.68	3,097.81	128.13

Performance Change by Report Segment



Net Sales from External Customers

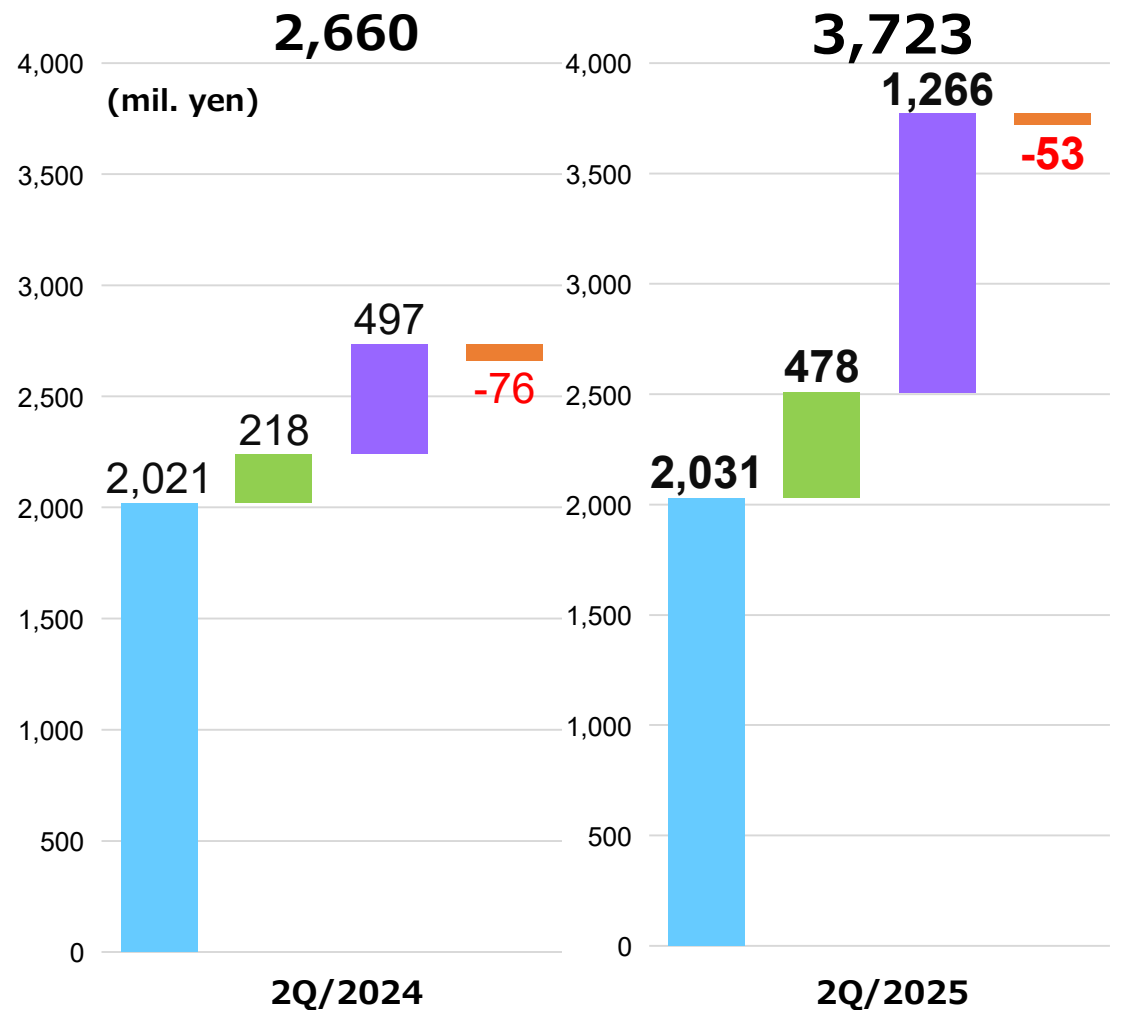


■ Domestic Sales Business ■ Domestic Manufacturing Business ■ Global Business

(Reference) Domestic Manufacturing Business
Total net sales including inter-segment sales

2Q/2025 5,903 mil. yen
(2Q/2024 5,252 mil. yen)

Operating Income



■ Domestic Sales Business ■ Domestic Manufacturing Business
■ Global Business ■ Adjustment*

* Adjustment includes inter-segment eliminations and corporate expenses that are not allocated to individual reportable segment

Business Structure of the Company 2Q/2025 performance



Business	By product segment	Sales composition ratio	Gross profit margin	Original product ratio	Overseas sales ratio
Electronic Equipment & Components	Electronic Components & Assembly Products	23.4% (23.6% 2Q/2024)	25.1% (24.2% 2Q/2024)	16.5% (16.4% 2Q/2024)	North America 7.4% (6.2% 2Q/2024)
	Semiconductors	4.8% (6.4% 2Q/2024)	20.6% (18.7% 2Q/2024)		
	Embedded System	7.1% (7.8% 2Q/2024)	16.3% (18.0% 2Q/2024)		
	Power Supply Equipment	3.3% (3.9% 2Q/2024)	18.7% (16.7% 2Q/2024)		Europe 2.7% (0.7% 2Q/2024)
	Image-Related Equipment & Components	23.2% (23.8% 2Q/2024)	13.6% (13.5% 2Q/2024)		
	Information System	4.5% (4.3% 2Q/2024)	20.6% (22.5% 2Q/2024)		
	Other Electronic Equipment and Components	1.1% (1.4% 2Q/2024)	10.8% (△9.5% 2Q/2024)		
Manufacturing Equipment	Semiconductor/FPD Manufacturing Equipment	12.9% (12.0% 2Q/2024)	21.4% (17.8% 2Q/2024)		Asia 17.3% (15.0% 2Q/2024)
	Electronic Component Manufacturing Equipment	7.2% (7.9% 2Q/2024)	28.8% (26.5% 2Q/2024)		
	Other Manufacturing Equipment	5.8% (4.0% 2Q/2024)	23.7% (23.7 % 2Q/2024)		
New Business	Green Facility	6.7% (4.9% 2Q/2024)	24.8% (26.7% 2Q/2024)		27.4% (21.8% 2Q/2024)
Total		100.0%	20.7% (19.4% 2Q/2024)		

■ shows the product segments including Daitron's original products.

Year-on-year net sales by area

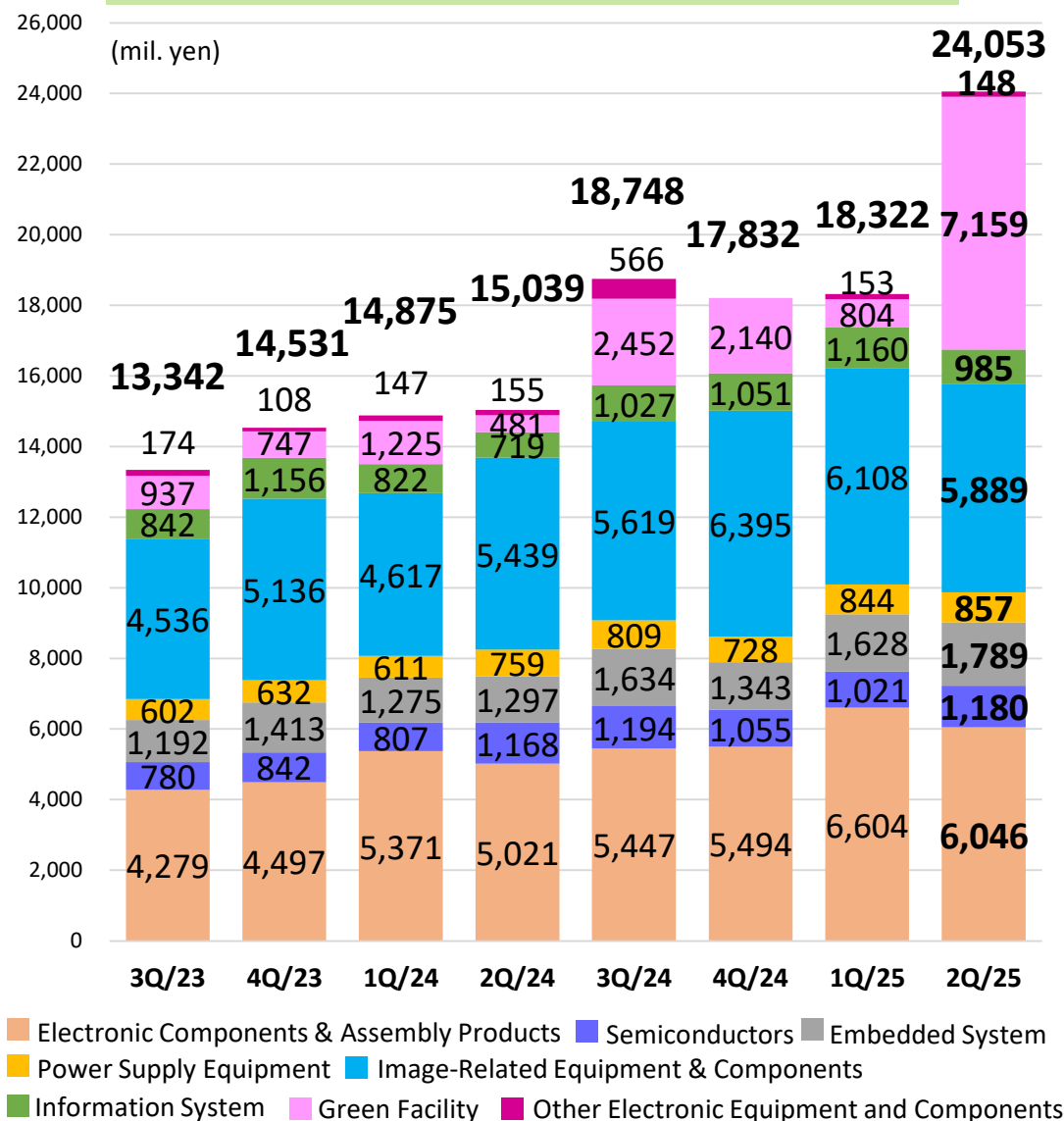


(mil. yen)	2Q/2024	2Q/2025	Difference
Domestic	34,995	35,466	471
Overseas The figures in parentheses are sales ratio	9,779 (21.8%)	13,386 (27.4%)	3,607 (5.6pt)
North America	2,766	3,628	862
Europe	293	1,310	1,017
Asia The figures in parentheses are sales in China	6,719 《4,778》	8,447 《4,214》	1,728 《△574》
Total	44,775	48,852	4,077

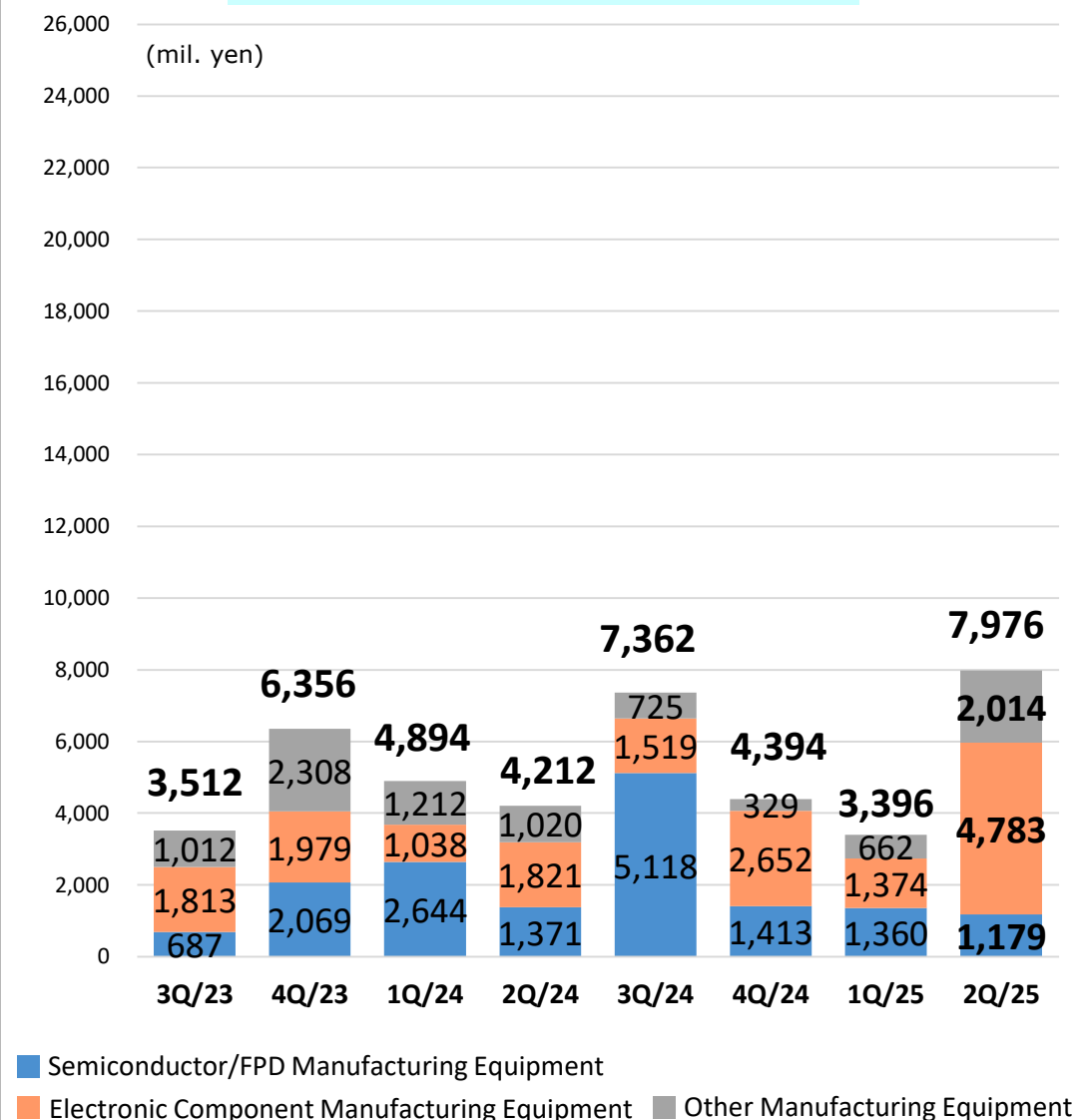
Quarterly Order Change (by product segment)



Electronic Equipment & Components



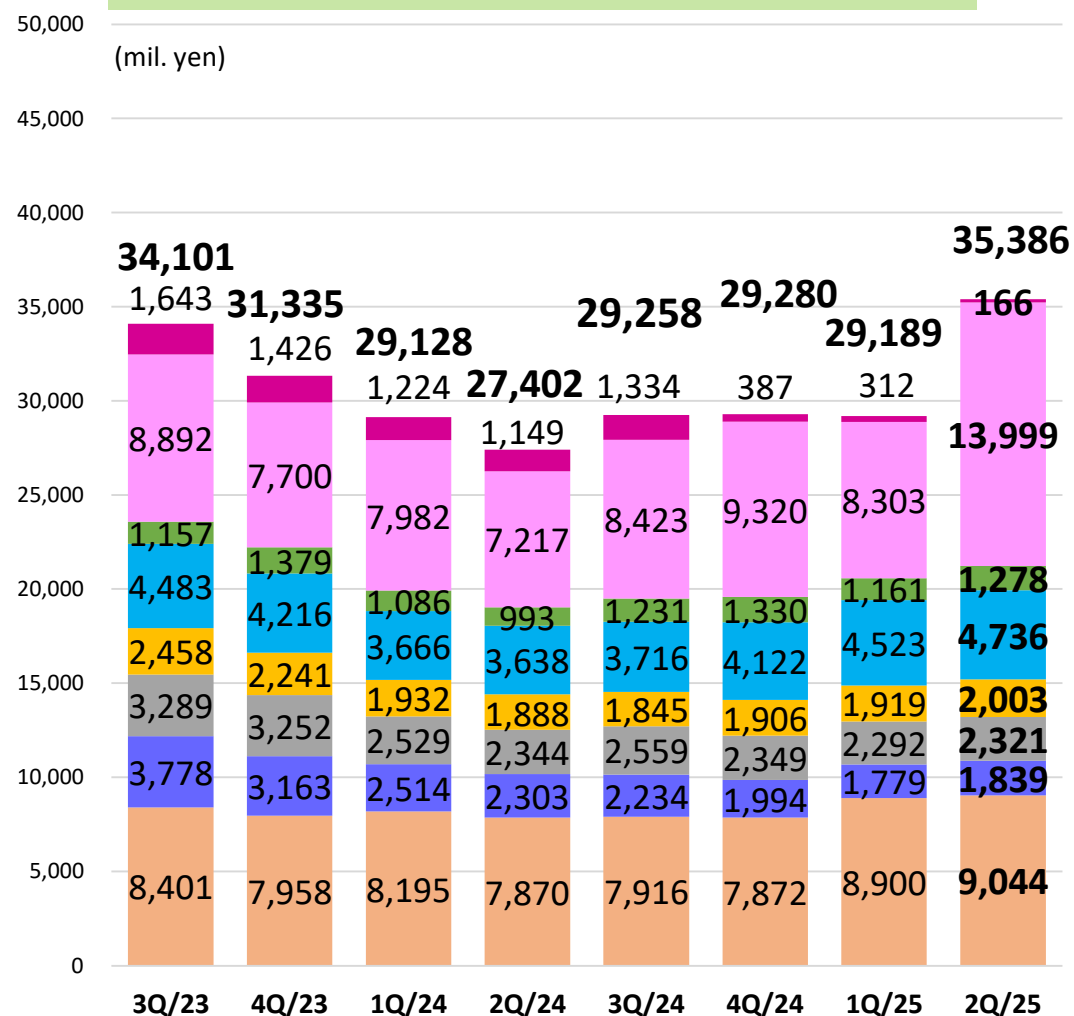
Manufacturing Equipment



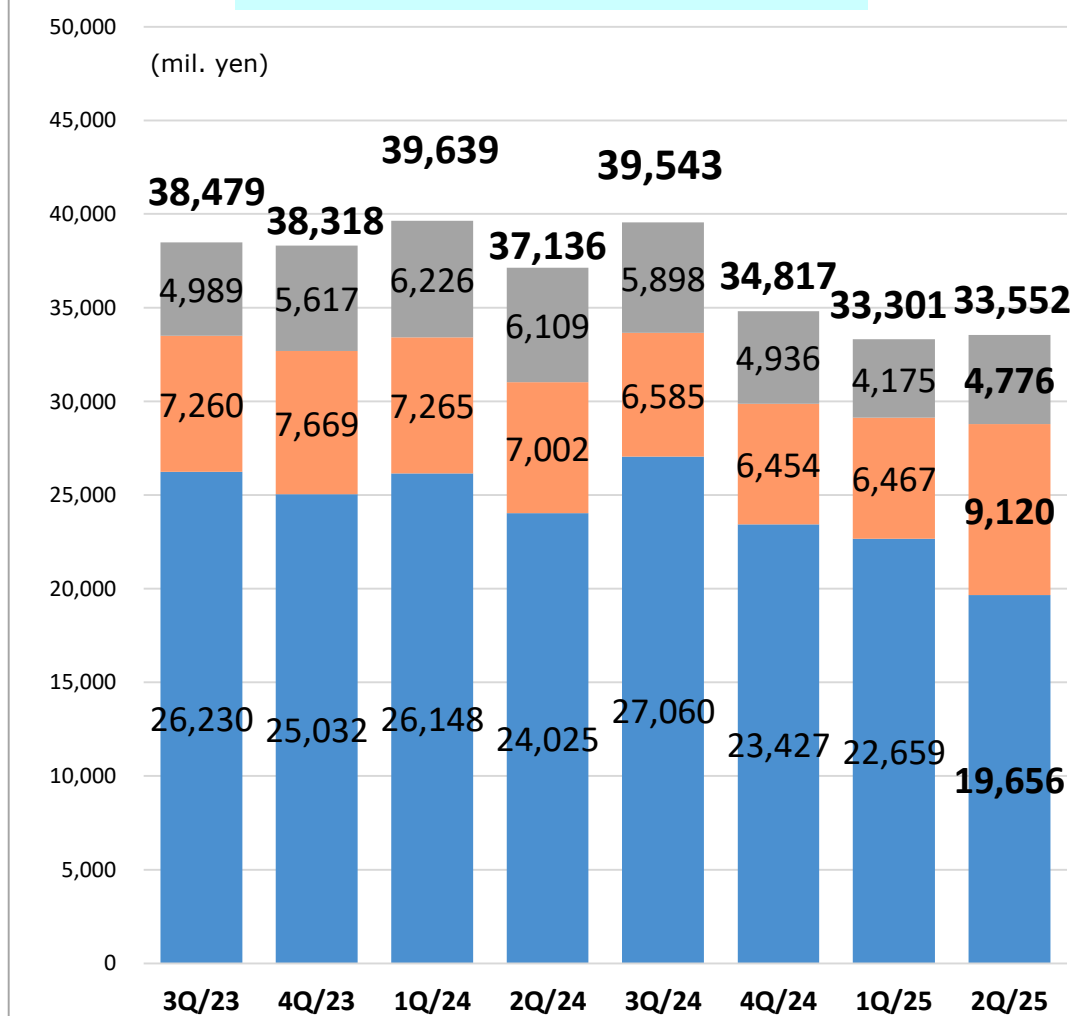
Quarterly Order Backlog Change (by product segment)



Electronic Equipment & Components



Manufacturing Equipment



Order Backlog for sales from next year onwards

•Electronic Equipment and Components	12,227 mil.yen
•Manufacturing Equipment	19,738 mil.yen
•total	31,965 mil.yen



Consolidated Performance Forecast (full-year)



■ **Net Sales** **¥95,000 mil.**
(101.6% y/y)

■ **Operating income** **¥6,350 mil.**
(102.4% y/y)

■ **Ordinary income** **¥6,350 mil.**
(100.2% y/y)

■ **Net income*** **¥4,400 mil.**
(100.4% y/y)

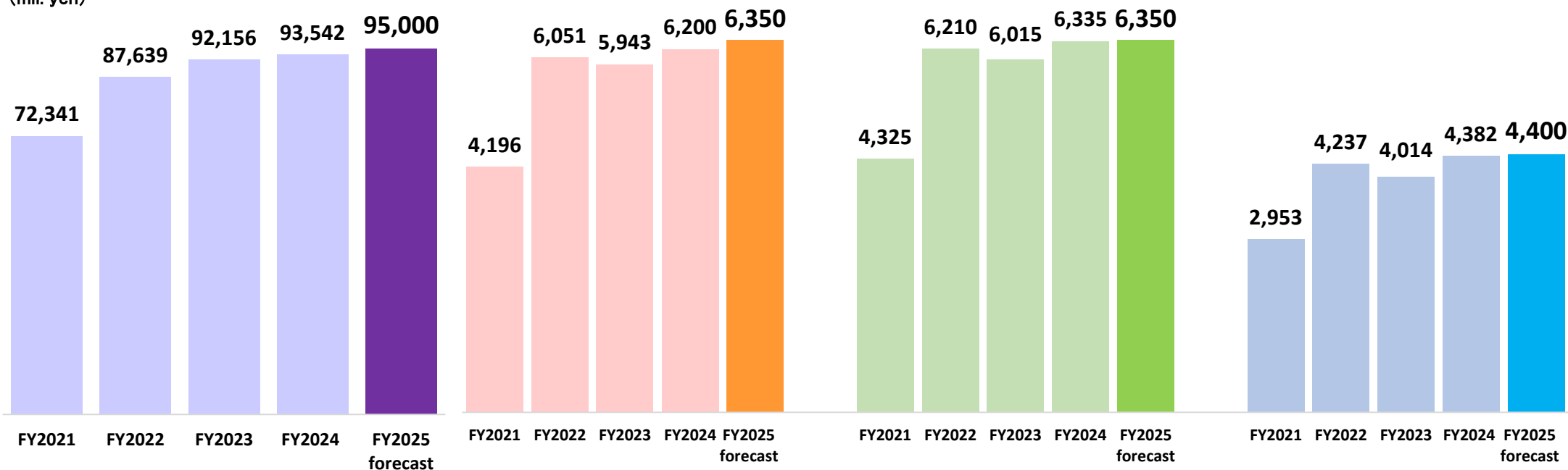
Net Sales

Operating income

Ordinary income

Net income *

(mil. yen)

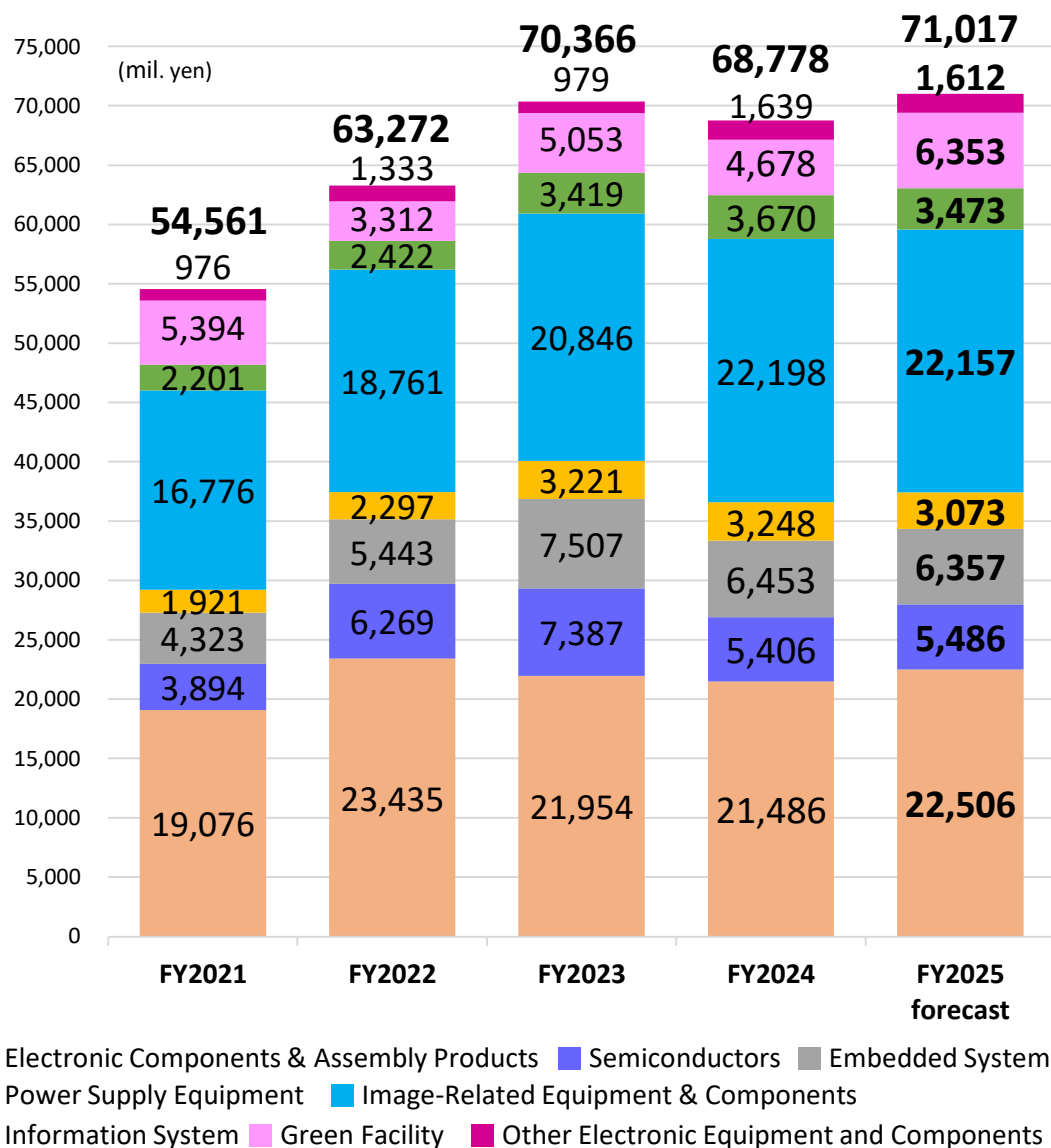


* Net income attributable to owners of parent

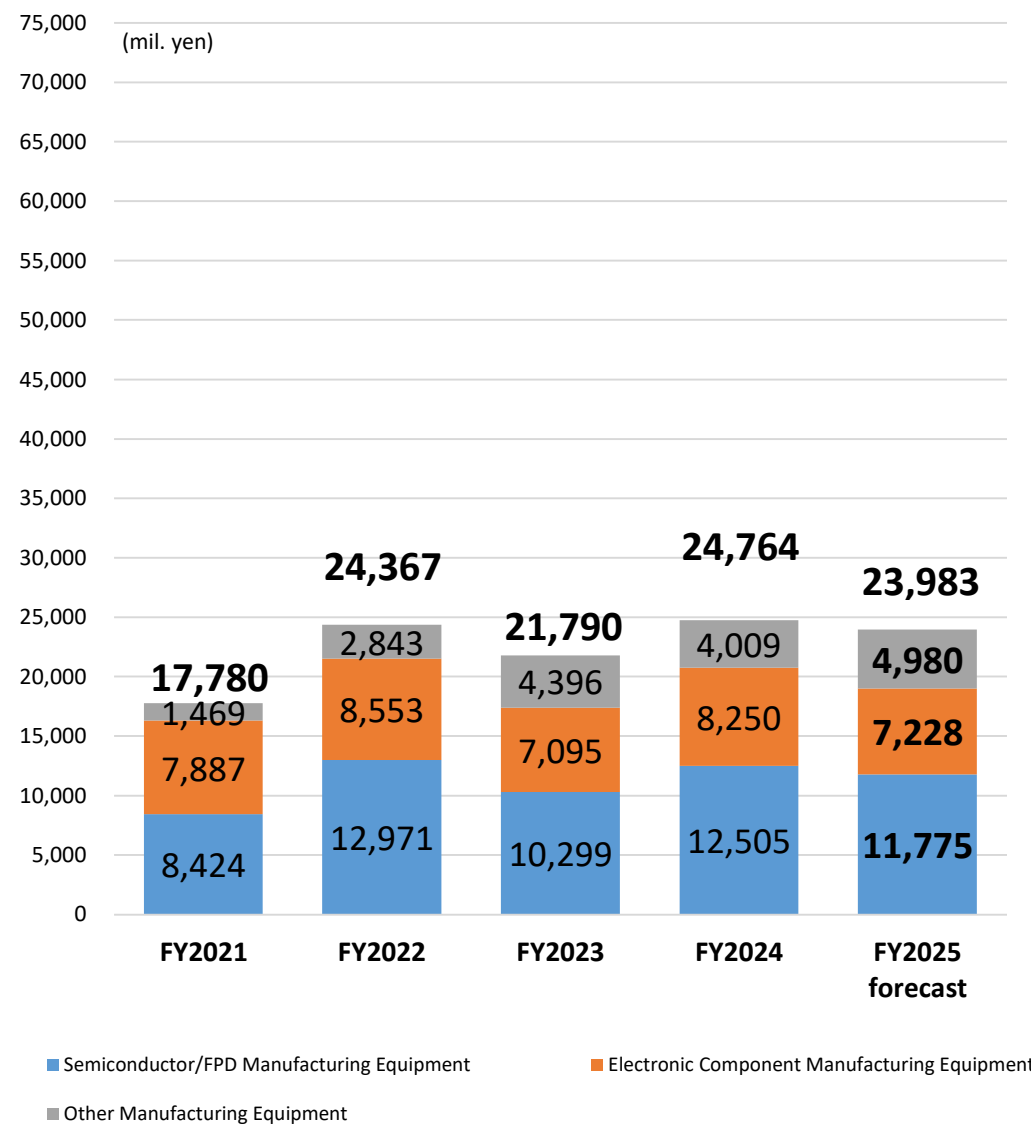
Performance Change and Forecast by Product Segment



Electronic Equipment & Components



Manufacturing Equipment



Dividend



(yen)	2Q end (interim)	Period-end	Annual dividend (interim + period-end)	Initial forecast	Payout ratio
FY 2021	35	*45	*80	55	30.1%
FY 2022	45	70	115	80	30.1%
FY 2023	50	70	120	115	33.2%
FY 2024	55	100	155	120	39.3%
FY 2025 forecast	70	90	160		38.5%

***Notes** Period-end dividend detail : ordinary dividends 35.00 yen, commemorative dividends 10.00 yen
Annual dividend detail : ordinary dividends 70.00 yen, commemorative dividends 10.00 yen

11th Medium-Term Business Plan

【 FY2024~FY2026 】





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**

We will create new value making use of the group network as an engineering trading company leading the electronics industry

NETWORK
ENGINEERING
X (SYNERGY)
TRADING

External message

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

Internal message

Always create a next business and seek a stage for further growth

Foundations of 11M Development

3) Overall Picture of Medium- to Long-Term Measures



Started 11M, a new Medium-Term Business Plan, in 2024 as the 2nd step toward a Long-Term Vision 2030 VISION

Continuously pursue **business structure related indices and management indices** that are essential for our medium- to long-term growth to **maximize corporate value**

1st STEP
toward 2030 VISION

10M
(3 years)
2021~2023

Previous Medium-Term Business Plan

2nd STEP
toward 2030 VISION

11M
(3 years)
2024~2026

New Medium-Term Business Plan

3rd STEP
toward 2030 VISION

12M
(4 years)
2027~2030

Long-Term Vision
2030 VISION

Qualitative Target (2030)

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

Quantitative Target
(Ideals toward 2030)

A corporate group that is needed **globally** for its **technological** and **proposing capabilities**



A corporate group that **co-creates diverse values** with **all its stakeholders** through business activities

Two ideals toward a Long-Term Vision 2030 VISION –
sustained growth of us and contribution to the realization of a sustainable society
(Pursuit of sustainability of us) (Contribution to sustainability of the society)



* The above five value creation activities correspond to our five materiality initiatives.

Foundations of 11M Development

5) Slogan and Main Reinforcement Points



◆ Medium- to long-term slogan ◆

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

Major policies in 11M in line with Long-Term Vision

- A company that grows in the global market as a technology-based company with net sales of over 100 billion yen
- A company that offers affluent lifestyles to society at large through electronics and electrical technologies
- A company that its employees feel happy to work for and proud of
- A company that has the strength of solidarity with an organizational culture of working autonomously and actively

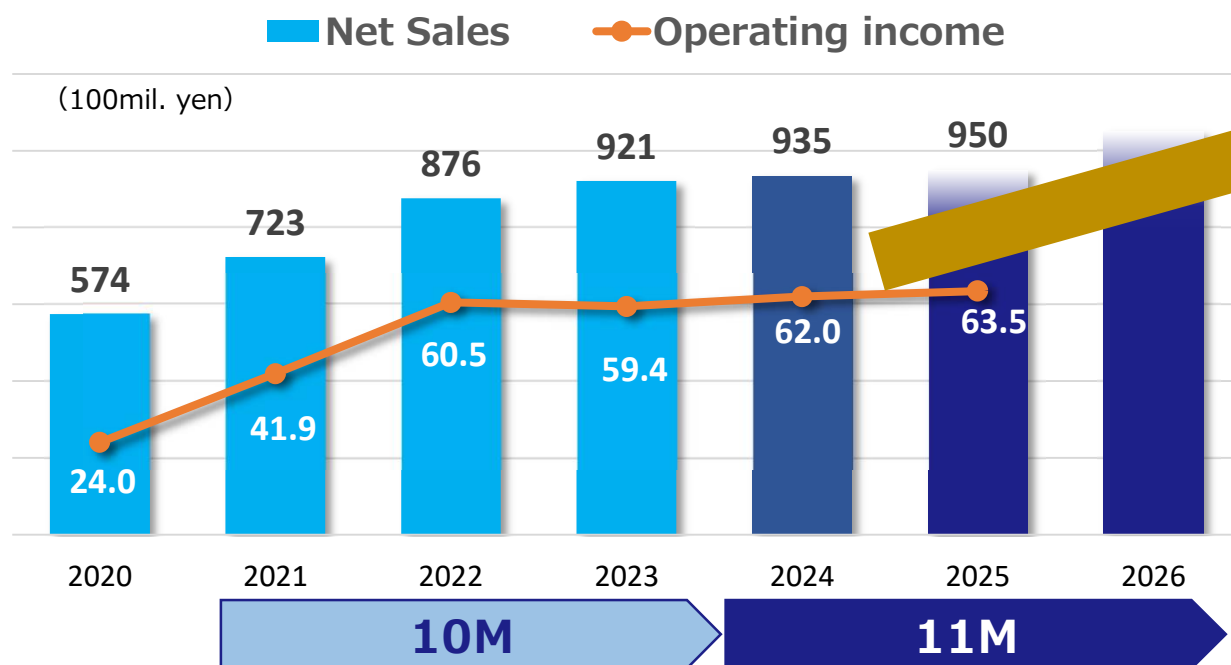
Main reinforcement points (focus challenges)

- Continuous reinforcement of **domestic business** as a basis for stable growth
- Further reinforcement of **overseas business** as the core of our medium- to long-term growth strategy, particularly the electronic equipment and components business in overseas markets
- Development, cost reduction, and sales enhancement of **original products** as sources of the profitable structure
- Strengthening of creation and cultivation of **new businesses** to nurture new earnings pillars



◆ Basic ideas (continued from 10M) ◆

- Aim at **sustained expansion of net sales & operating income** through management focusing on growth potential
- Seek **gross profit margin of 20%** by continuous business structure reform
- Expect an annual **SGA increase by around 3-5%** to promote investments forming the foundation of sustained growth (in human resources, technology development, etc.)



**Toward
sustained
expansion
in net sales &
operating income
having a target of a
100-billion yen
company within range**

Outline of 11M 2) Target Management Indices



Set and pursue targets in four management indices for business profitability, financial health, and capital efficiency

**Business
Profitability**



Gross profit margin

【Target】

20%
or above



【Results of 2Q/'25】

20.7%

Financial Health



Equity ratio

【Target】

50%*



【Results of 2Q/'25】

45.7%

**Capital
Efficiency**



ROE

【Target】

12% or above

ROA

【Target】

6% or above

* By reducing total assets, we aim to increase equity ratio by without reducing capital efficiency



Promote further step-up with the basic policies in 10M continued in broad outlines

Basic Strategic Policy (i)

Promote business structure reform!

Basic Strategic Policy (ii)

Maximize strengths taking advantage of our uniqueness!

Basic Strategic Policy (iii)

Define focus areas and markets to accelerate growth!

Basic Strategic Policy (iv)

Increase power toward sustained growth!

Outline of 11M 4) Basic Strategic Policy (i)



Three KPIs for business structure reform

Stability + Challenge axis

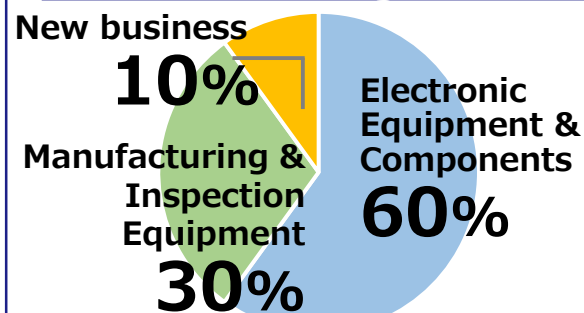
Profit axis

Growth axis

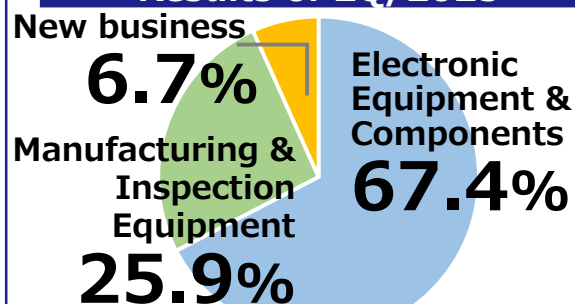
Composition ratio by business

(sales base)

2026 Target



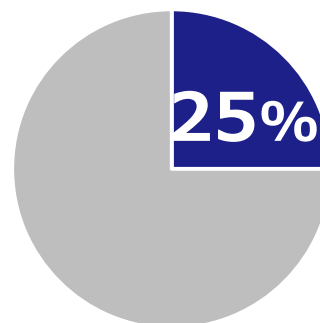
Results of 2Q/2025



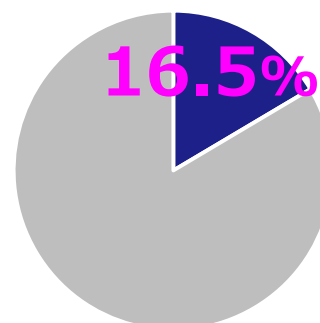
Original product ratio

(sales base)

2026 Target



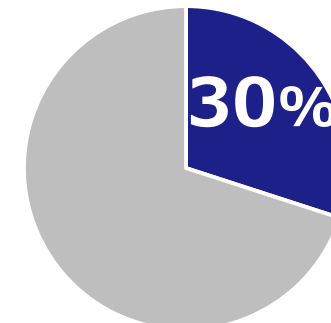
Results of 2Q/2025



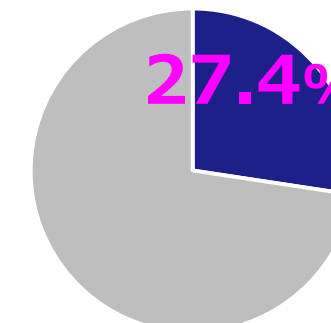
Overseas business ratio

(sales base)

2026 Target



Results of 2Q/2025



● Composition ratio by business



A new target of "Sales composition ratio of 10%" set as a KPI to measure the results of new business creation:

For accelerated efforts in new businesses creation in response to the achievement of the 5% target set in the previous Medium-Term Business Plan (10M)

● Original product ratio



The target is set at 25% continuing from the previous Medium-Term Business Plan (10M): "Original products" are limited to the our own products and products developed in collaboration with partner companies

● Overseas business ratio

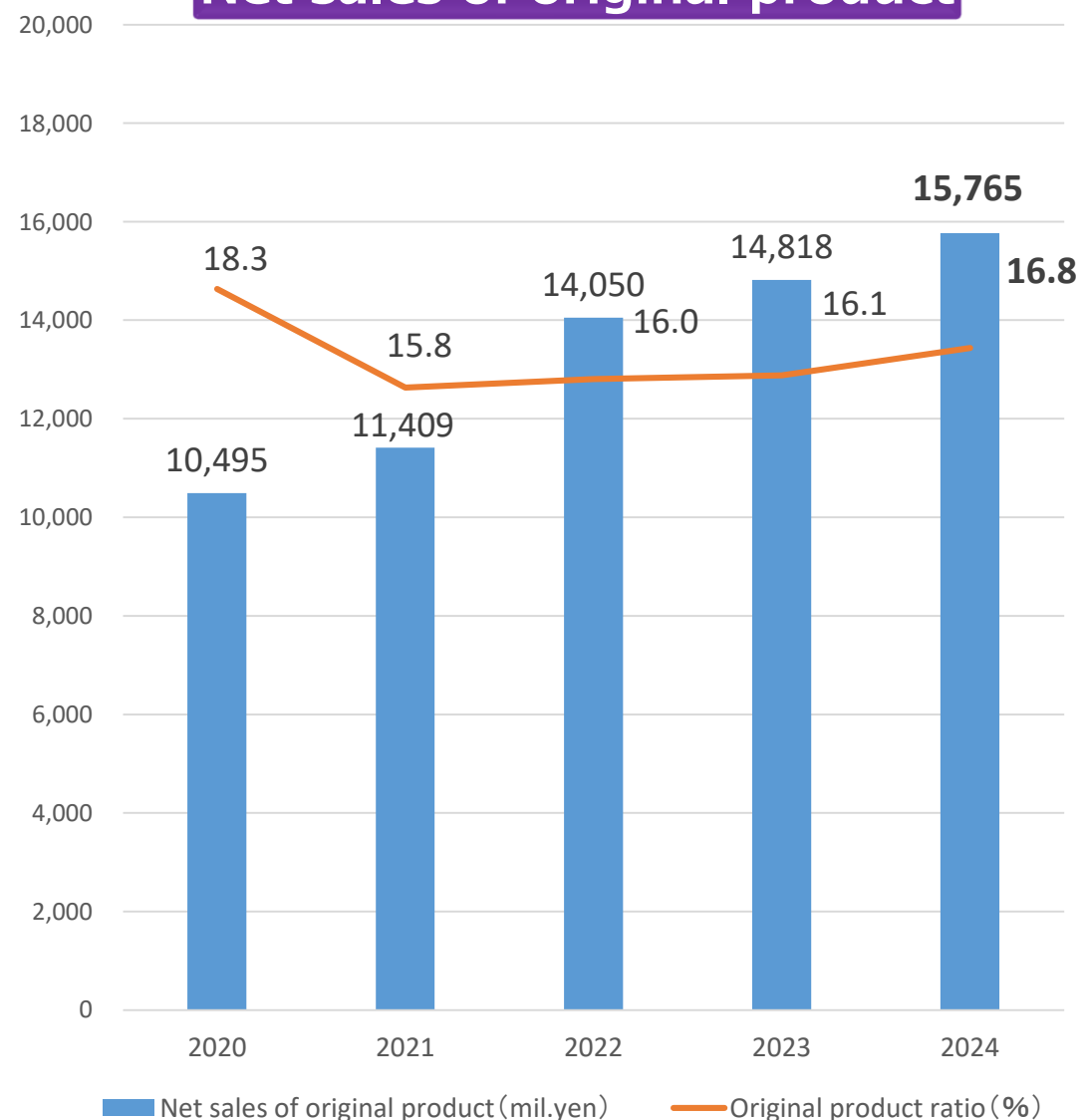


Overseas sales calculated as in the past. The target remains 30%.

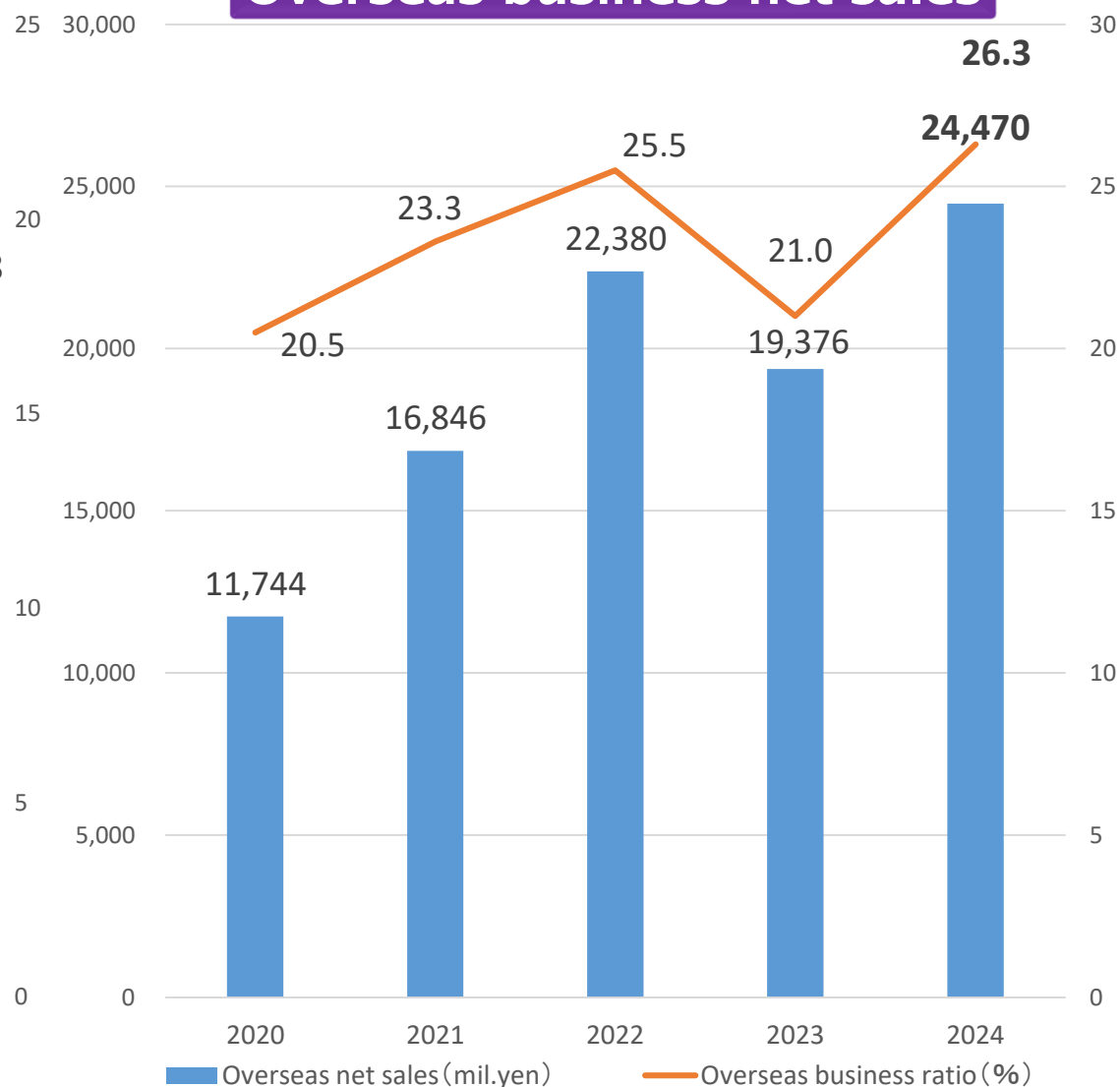
Outline of 11M 4) Basic Strategic Policy (i) Annual Performance Change



Net sales of original product



Overseas business net sales



※ Added the results by fiscal year as material on page 23



◆ Basic Strategic Policy (ii) ◆

Maximize strengths taking advantage of our uniqueness!

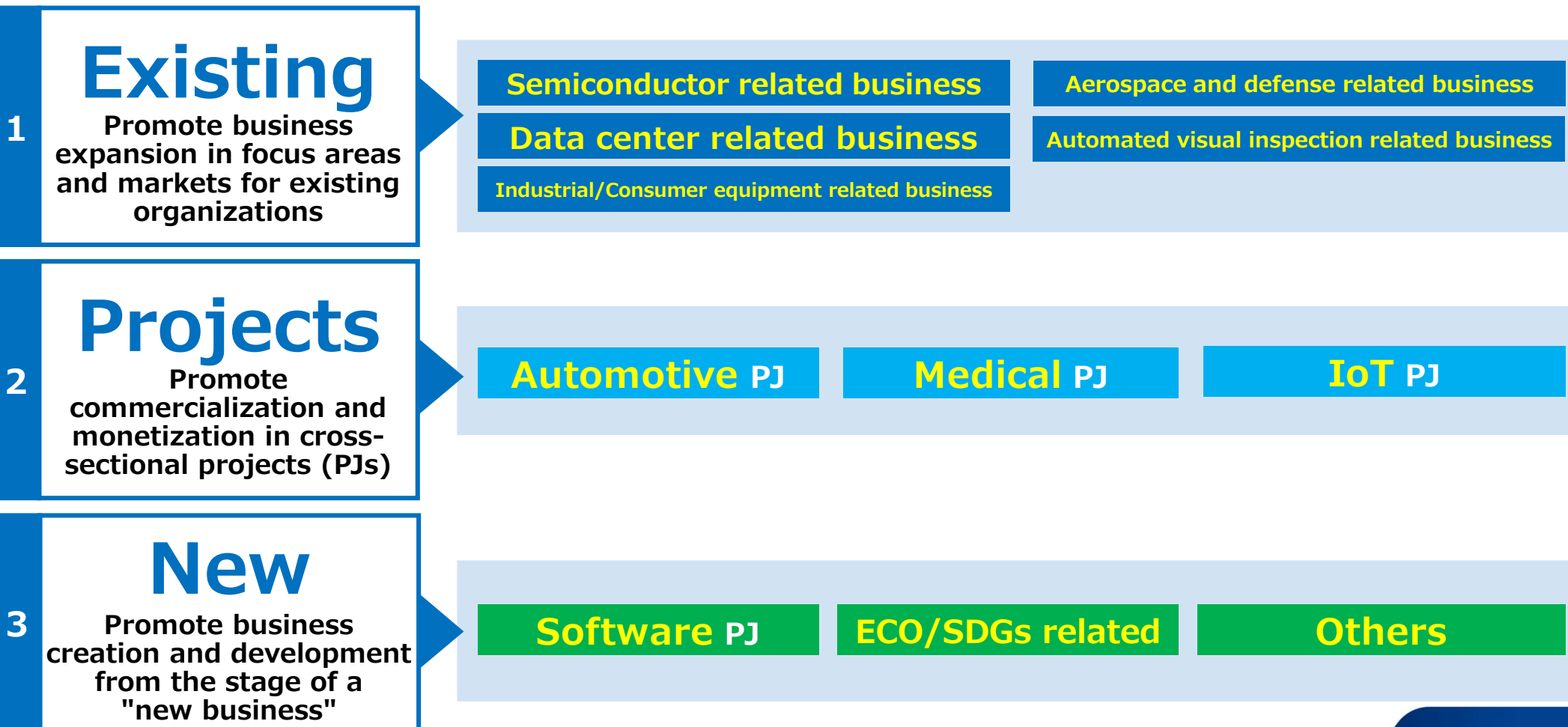


- We have unique strengths such as possessing both trading and manufacturing functions as well as the strong domestic and overseas partner bases
- Further enhance its differential advantage in the industry by building the one and only corporate group combining the manufacturing and sales functions on a global level and maximizing its strengths based on such uniqueness



Analyze domestic and overseas market trends and business opportunities for us, and continue to develop and expand proactively and aggressively in the defined focus areas and markets

● Three measures focus areas and markets



Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)



1

Reinforce domestic business as a basis for stable growth

Increase **marketing power!**

● Further deepen relations with focus customers

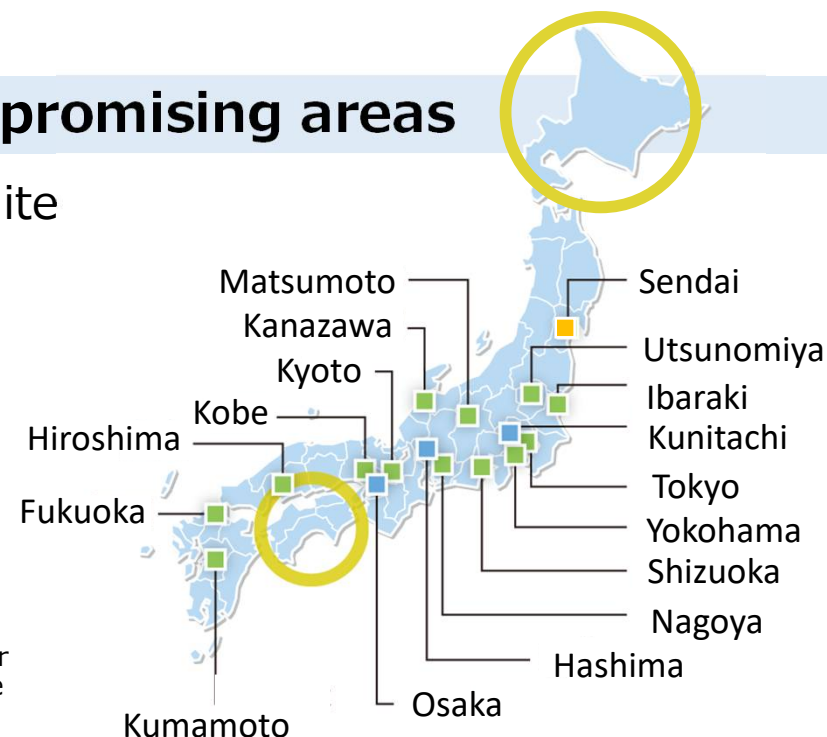
- Continue deployment of "**All-Daitron**" products
(Promote trinity cooperation by D&P Company, M&S Company, and Overseas group)
- Expand business with local blue-chip companies by strengthening **sales focused on local areas**

● Proactively promote new deployment in promising areas

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

- Sales office
- Sales office + Logistic Center
- Satellite office

*  Circled areas are under examination for establishing new locations in the future



Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)



2

Reinforce domestic business as a basis for stable growth

Increase **marketing power!**

● Continuously promote expansion focused on the electronic equipment and components business

* Control 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 site (including subsidiaries)
■ Under investigation



[North America & Europe]

- Establish satellite offices or make distributorship agreements (at least 3 regions each)
- Establish maintenance offices (North America: 2 regions, Europe: at least 3 regions other than the Netherlands)

[Indo-Pacific]

- Establish a representative office in India (2 potential sites under examination)
- Examine the establishment of a manufacturing location (for harnesses, power supplies, and shift to in-house production of outsourced products) (Potential site: Vietnam)

[Greater China]

- Establish and expand/enhance satellite offices (Inland China)

Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)



3 Reinforce global production system

Increase **manufacturing power!**

● 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



Chubu Factory

Overseas

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



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

Increase **manufacturing power!**

- **Continuously enhance systems centered on the engineering departments of the Chubu Factory**
- **Proactively develop technologies and products**
 - Enhance increase 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 technologies held by us.
 - Establish a new qualification system based on a medium- to long-term intellectual property strategies
 - => Increase employees' motivation by establishing a comprehensive system linked to the evaluation system
 - Expand the number of patents applied for and held over the medium to long term



5 Enhance business support function

Increase the power of
corporate divisions!

● DX (digital transformation)

Increase productivity and operational quality through DX promotion

(i) Transform business processes/systems

- Start upgrading/replacing systems for estimation, sales, purchasing, production management, accounting, business management, etc.
- Enhance information security

(ii) Develop DX promotion infrastructure

- Identify issues using DX promotion indices and take measures
- => Obtain DX certification

● Global human resources

Develop global human resources and exchange personnel in and outside Japan

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

● Human capital management

Increase the value of human resources through human capital management

(i) Increase labor productivity through investment in training and education

- Develop and invest in training/ education systems to increase individual skills
- Employ experienced and specialized human resources

(ii) Promote diversity and inclusion

- Promote women's empowerment (increase the ratios of female employees at management-track and management positions)
- Promote seniors' empowerment (increase satisfaction)
- Promote hiring persons with disabilities (comply with legal employment rate)
- Review the personnel systems(develop systems such as various allowances for experts, seniors, etc.)
- Obtain the Certified Health & Productivity Management Outstanding Organizations Recognition

● PR/IR

(i) Establish a department specialized in PR/IR

(ii) Increase recognition of the Daitron brand



6 Promote ESG management (sustainability initiatives)

Increase the power of corporate divisions!

● 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

- Examine measures of requiring explanations

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 To strengthen the supervisory function of the Board of Directors and further enhance corporate governance by making Audit and Supervisory Committee members, who are responsible for auditing the execution of duties by directors, members of the Board of Directors.

Toward achieving cost of capital and stock price conscious management (Current status analysis and market assessment improvement policies)



We recognize ROE as an important management indicator and have set a target of maintaining it at a level of 12% or higher in Medium-Term Business Plan.

This level is above our recognized cost of shareholders' equity of 8% to 9%, a level that has been continuously cleared since FY2021, when the previous Medium-Term Business Plan started.

On the other hand, PER and PBR have remained at low levels, so we will strive to improve corporate value by enhancing information dissemination to promote understanding of the growth potential of our business and by improving shareholder returns.

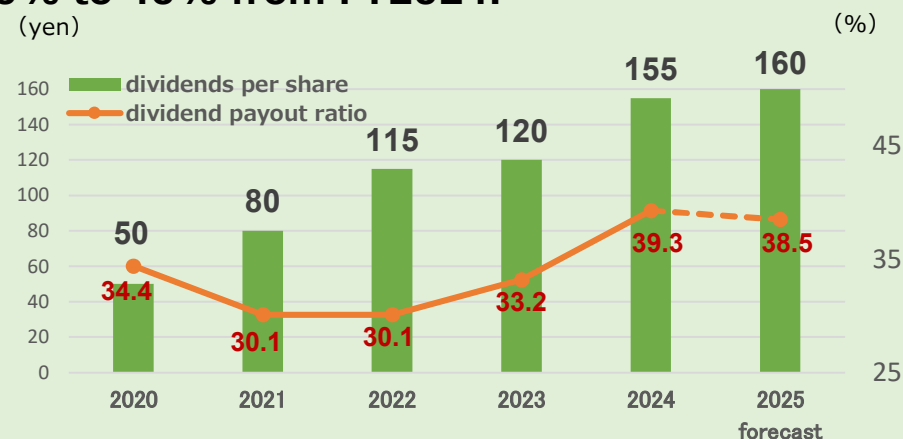
Indicators at the end of FY2024

- ROE : 14.0%
- P/E ratio : 6.96
- P/B ratio : 0.92
- Net Sales Growth ratio : 1.5%
- Operating profit ratio : 6.6%

Shareholder Returns

■ Trends in dividends per share and dividend payout ratio

※Raise the dividends payout ratio target from 30% to 40% from FY2024.



Cash Allocation Policies (FY2025~2026)



On the premise of ensuring a sound financial base, our basic policy is to achieve both investments for growth and stable shareholder returns, and we aim to increase corporate value through sustainable business growth.

Cash in

Own capital

Finding

(Considering the use of interest-bearing debt)

Operating cash flow :
Approx. 9 billion yen

Cash out

**Growth and
rationalization
investment**

**Shareholder
return**

Details

- R&D investment: approximately 1 billion yen
⇒ Improve profitability by strengthening original products
- New business and production capacity enhancement: approx. 3.5 billion yen
⇒ Expand investments to improve efficiency and strengthen response capabilities in green facility businesses
⇒ Increase production capacity through new or upgraded production facilities.
- Investment for DX promotion: approx. 1.5 billion yen
⇒ Increase productivity and efficiency
- M&A Investments ⇒ Consideration with emphasis on synergy
- Change in dividend policy (FY2024)
⇒ Dividend payout ratio target changed from 30% to 40
- Acquisition of treasury stock
⇒ Make decisions and take action flexibly



Toward a technology-based company

The Daitron Group, as a technology-based company in the electronics industry, will work together with all our stakeholders to co-create new value for the global market.

The Company's earnings forecasts stated in this material are prepared based on the information currently available to us.

In the electronic equipment/parts industry and the manufacturing equipment industry, which the Company belongs to, technologies change very rapidly and competition is intense.

In addition, there are various external factors that may affect directly or indirectly the performance of the Company such as the economic conditions of Europe, North America and Asian countries.

Please note that, therefore, the Company's earnings may vary from the forecast in this material.

<<For inquiry concerning this material and our IR activities>>

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