

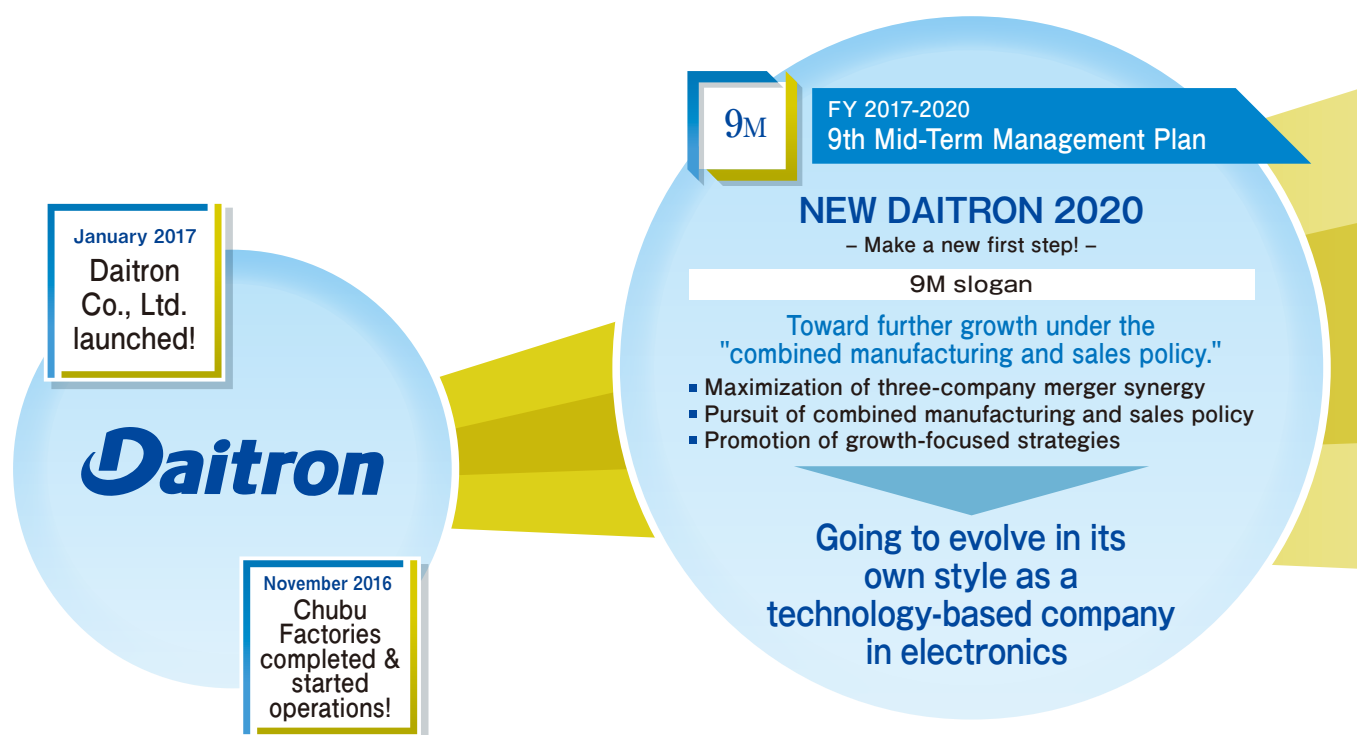


Daitron
DAITRON CO., LTD.

Creator for the *NEXT*
Investors Guide 2020

Aim to be a "100-billion yen company"

The new Daitron Co., Ltd., in setting sail on January 1, 2017, established a Long-Term Vision as well as its new Group Statement and Ideal as the bases to realize them.



Group Statement

Creator for the **NEXT**

An expression of determination to **create new values** capitalizing on the Group network as a company leading the electronics industry

N Network
E Engineering
X (Synergy)
T Trading

This Statement implies external and internal messages, too.

Externally, it is an expression of the Group will to "grasp markets from a global viewpoint to create and provide values one step ahead of customer needs."

Internally, it is an expression of a spirit of "always creating next business and seeking a stage for further growth."

by full-scale growth in sales and profits

Mid and long-term goals

- 1 Aim at further growth beyond record performance in both sales and profits
- Long-Term Vision To be a 100-billion yen company
- 2 Toward an excellent company which meets all stakeholders' expectations

Ideal

Unique company with manufacturing and sales functions combined

- Being "reliable" for customers and offering a "sense of security" to suppliers
- Having "dynamism" of a trader and "potentiality and soundness" of a manufacturer

Company with distinctive technologies and products indispensable to the industry

Company whose employees feel job satisfaction and are proud of working for it

Organization which has united strength and moves autonomously and actively

To be a unique existence always outstanding in the industry, and to be an organization that always respects each employee -- it has been, and will continually be, Daitron's business attitude. In addition, the Group is going to establish a new culture as a "combined manufacturing and sales unit" and further increase its "united" power.

We at new Daitron Group are going to pursue these Company ideals as a single body.



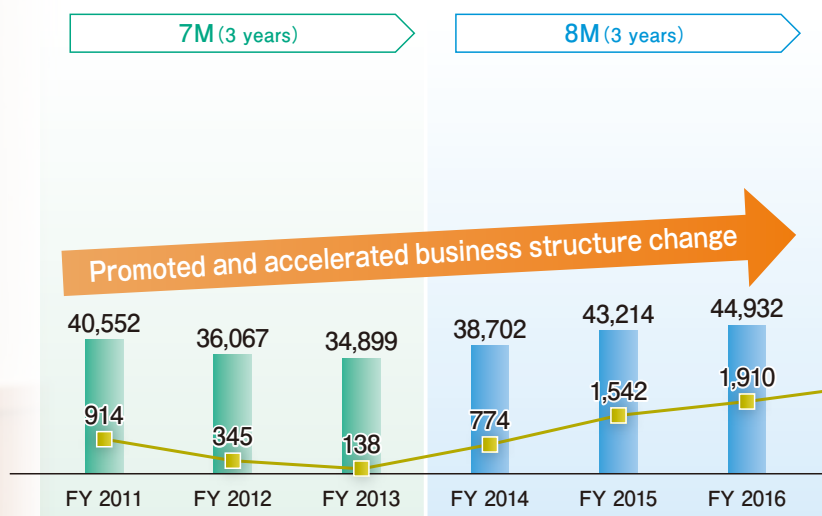
To Our Investors



President and COO

**Isayuki
Mae**

Net sales/Operating income



Continuously seek topline growth

In the third year for 9M, revenue increased for the sixth consecutive period, while operating income decreased with the product mix changed.

The Group is currently pushing ahead with the 9th Mid-Term Management Plan (9M), recognizing that it is in the "period starting full-scale growth."

The target set for 9M of "growth beyond record performance both in sales and profits" was accomplished in the second year (2018). In 2019, the third year, as a result of working toward "further growth," we achieved a revenue increase for the sixth consecutive period and renewed the record for the second consecutive period. However, the operating income decreased unfortunately as the growth having continued for five periods leveled off temporarily.

The revenue increase is considered to be a result of the steady efforts in the focus measures under the 9M basic strategies (details of their progress are to be discussed later).

On the other hand, the operating income decrease was largely due to the change in the product mix. Firstly, overseas sales grew greatly. This is a happy result of our medium-term effort beginning to flower. While we are continuously working for it, there are also difficult circumstances in terms of profit rate. Severe price competition is likely to compress profit, in addition to the

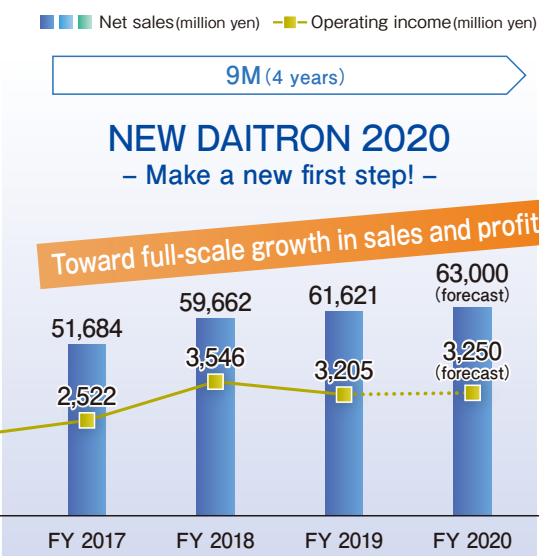
costs required in export more than in domestic sales.

Secondly, the sales of original products, which are profitable, decreased. This was due to the launch of relatively many new products in 2019, including improvements in conventional products, in addition to the factor that it is generally hard to secure profit for the first one or two years after a new product is released because it is the period for sales promotion. However, this is an unavoidable, irregular risk for the medium to long-term growth of original products.

Thirdly, the sales of electronic components, which are relatively high-value-added products, fell below those in the previous year. Specifically, as more customers took a cautious stance toward investments with the U.S.-China trade friction prolonged, the sales of electronic components for industrial equipment such as machine tools and industrial robots registered year-on-year losses. They, while being expected to remain in severe environment in 2020 as well, appear to be bottoming out as we feel in visiting domestic and overseas customers.

Continuingly promote management making much of profitability based on the great strength of high gross profit margin.

It is expected that the product mix will continuingly be changing, which Daitron Group is actively promoting as one of its medium and long-term corporate strategies. The



2020
numerical
targets

Aim at further
growth beyond record
performance both in sales
and profits by
achieving sustainable
growth

Target management indexes

Equity ratio

50%

2019 performance
(41.0%)

ROA

4%
or above

2019 performance
(4.9%)

ROE

8%
or above

2019 performance
(12.2%)

while maintaining the highly profitable structure.

overseas sales ratio increased from 16.3% in 2016, prior to the 9M start, to 27.1% in 2019. We will continuously seek overseas business expansion actively up to the target of the 30% level. However, it is certain that the profit structure of the whole Group will be more likely to deteriorate with business expanded because the profit ratio in overseas business tends to be relatively low, as discussed above.

However, we do not intend to sacrifice our great feature and strength of the "high gross profit margin." The key factor for securing this in the future will be high value-added original products. The Group has pushed forward with a structural reform from the mid and long-term perspectives since the 7th Mid-Term Management Plan (7M) starting 2011, setting the targets for full-scale growth stage, of "original sales ratio 30%" and "overseas sales ratio 30%." The "overseas sales ratio 30%" is an important index to raise the topline while responding to the globalizing industry, and the "original product sales ratio 30%" is important to build a corporate group with a profitable structure while pursuing our own "combined manufacturing and sales policy."

Though these two indexes may sometimes fail to keep rising due to various factors and enter a phase of leveling off such as stagnation or drop, the Group will seek steady increases in them over medium and long terms, aiming at 30% in both.

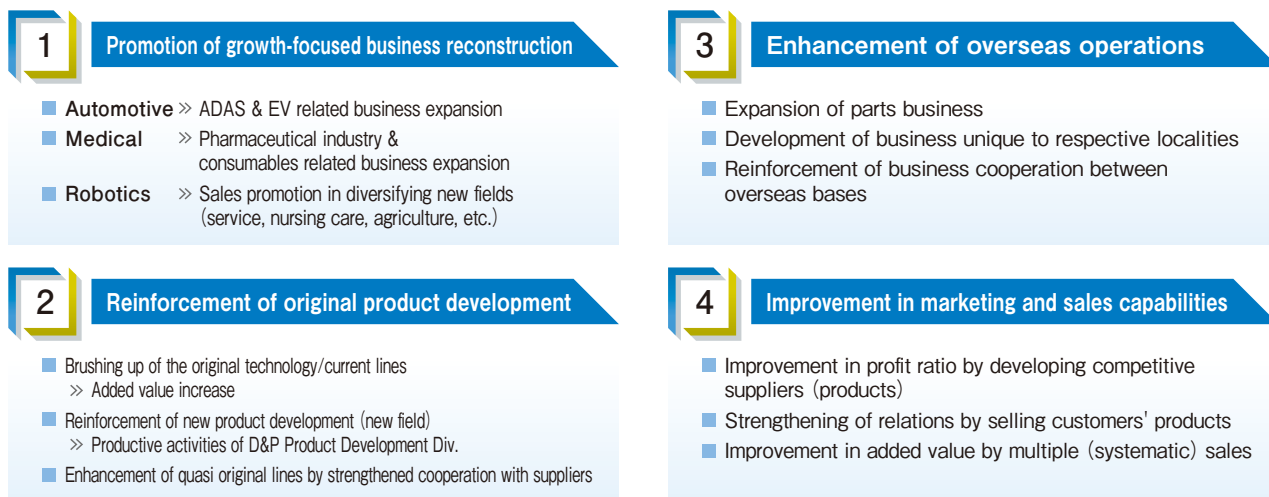
Aim to build our own partner base maintaining the "combined manufacturing and sales" policy, which is quite unique in the industry.

Of all the businesses positioned as an "engineering trading company," there are very few which secure a gross profit margin of the same level as ours (around 20%). The difference from other companies may be our way of being involved with technologies as an engineering trading company. Many of engineering trading companies are generally engaged in EMS (electronic manufacturing service), whose technical hurdles are relatively low, keeping their main footing in the trading function. On the other hand, under the unique management policy of "combined manufacturing and sales" which places equal importance on the two pillars of the trading function and the manufacturing function, we have built a corporate group capable of handling all the processes within the Group, from development and design to manufacture and sale. It does not mean that we are developing everything for ourselves that are needed by the market. We, instead, after appropriately determining a field where there are certain market needs and a certain degree of demand can be expected, find corresponding products from among our supplier base, performing the "trading function." If there is no corresponding product, then we search for a supplier manufacturer which we can entrust the development and



To Our Investors

Basic strategies of the Mid-Term Management Plan (9M) and key measures for 2020



Promote construction of a certain business foundation which era of a once-in-a-century revolutionary change.

production, and when an appropriate joint development partner is found, develop and manufacture quasi original products in cooperation with them. If no joint development partner is found, we are capable of developing and manufacturing original products of the Group's own, making full use of the "manufacturing function."

We have energetically pursued, and managed to realize, the acquisition of large shares in high value added, niche fields, by continuing such a strategy for a long term. Our effort at maintaining this strategy has enabled us to acquire the feature, or strength, of the "high gross profit margin," and we will continue to keep this policy.

To embody the greatest purpose of the three-company merger including new product/business creation by information sharing.

Our measures under the six basic strategies in 9M have been progressed smoothly.

As for the "Promotion of growth-focused business reconstruction," the "Automotive" and "Medical" fields we had continually worked on were launched smoothly, and the sales increased greatly in 2019. As for "Robotics," robot technologies have increasingly been introduced into diverse fields such as service, nursing care, and agriculture, in addition to the conventional FA field and the robot skills are also advancing. We are planning to

strengthen sales promotion in such fields. Regarding the other basic strategies, the biggest purpose of the three-company merger on January 1, 2017, "to share information held dividedly by the three companies to create new values," specifically, is gradually bearing fruit as a result of our efforts over these three years.

For example, regarding the three basic strategies of "Reinforcement of original product development," "Improvement in marketing and sales capabilities," and "Enhancement of overseas operations," our efforts at information sharing in a various manners have led to the creation of new products/business.

On original product development, the Product Development Division established in D&P Company is mainly working, in pursuit of the idea of the "technology headquarters" created by integration of the technology development divisions of each of the former three companies. In 2019, we launched the first new product developed by blending and coordinating technologies and know-how of the equipment business division and the component business division. The second and the third new products are already under development, of which good results are expected.

As for improvement in marketing and sales capabilities, we have been reviewing the relationships with existing customers and steadily pushing forward the construction of a strong partner base with not one-way relations but complex ones in such manners as selling customer products under distributorship, or entrusting

5 Strengthened integration of production divisions

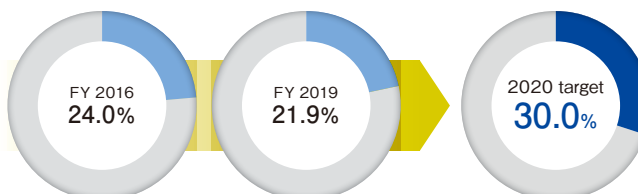
- Improvement in earning power of Equipment Factory and Specialized Equipment Factory
- Reinforcement of the manufacturing function of group companies
- Increase in added value by improved productivity (improvement in profit ratio)

6 Reinforcement of organizational and personnel strengths

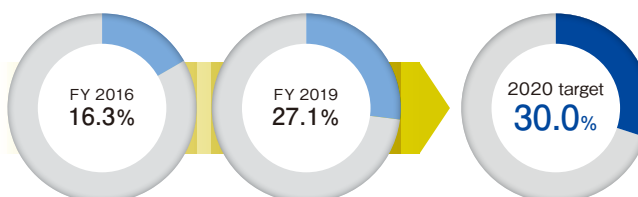
- Personnel development and revitalization through job rotation and career path system
- Reinforcement of risk management
- Operation of new personnel system
 - >> 65-year retirement, enhancement of evaluation system, sophistication of education

Business structure related indexes toward the next management stage

Original products sales percentage to total sales



Overseas sales percentage to total sales



enables the realization of accelerated growth in the

customers with the development and manufacture of new products and selling them as our quasi originals. Actually, many customers and suppliers highly value our Group's domestic and overseas sales networks, the technologies and know-how of the equipment business division and the components business division, and the enhanced domestic and overseas servicing system, which we are proud that are supporting the Company's partner base.

In overseas operations, to successfully survive global competition which is to intensify more and more, the reinforcement of the above partner base, in addition to the Group's comprehensive strength, is essential. The enhanced product lines supported by this partner base have been contributing to the recent steady increase in overseas sales.

Our efforts at the other two basic strategies, "Strengthened integration of production divisions" and "Reinforcement of organizational and personnel strengths power," are also progressing smoothly.

Steadily catch the wave of the fourth Industrial Revolution arising worldwide and accelerate further growth.

The government and all industries are making efforts to introduce AI, IoT, and 5G (the fifth-generation mobile communication system) throughout the world now. In Japan, too, positive response to a global revolutionary change which is to be called the fourth Industrial

Revolution is taken as seen in the 2019 supplementary budget of approximately one trillion yen allocated as the "Digital New Deal" related budget anticipating AI, 5G, and post 5G. In addition, world's leading semiconductor manufacturers' policies to expand investments in AI, IoT, and 5G suggest that full-swing introduction of them is just around the corner.

Once the introduction of them starts, the scenery of the market will probably greatly change. The related products such as semiconductors, electronic components, and sensors should begin to sell in quantities at a level greatly different from the conventional one. Additionally, it is likely to make a big difference in the subsequent growth speed whether the key markets related to datacenters and networks are developed. Under this environment, the Group has steadily worked from a medium and long-term viewpoint to prepare perfect systems to enter such a revolutionary period.

Facing a big change said to occur once in a century, in 2020, the Group is developing a long-term plan looking firmly the next 10 years ahead as well as the next Mid-Term Plan (10M), in addition to the finalization of the last year of 9M.

The Group will further accelerate growth and fulfill the Long-Term Vision of "100-billion yen company" as soon as possible, aiming to evolve into an excellent company that can meet the expectation of all the stakeholders. Your continued support, understanding, and expectations to/of the Group would be greatly appreciated.



Outline of Basic Strategies



Promotion of growth-focused business reconstruction

Regarding the business domains the Group is going to be involved in to realize full-scale "growth in sales and profits," we will increase efforts along the policy of selection and concentration based on growth potential.

Based on this policy, we will promote the "investment balance optimization," where (i) all businesses, including new

Promote development of new markets with high growth potential

We will aggressively promote developing, as new markets, areas with high growth potential such as Automotive, Medical, Infrastructure, Robotics, and Aerospace, and continuously work on reconstruction of the business portfolio to contribute to establishing the foundations for stable growth.

Automotive

Seeking to handle a large product line ranging from in-car products to equipment related ones to expand business with domestic and overseas auto manufacturers and auto parts manufacturers based on our past achievements in the auto industry.



paint color inspection equipment (image)



3D profile measuring equipment

Medical

Seeking to develop the disposable product market as a new promising market which is expected to grow in terms of medical safety (healthcare infection prevention) based on our past achievements in switching power supplies and other high quality and high functional products.



medical cart



switching power supplies

Infrastructure

Seeking to create business in both infrastructure and microgrids focusing on the potentiality of the smartgrid market as represented by BEMS and HEMS, considering electric power companies, general contractors, and home builders, etc. as future major customers.



PC board



industrial custom PC

Robotics

Seeking to expand business by handling a wide variety of products including equipment related products, not only existing ones, to respond to the future robot industry (such as service, nursing care, agriculture), which is to be diversified with the progress of innovation of technologies including IoT and AI.



Robo-Bauer
(optical fiber for movable parts)



custom power supply

Aerospace

Seeking to further expand the high-performance aerospace harness business mainly at the Chubu First Factory, which started operations in November 2016, in the Aichi and Gifu area, which is expected to be one of the three major aerospace sites in the world.



3D scanner



wires & harnesses

Strengthen power supply system related business operations

As a result of aggressive sales expansion efforts from the previous Mid-Term Management Plan, the business of Green Facility Dept. focused on the power equipment related market as new business is starting to gain momentum.

With the maintenance related business added to create new added values (= generate stock earnings), this Dept. is accelerating its action and increasing delivery achievements for data centers, etc., and is expected to develop its operations as a profitable department.



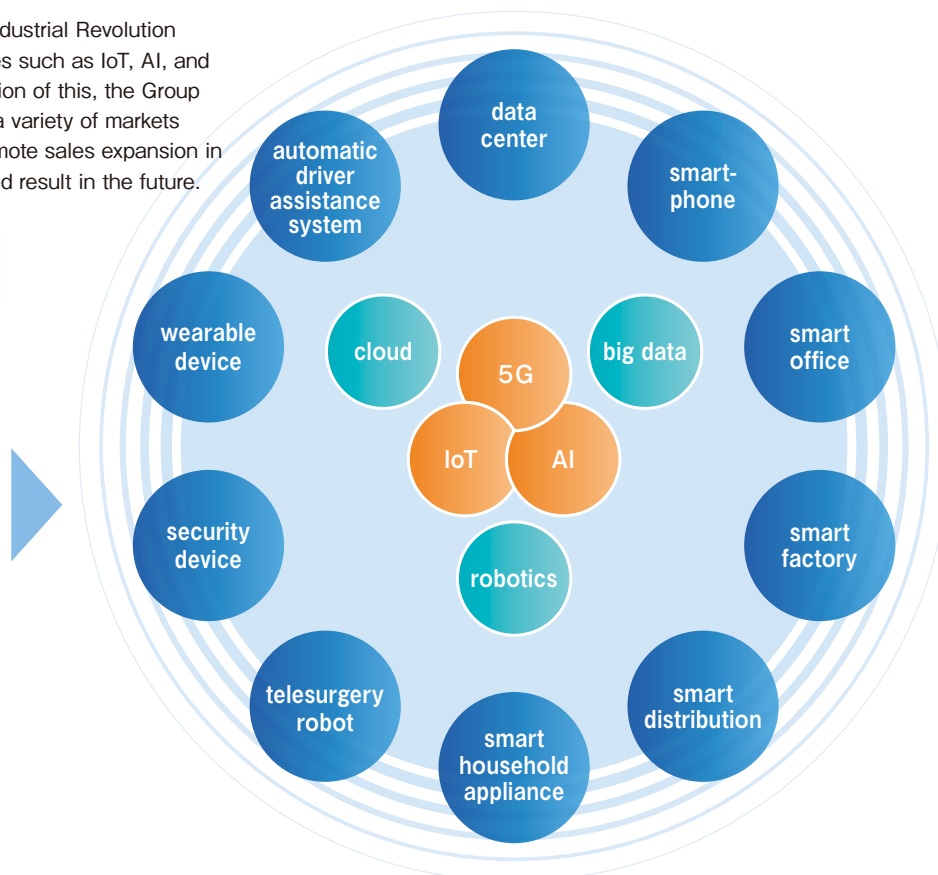
EATON UPS

markets under development with existing customers and new business areas the Company is venturing into, are to be classified into "highly growing," "stably growing," or "improving earnings," and (ii) investments are to be made mainly in businesses having more growth potential.

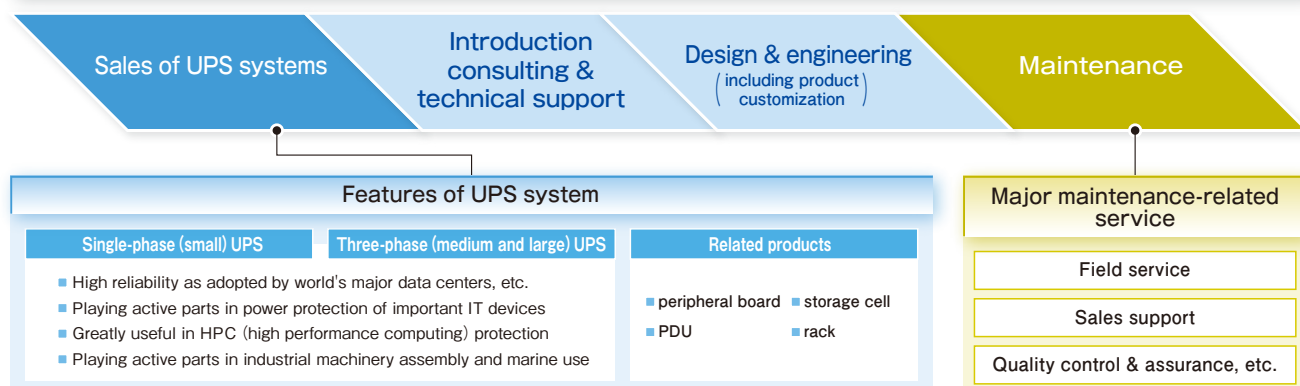
Promote sales expansion in innovating fields such as IoT, AI, and 5G

We are facing the full-scale fourth Industrial Revolution where innovation of core technologies such as IoT, AI, and 5G will advance rapidly. In anticipation of this, the Group has continually attempted to enter a variety of markets expected to grow large. We will promote sales expansion in these new markets to obtain extended result in the future.

Main products
sensor
semiconductor
uninterruptible power supply
communication device
authentication equipment
power supply equipment
industrial PC
image-related equipment



Establishment of "one-stop solution" system in power supply system related market





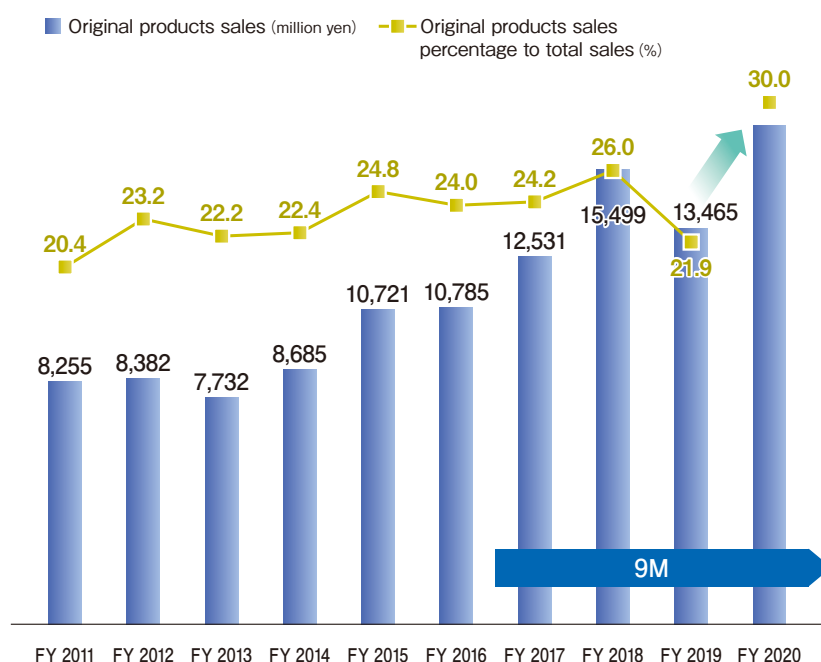
Outline of Basic Strategies



Reinforcement of original product development

Since the start of operations of a new key factory (Chubu) and the launch of new Daitron Co., Ltd., the Group has worked on building an organization aiming at higher value added technology development. As a result, our original product development capability has steadily increased. We are going to continuously focus on the reinforcement of new product development within the company as well as the development of quasi original products in closer cooperation with suppliers, aiming to achieve the original product sales ratio of 30% as soon as possible.

Change in original products sales and their percentages



Original products sales percentage to total sales

Aiming at 30% in 2020

Strategic Point

Strengthening and expanding strategy based on "business units"

Increase in business units

Expansion of the scale of each business unit
(toward ¥1-2 billion/unit)

Enhancement of product lines in cooperation with suppliers

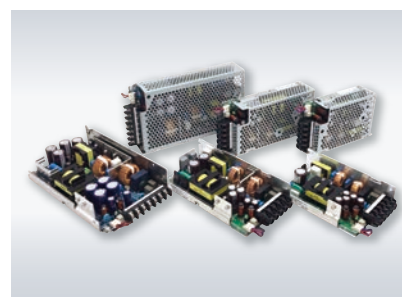
Main original products



underwater connectors



wires & harnesses



switching power supplies



chip sorting machine (LSI)



wafer edge grinding machine



scribing/breaking equipment (LD/LED)

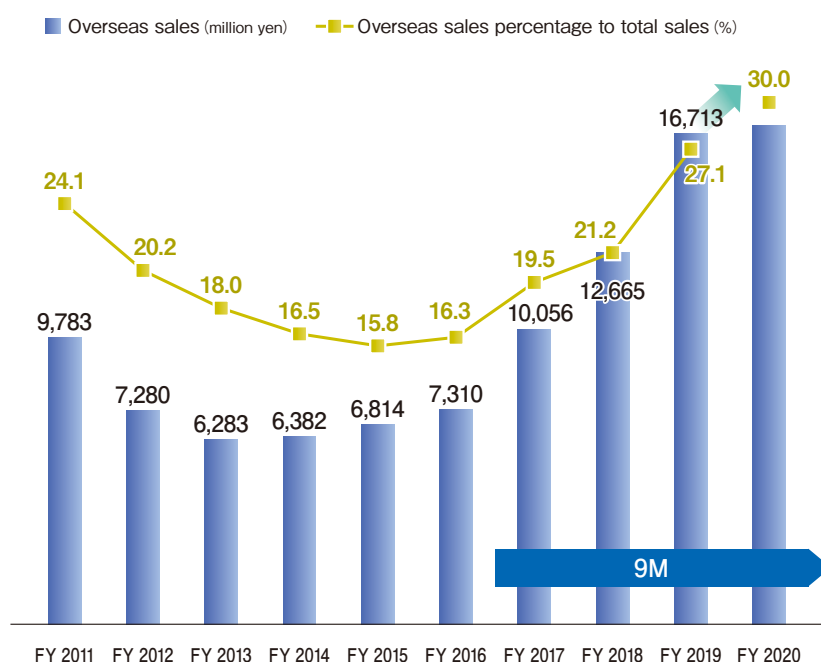


aging equipment (LD/LED)

Enhancement of overseas operations

As a result of efforts to depart from manufacturing equipment-dependent unstable profit structure and promote community-based business, our overseas sales are presently on a steady upward trend. Our overseas expansion is gaining speed with the efforts bearing fruit at further community-based operations such as new business with local companies, locally unique business as well as business collaboration between overseas bases, in addition to the expansion of components business which ensures more stable profit.

Change in overseas sales and their percentages



Overseas sales percentage to total sales

Aiming at 30% in 2020

Strategic Point

Aiming at community-based operations

Expansion of business with local companies

Expansion of electronic parts business

Reinforcement of business cooperation between overseas bases

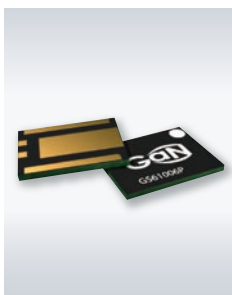
Promotion of business unique to respective localities

Enhancement of network

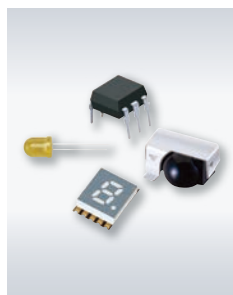
Major products increasing in overseas business



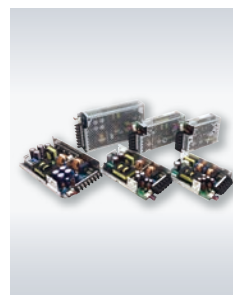
connectors



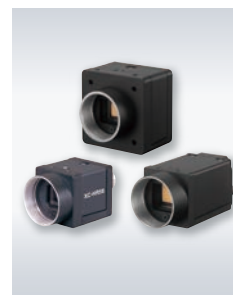
gallium nitride power transistor



LED/optical elements



switching power supplies



CMOS cameras



wafer edge grinding machine



one surface wafer polishing machine



scribing/breaking equipment (LD/LED)



testers (LD/LED)



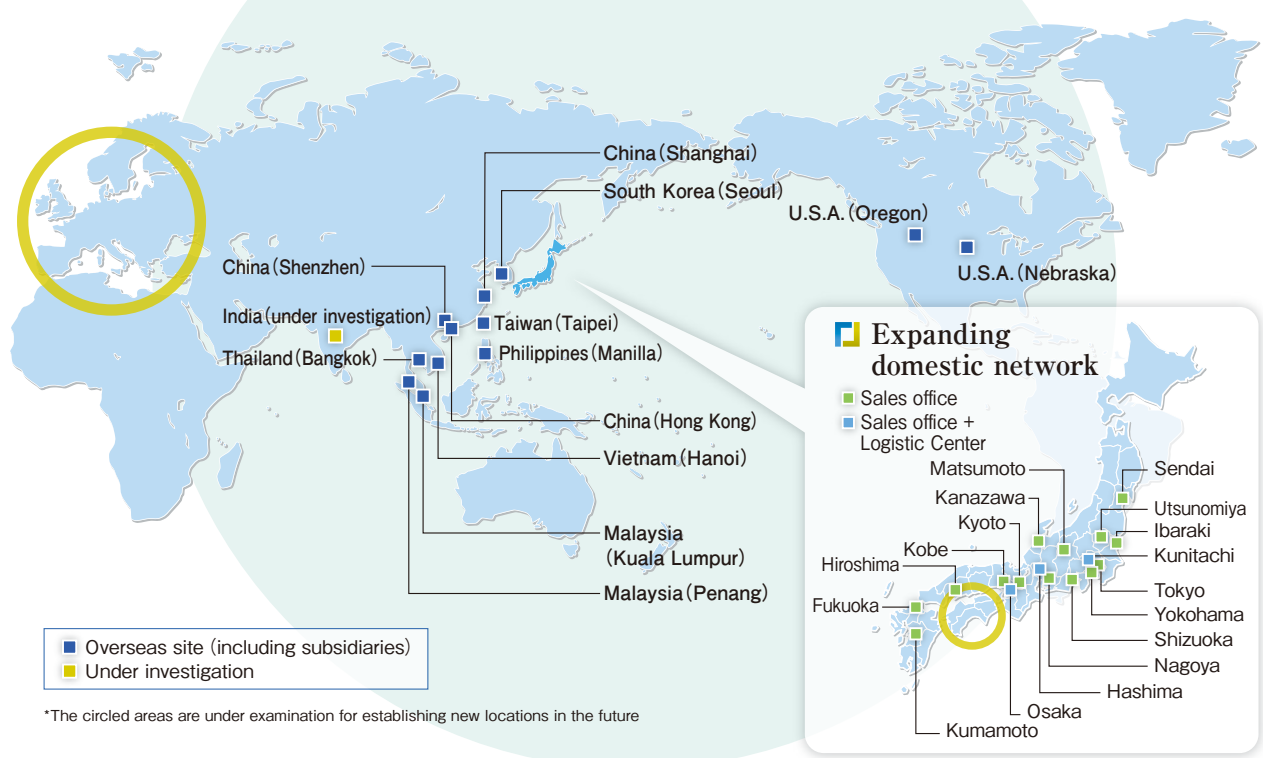
Outline of Basic Strategies

Basic Strategy 4

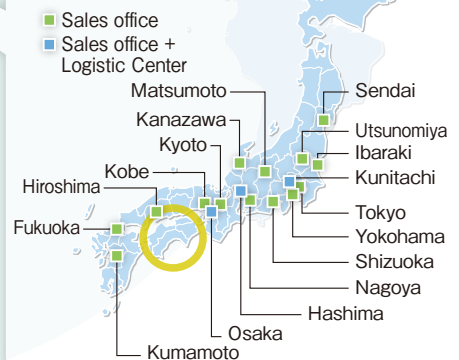
Improvement in marketing and sales capabilities

In pursuit of the "combined manufacturing and sales policy," the Group is pushing forward the establishment of strong partners having mutual business relationships (being both a supplier and customer) and to form the foundations of it, we are also seeking to create new business by expanding domestic and overseas sales networks, reinforcing exhibitions, and increasing proposing opportunities.

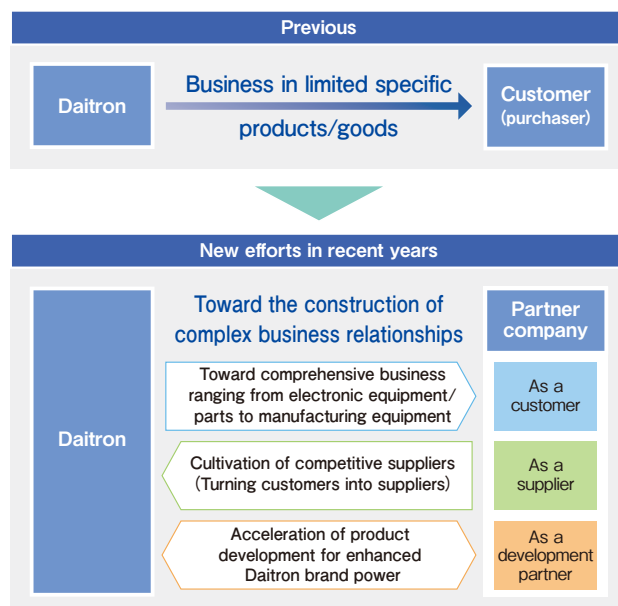
Expanding overseas network



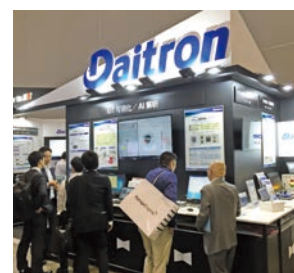
Expanding domestic network



Efforts aiming for complex business relationships with customers



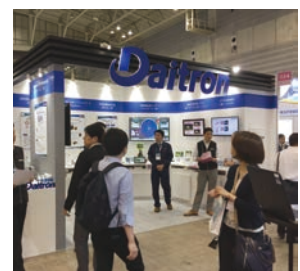
Reinforcement of domestic and overseas exhibitions



IoT
IoT/M2M exhibitions



Medical
Interphex Japan



Automotive
Automotive Engineering Exhibition

Basic Strategy 5

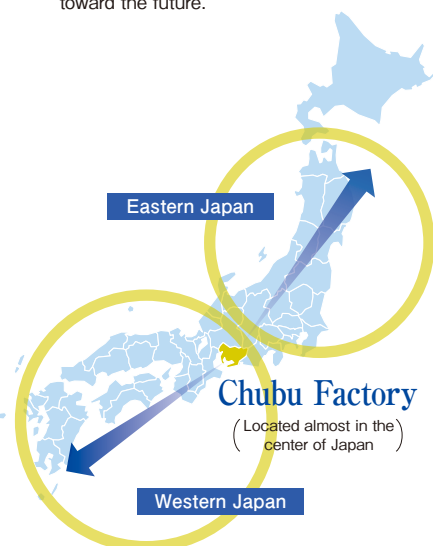
Strengthened integration of production divisions

The Chubu First Factory (for electronic equipment and parts) and Second Factory (for manufacturing equipment) started operations in November 2016 and August 2019, respectively, as the key factories of the Group. This has progressed the integration and unification of electronic equipment/parts related and manufacturing equipment related technologies and manufacturing process controls, and begun to create new synergies leading to new technologies/products and improved production efficiency.

Situation of Chubu Factory's efforts

Best location as key factory

The Chubu Factories are located in Ichinomiya City, Aichi Prefecture. Being almost in the center of Japan and having very good access to transportation, this is the best location for them to function as "key factories" toward the future.



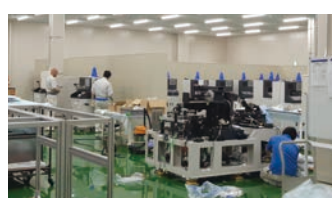
As core manufacturing site

The Group is working on production concentration on the Chubu Factories step by step mainly for products which require high technology and quality including products of a high level of completion, mass-produced products, and aircraft or automobile-related products.

Flow of production concentration

Period 1	Period 2
Electronic equipment/parts related production system	Equipment related production system
> Started Nov. 2016	> Started Aug. 2019

Higher profit margin by improved productivity
(introduction of most suitable production control system, etc.)

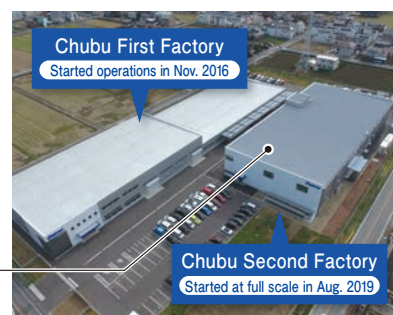
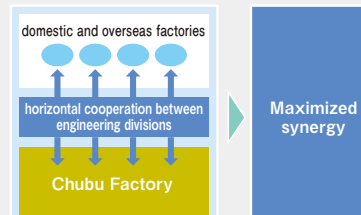


Manufacturing equipment production site (Chubu Second Factory)

As core development site

The Chubu Factories will be the core site in development, too. By promoting horizontal cooperation and information sharing with domestic and overseas engineering divisions, the Company will seek the maximized synergy in technology development.

Technological synergy



Basic Strategy 6

Enhancement of organizational and personnel strengths

Maximize organizational strengths by personnel exchanges and information sharing

In promoting the management under the "combined manufacturing and sales policy," the Group is working on personnel reinforcement by combining the strengths of its manufacturing function and trading function (as shown in the right figure). In addition, the Group is actively investing in human resources development including shifting to new personnel/evaluation systems responding to the above personnel strategy and creating further enhanced education/training systems from a global point of view.

Combining manufacturer's and trader's technologies/information to improve development capabilities for original products/new technologies

Personnel development and revitalization through job rotation and career path system

Exchanges between manufacturing and sales personnel

Development of global human resources

Development of local human resources



Our Business Model

Further developing our own unique business model electronics company

Basic Feature



Technology-based company

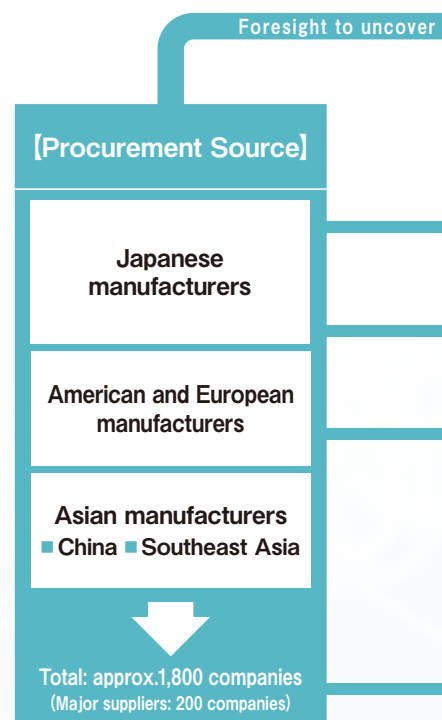
Since starting business as an electronics trading company, we have enhanced the manufacturing function step by step by establishing manufacturing subsidiaries and other means, and are now working to further improve its uniqueness as a technology-based company.

Basic Feature



High profitability

By continuously strengthening its own developing and manufacturing functions, the Company has established a foundation to ensure an overwhelmingly higher profit margin compared to general electronic parts traders.



as a technology-based
under the combined manufacturing and sales policy.

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

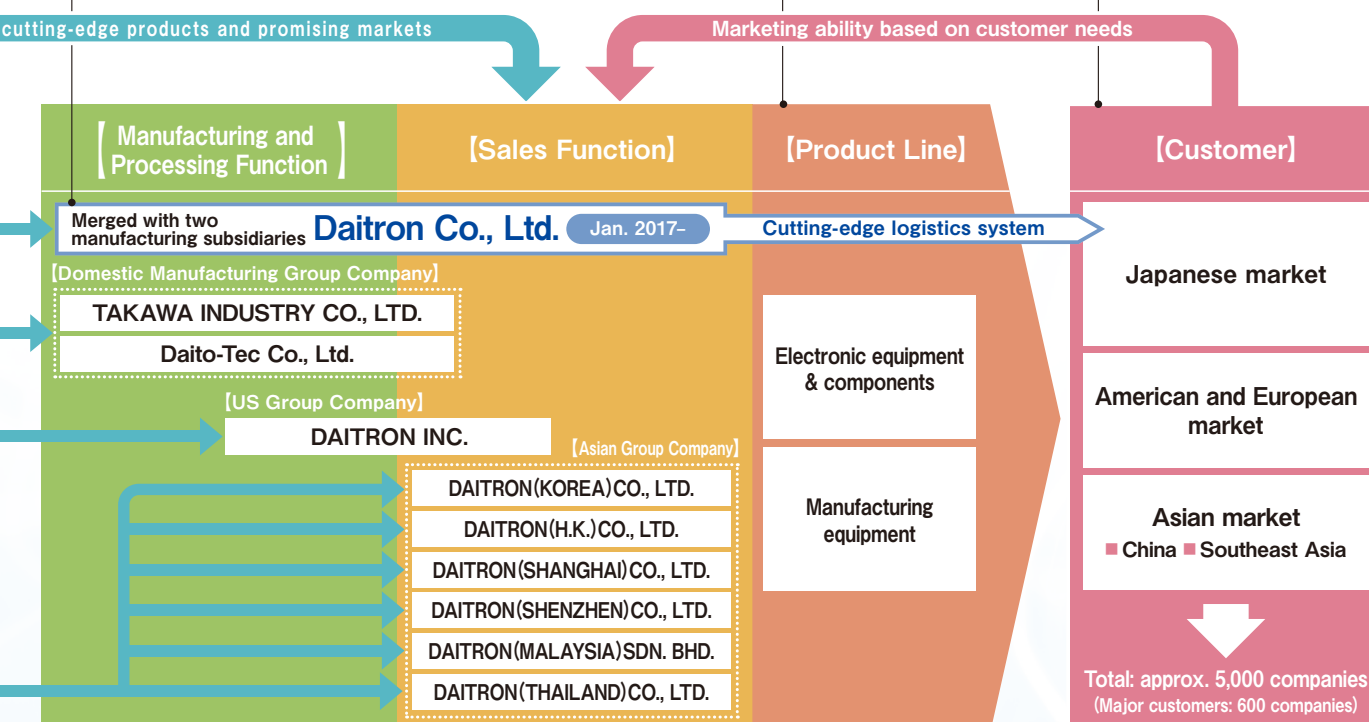
New Daitron Co., Ltd., with the information and know-how as a trading company and the electronic equipment/parts related and manufacturing equipment related technological development abilities combined by the three-company merger, has started to step forward as an organization capable of creating new values, aiming to be a leader both domestically and globally in all functions from technology development and manufacture to sales and maintenance, as a core company of a "combined manufacturing and sales unit."

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 parts used in diverse business sites and products as well as various manufacturing equipment required in production.

Trusted customer assets, a large number of accounts

We hold ample customers assets of about 5,000 companies including 600 major customers, mostly domestic. This large number of accounts helps ease the impacts of individual customers' earnings changes and contributes to our stable sales.





Main Product Line



Electronic Equipment & Components Market

Daitron original products

Electronic Components and Assemblies

[Major Products]

connector, harness, PCB assembly, wiring
 ■ information communication equipment
 ■ FA equipment ■ digital home appliances
 ■ vacuum equipment
 ■ automatic ticket gate ■ cellular phone
 ■ general industrial equipment
 ■ semiconductor manufacturing equipment
 ■ automotive equipment
 ■ image-related equipment
 ■ medical-related equipment

etc.



▲ underwater connectors



▲ wires & harnesses



▲ connectors

Semiconductors

[Major products]

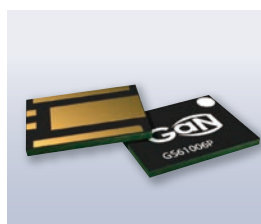
analog IC, high-frequency IC, power discrete, image IC, optical devices

■ information communication equipment
 ■ image-related equipment
 ■ medical electronic equipment
 ■ digital home appliance
 ■ amusement
 ■ environment and energy equipment
 ■ high frequency measuring equipment
 ■ automobile related equipment

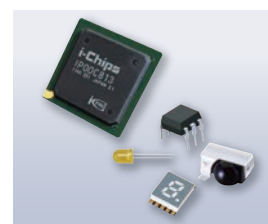
etc.



▲ analog/high frequency IC



▲ gallium nitride power transistor



▲ imaging IC/LED, optical elements

Embedded System

[Major Products]

embedded system

■ measuring equipment
 ■ medical-related equipment
 ■ image processing equipment
 ■ information communication equipment
 ■ semiconductor-related equipment
 ■ automotive equipment
 ■ machine control equipment
 ■ IoT (infrastructure, production site, deep learning)

etc.



▲ industrial custom PC



▲ display system



▲ embedded single-board computer

Power Supply Equipment

[Major Products]

switching power supply, DC-to-DC converter, uninterruptible power supply (UPS), transformer

■ measuring equipment ■ audiovisual equipment
 ■ semiconductor-related equipment
 ■ information communication equipment
 ■ medical-related equipment
 ■ server related ■ automotive equipment
 ■ analyses-related equipment
 ■ digital home appliances

etc.



▲ switching power supplies



▲ DC-to-DC converters



▲ Uninterruptible power supply (UPS)

Image-related Equipment and Parts

[Major Products]

CMOS camera, lens, light, image processing equipment

■ general industrial equipment
 ■ semiconductor manufacturing equipment
 ■ electronics part-related equipment
 ■ FA equipment
 ■ medical-related equipment
 ■ automotive equipment

etc.



▲ image-related equipment



▲ CMOS camera



▲ lighting

Information Systems

[Major Products]

video transmission system, authentication device (IC card, vein authentication)

■ settlement terminal market
 ■ network equipment
 ■ security market
 ■ image information system
 ■ authentication system market
 ■ medical electronic equipment

etc.



▲ video/audio conferencing systems



▲ multipoint connection server



▲ contactless IC card systems

Manufacturing Equipment Market

■ Semiconductor/FPD manufacturing equipment ■ Daitron original products
■ Electronic components manufacturing equipment

FPD Manufacturing Equipment

[Major application]

- LCD panel
- organic EL
- LCD panel color filter
- EL backlight
- cover glass
- touch panel

etc.



▲ organic EL evaluation system



▲ cover glass processing equipment



▲ FPD automatic inspection system

LSI Manufacturing Equipment

[Major application]

- LSI, mask, oxide device
- ceramic device
- compound communication device
- power device

etc.



▲ lift-off equipment



▲ chip sorting machine



▲ fully automatic wafer tape mounter

Electronic Materials Manufacturing Equipment

[Major application]

- silicon wafer
- oxide wafer
- quartz wafer
- hard disk negative
- compound wafer
- SiC
- optical fiber/optical lens
- sapphire wafer

etc.



▲ single wafer washing system



▲ wafer edge grinding machine



▲ one surface wafer polishing machine

Optical Device Manufacturing Equipment

[Major application]

- LD (red, blue, long-wave length) market
- LED market

etc.



▲ aging equipment



▲ scribing/breaking equipment



▲ fluorescent coating equipment



▲ tester (LD/LED)



▲ high-accuracy die bonder



▲ cap sealer

Energy Device Manufacturing Equipment

[Major application]

- lithium ion battery
- solar battery

etc.



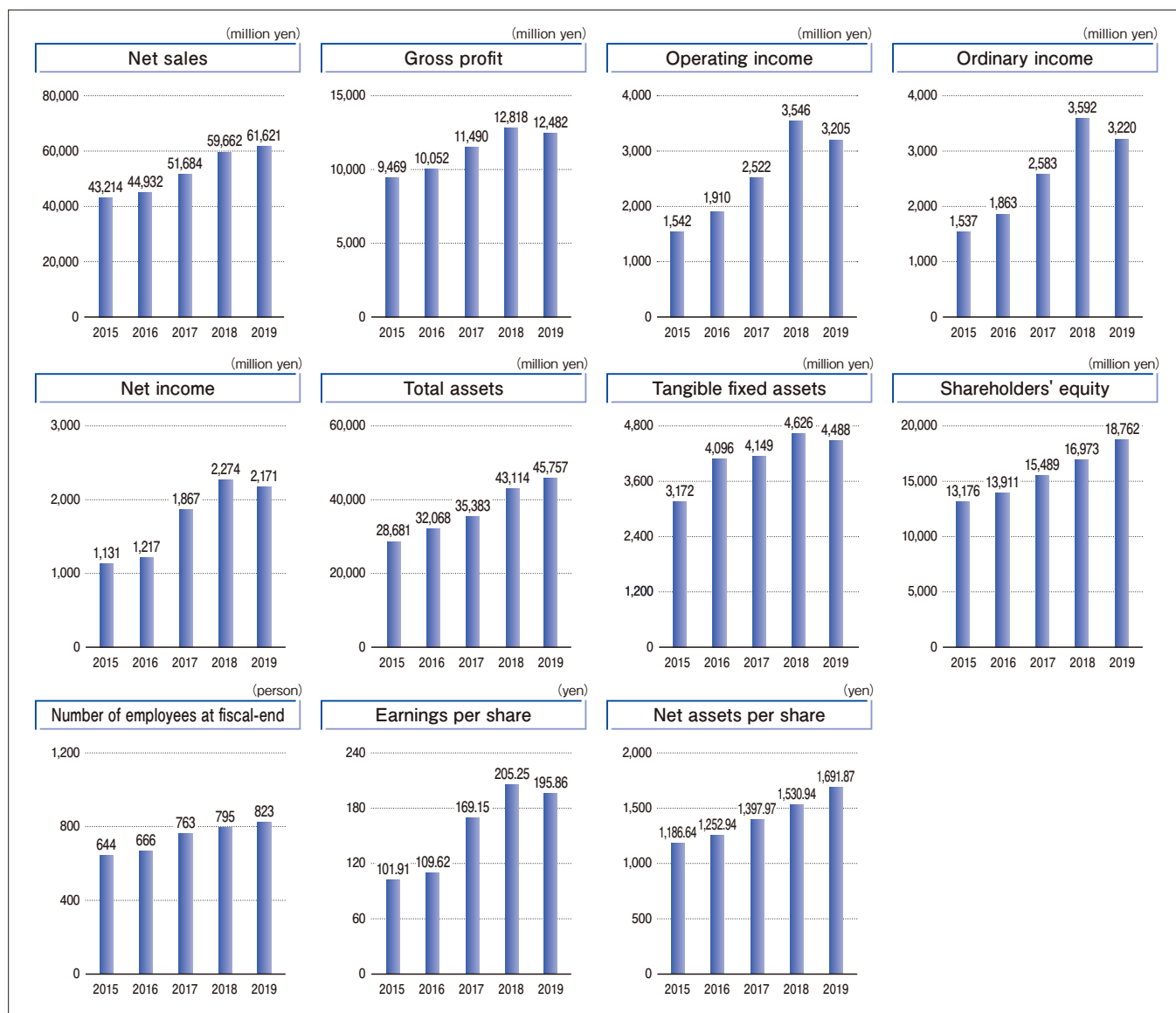
▲ Electrode sheet inspection equipment



Consolidated Financial Highlights & Product Segment Information

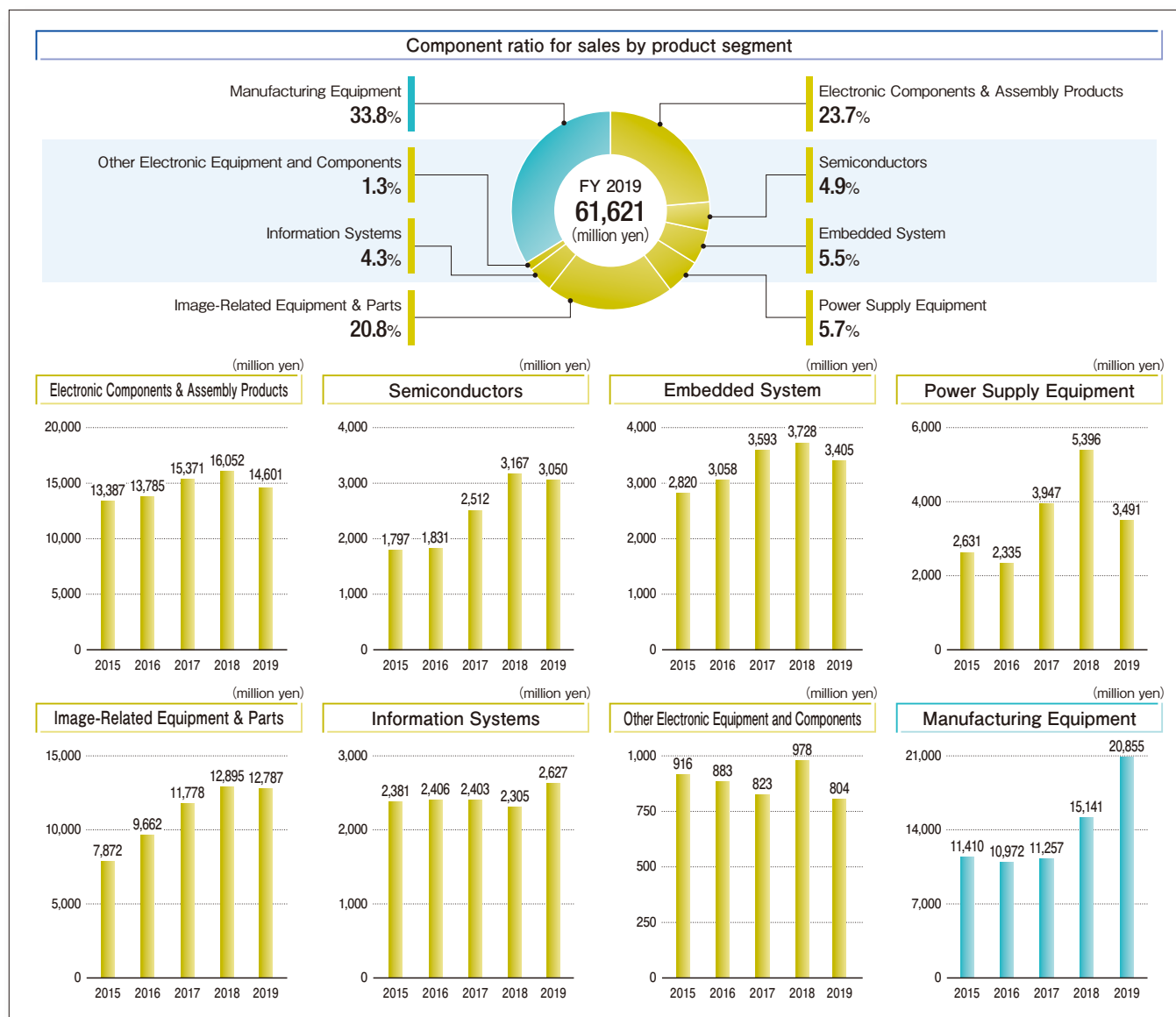


Consolidated Financial Highlights



(million yen)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Net sales	43,214	44,932	51,684	59,662	61,621
Gross profit	9,469	10,052	11,490	12,818	12,482
Operating income	1,542	1,910	2,522	3,546	3,205
Ordinary income	1,537	1,863	2,583	3,592	3,220
Net income	1,131	1,217	1,867	2,274	2,171
Total assets	28,681	32,068	35,383	43,114	45,757
Tangible fixed assets	3,172	4,096	4,149	4,626	4,488
Shareholders' equity	13,176	13,911	15,489	16,973	18,762
Number of employees at fiscal-end (person)	644	666	763	795	823
Investment Indices					
Earnings per share (yen) [EPS]	101.91	109.62	169.15	205.25	195.86
Net assets per share (yen)	1,186.64	1,252.94	1,397.97	1,530.94	1,691.87

Product Segment Information



Net sales by product segment (million yen)

		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Electronic Equipment and Components Business	Electronic Components & Assembly Products	13,387	13,785	15,371	16,052	14,601
	Semiconductors	1,797	1,831	2,512	3,167	3,050
	Embedded System	2,820	3,058	3,593	3,728	3,405
	Power Supply Equipment	2,631	2,335	3,947	5,396	3,491
	Image-Related Equipment & Parts	7,872	9,662	11,778	12,895	12,787
	Information Systems	2,381	2,406	2,403	2,305	2,627
	Other Electronic Equipment and Components	916	883	823	978	804
Manufacturing Equipment		11,410	10,972	11,257	15,141	20,855
Total		43,214	44,932	51,684	59,662	61,621



Main Management Indices (Consolidated)



Consolidated

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Profitability					
Gross profit/Net sales (%)	21.9	22.4	22.2	21.5	20.3
Operating income/Net sales (%)	3.6	4.3	4.9	5.9	5.2
Net income/Net sales (%)	2.6	2.7	3.6	3.8	3.5

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Safety					
Shareholders' equity/Total assets (%)	45.9	43.4	43.8	39.4	41.0
Current ratio (%)	192.3	173.9	173.8	158.1	162.4
Interest coverage ratio (times)	24.2	69.6	—	332.7	152.4

Note: Interest coverage ratio = cash flow/interest payments (Cash flows from operating income for FY 2017 are not shown because they are negative.)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Efficiency					
Total asset turnover (times)	1.5	1.5	1.5	1.5	1.4
Fixed asset turnover (times)	8.5	8.1	8.3	9.3	9.1
Tangible fixed asset turnover (times)	13.5	12.4	12.5	13.6	13.5

Note: The above figures are calculated using the averages of those at the beginning and at the end of the period, respectively.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Productivity					
Net sales per employee (thousand yen)	67,102	67,466	67,738	75,047	74,874
Operating income per employee (thousand yen)	2,395	2,869	3,305	4,460	3,894
Number of employees at fiscal-end (person)	644	666	763	795	823

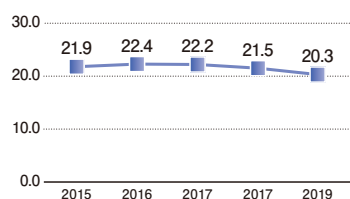
Note: Net sales per employee and operating income per employee are calculated using the average number of employees during the year.

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Capital Investment and Others					
Depreciation expense (million yen)	353	356	408	402	488
Capital investment (million yen)	332	1,244	436	1,014	352
Research and development expense (million yen)	139	167	150	166	150

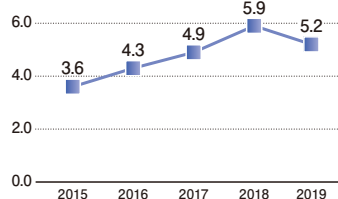
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Investment Indices					
ROE (%)	8.9	9.0	12.7	14.0	12.2
ROA (%)	4.0	4.0	5.5	5.8	4.9

Note: Shareholders' equity and total assets are calculated using the averages of those at the beginning and at the end of the period, respectively.

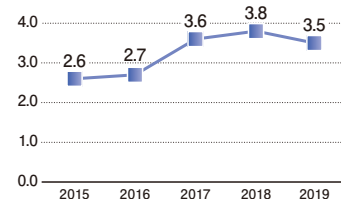
Gross profit/Net sales (%)



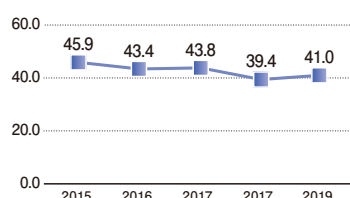
Operating income/Net sales (%)



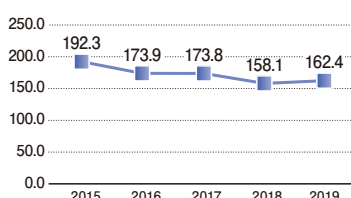
Net income/Net sales (%)



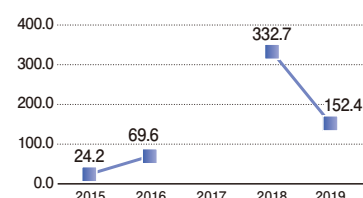
Shareholders' equity/Total assets (%)



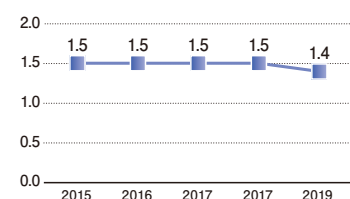
Current ratio (times)



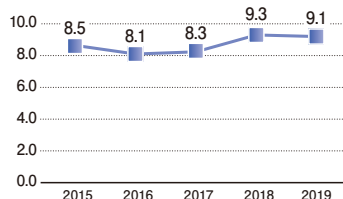
Interest coverage ratio (times)



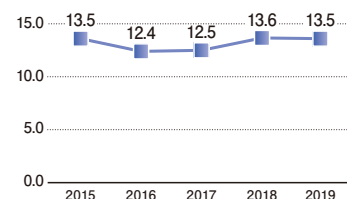
Total asset turnover (times)



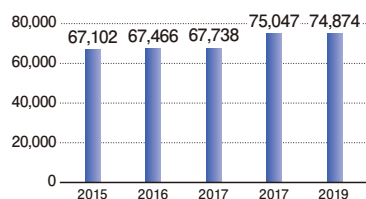
Fixed asset turnover (times)



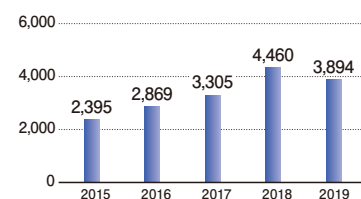
Tangible fixed asset turnover (times)



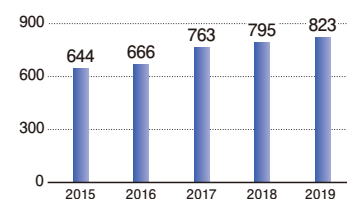
Net sales per employee (thousand yen)



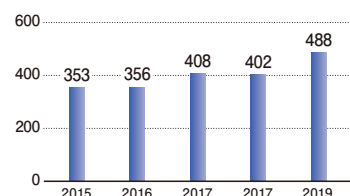
Operating income per employee (thousand yen)



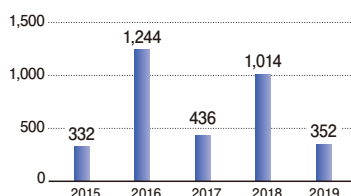
Number of employees at fiscal-end (person)



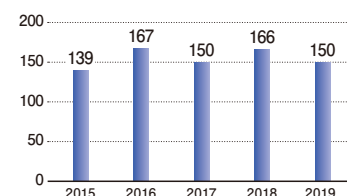
Depreciation expense (million yen)



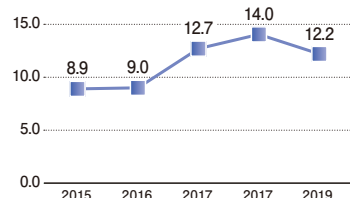
Capital investment (million yen)



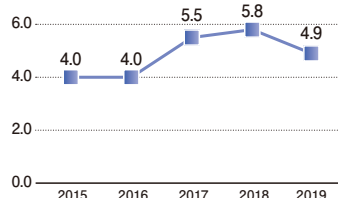
Research and development expense (million yen)



ROE (%)



ROA (%)

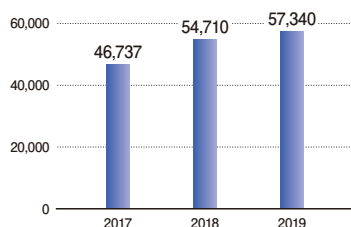




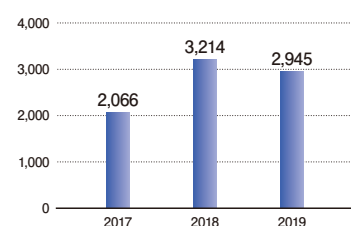
Principal Group Companies' Financial Highlights

DAITRON CO., LTD.

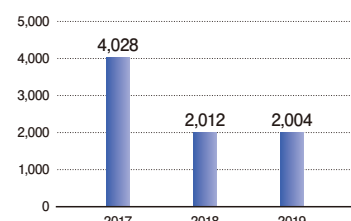
Net sales (million yen)



Ordinary income (million yen)

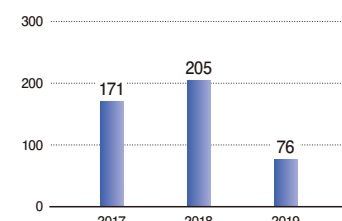
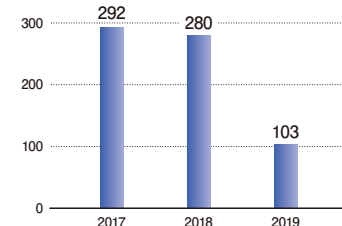
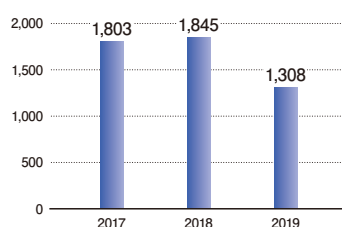


Net income (million yen)

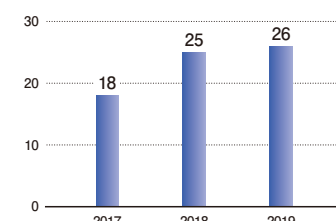
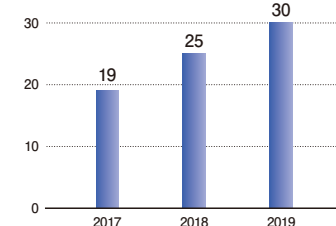
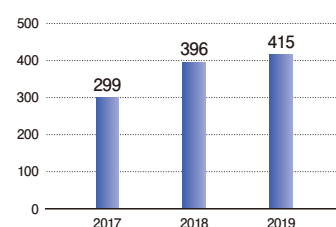


Note: Net income for fiscal 2017 includes a gain on extinguishment of tie-in shares of 2,593 million yen associated with the above merger.

DAITRON INC.

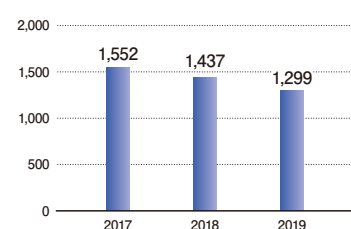


DAITRON(MALAYSIA)SDN.BHD.

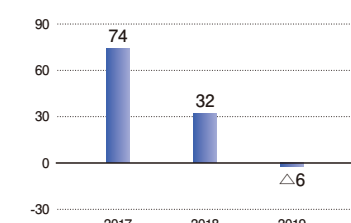


DAITRON(H.K.)CO., LTD.

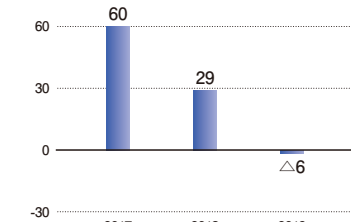
Net sales (million yen)



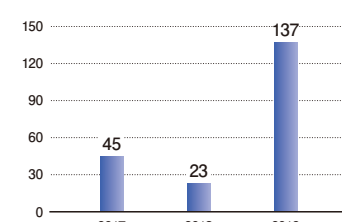
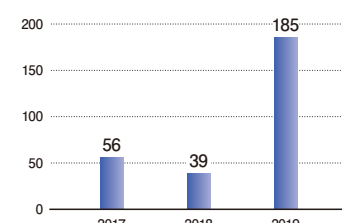
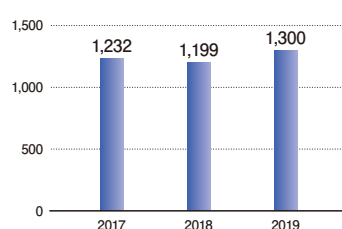
Ordinary income (million yen)



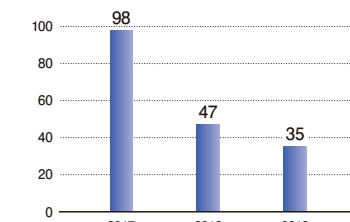
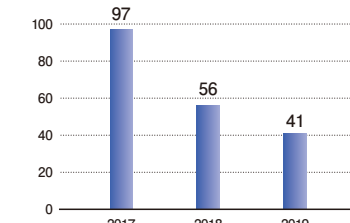
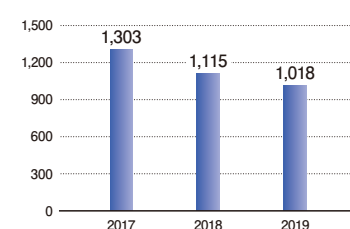
Net income (million yen)



DAITRON(SHANGHAI)CO., LTD.



DAITRON(KOREA)CO., LTD.





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.

Under this Philosophy, we hold that we can contribute to the sound development of society and our CSR can thereby be fulfilled when our own sustainable growth is more consolidated through positive interaction with the stakeholders and by extending the fruits resulting from it.

In addition, we regard building good relationships of trust with all the stakeholders and ensuring timely and proper information disclosure and management transparency for effective and healthy corporate management as the fundamentals of our corporate governance policy based on this Philosophy.



Our CSR Conceptual Diagram

Our Basic CSR Policy

Environmental Policy

We will promote, and continuously improve, environmental management system activities 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. The Company is actively supporting these social action activities in sympathy with them including contributions to this Foundation.

Our Basic Policy on Corporate Governance

Amid this rapidly changing business environment surrounding corporations with the increasing globalization of the world economy, for corporate health and sustainable growth we are aware that improving the management system and enhancing corporate governance from the shareholders-oriented standpoint are among the most important challenges for us. The key elements of our corporate governance principles include building good relationships of trust with all the stakeholders, ensuring timely and proper information disclosure and management transparency for shareholders, and following effective and healthy operating procedures, all of which are based on the Management Philosophy.

Compliance and Corporate Ethics

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.

Timely Disclosure and Information Management

We have created the Information Disclosure Committee for securing timely and appropriate disclosure of important corporate information while keeping it true, complete and accurate, which system has made possible a fair and quick decision on when and what information should be disclosed. We also have set up the information security rules and personal information protection rules for thoroughgoing information management.

Risk 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.

Our Basic Attitude toward Internal Control System

The Company has established and is operating its internal control system for the purpose of sounder and more efficient business management under the Basic Policy on Corporate Governance, recognizing the following issues as first priorities:

- 1 forming of an organization/corporate culture helpful to prevent scandals and comply with laws and regulations as well as maintenance of its effectiveness
- 2 implementation of a system to identify and assess reasonably and manage properly foreseeable risks in business management
- 3 forming of an organization/corporate culture helpful to secure reliability of financial reporting and disclosed information and maintain the effectiveness thereof

The Company has established and is operating its control environment based on the above matters.



Daitron Corporate Data (as of Dec 31, 2019)

■ Trade Name	Daitron Co., Ltd.
■ Established	June 24, 1952
■ Representative	Isayuki Mae, President and COO
■ Capital	2,200,708,560 Yen
■ Number of Employees	823 (consolidated)
■ Business Place	Head Office: Osaka Headquarters: Tokyo Sales Offices: Sendai, Utsunomiya, Ibaraki, Tokyo, Kunitachi, Yokohama, Matsumoto, Shizuoka, Nagoya, Kanazawa, Kyoto, Osaka, Kobe, Hiroshima, Fukuoka, Kumamoto, Taipei (Taiwan), Manila (Philippines), and Hanoi (Vietnam) Logistics Center: Osaka, Kunitachi, and Hashima Factories: Tama, Ichinomiya, Kanazawa, Ritto, and Kameoka
■ Business Line	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. Export and import of the aforementioned products.
■ Number of Group Companies	consolidated 9 (overseas 7)



▲ Head Office



Group Companies' Information (as of Dec 31, 2019)

■ TAKAWA INDUSTRY CO., LTD.	Assembly, wiring, processing of cables & harnesses, units, and board mounting primarily in Kyushu area
■ Daito-Tec Co., Ltd.	Design and manufacturing of industrial cable harnesses and unit assembly and wiring
■ DAITRON INC.	Manufacture and sales of electronic equipment/components and semiconductor manufacturing equipment for North American markets
■ DAITRON (KOREA) CO., LTD.	Sales and import/export of electronic equipment/components and semiconductor manufacturing equipment for Korean and East Asian markets
■ DAITRON (H.K.) CO., LTD.	Sales and import/export of electronic equipment/components and semiconductor manufacturing equipment for Hong Kong and South Chinese markets
■ DAITRON (SHANGHAI) CO., LTD.	Sales and import/export of electronic equipment/components and semiconductor manufacturing equipment for Chinese market
■ DAITRON (SHENZHEN) CO., LTD.	Sales and import/export of electronic equipment/components
■ DAITRON (MALAYSIA) SDN. BHD.	Sales and import/export of electronic equipment/components and semiconductor manufacturing equipment for Malaysian and South-East Asian markets
■ DAITRON (THAILAND) CO., LTD.	Sales and import/export of electronic equipment/components and semiconductor manufacturing equipment for Thai and South-East Asian markets

Daitron
DAITRON CO., LTD.

For inquiry concerning our IR activities:

Head Office 6-11, Miyahara 4-chome, Yodogawa-ku, Osaka 532-0003
TEL+81-6-6399-5952 FAX+81-6-6399-5962
URL:<https://www.daitron.co.jp/> E-mail:info.ir@daitron.co.jp