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Securities Code 7609

March 6, 2024

To our shareholders

Shinsuke Tsuchiya  
President and COO  
**Daitron Co., Ltd.**  
6-11, Miyahara 4-chome, Yodogawa-ku, Osaka

## Notice of the 72nd Annual General Meeting of Shareholders

First, we would like to express our deepest condolences to those who were affected by the 2024 Noto Peninsula Earthquake, and sincerely hope for the earliest possible recovery.

We hereby announce the 72nd Annual General Meeting of Shareholders of Daitron Co., Ltd. (the “Company”), which will be held as indicated below.

Regarding this Annual General Meeting of Shareholders, information to be referenced in the meeting (matters to be provided electronically) are to be provided electronically as well as posted across the websites below. We ask that you please take the time to confirm the documents by accessing one of the listed websites below.

[Official Company Website]

<https://www.daitron.co.jp/ir/meeting.html> (in Japanese)

[Website of General Meeting of Shareholders Materials]

<https://d.sokai.jp/7609/teiji/> (in Japanese)

[Tokyo Stock Exchange Website (TSE Listed Company Information Service)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Please access the above TSE website, enter “Daitron” in the “Issue (Company Name)” field or our securities code “7609” in the “Code” field, select “Basic Information” and “Documents for Public Inspection/PR Information” in that order, and then access the “Notice of Shareholders’ Meeting/Shareholders’ Meeting Materials” under “Documents for Public Inspection.”)

**If you will not attend the meeting in person, you may exercise your voting rights in advance in writing (by postal mail) or via the internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights in accordance with the instruction described below no later than the closing time of our daily business hours (5:30 p.m.) on Wednesday, March 27, 2024 (JST).**

**Furthermore, the Company has decided to discontinue providing souvenirs on the day of the meeting. We would appreciate your understanding.**

**1. Date and Time:** Thursday, March 28, 2024, at 10:00 a.m. (Reception desk will open at 9:00 a.m.) (JST)

**2. Venue:** The Company's 6th floor Large Conference Room  
6-11, Miyahara 4-chome, Yodogawa-ku, Osaka

**3. Purpose of the Meeting**

**Matters to be reported:**

1. 72nd fiscal year (January 1, 2023, through December 31, 2023)  
Report on Business Report and Consolidated Financial Statements, as well as the audit results of Consolidated Financial Statements by the financial auditor and the Board of Corporate Auditors
2. 72nd fiscal year (January 1, 2023, through December 31, 2023)  
Report on Non-consolidated Financial Statements

**Matters to be resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of Two Substitute Corporate Auditors  
**Proposal No. 3:** Introduction of Share Remuneration Plan for Executive Directors

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1. If you attend the meeting in person, please submit the voting form included along with this notice to the reception desk.
  2. In the event of any modification to the electronic documents provided, a notice will be posted on each of the above listed websites, as well as records of modified and unmodified versions of the documents.
  3. With this Annual General Meeting of Shareholders, regardless of whether or not a request for delivery of documents has been made, all shareholders will receive documents stating matters to be provided electronically. Of the matters to be provided electronically, the following matters are not stated in the documents delivered to shareholders based on laws and regulations and the provisions of Article 19, paragraph (2) of the Company's Articles of Incorporation.  
Subsequently, the Business Report, Consolidated Financial Statements, Non-consolidated Financial Documents stated in such documents are included as a part of the documents audited by the financial auditor when preparing their audit report and by the Corporate Auditors when preparing their audit report.
    - "Basic Policy on Control of Company" in the Business Report
    - "Consolidated Statement of Changes in Equity" in Consolidated Financial Statements
    - "Notes on Consolidated Financial Statements" in Consolidated Financial Statements
    - "Non-consolidated Statement of Changes in Equity" in Non-consolidated Financial Statements
    - "Notes on Non-consolidated Financial Statements" in Non-consolidated Financial Statements

## Reference Documents for the General Meeting of Shareholders

### Proposals and reference information

#### Proposal No. 1: Appropriation of Surplus

The Company has given consideration to matters including the business performance of the fiscal year and future business development, and it proposes to appropriate surplus for the 72nd fiscal year as follows:

Year-end dividends

- (1) Type of dividend property  
To be paid in cash.
- (2) Allotment of dividend property and their aggregate amount  
¥70 per common share of the Company  
Total payment: ¥777,214,340  
As the Company has already paid an interim dividend of ¥50 per share, the annual dividend for the fiscal year will be ¥120 per share.
- (3) Effective date of dividends of surplus  
March 29, 2024

**Proposal No. 2: Election of Two Substitute Corporate Auditors**

The Company proposes the election of two substitute Corporate Auditors to be ready to fill a vacant position should the number of Corporate Auditors fall below the number required by laws and regulations.

The candidates for substitute Corporate Auditors are as follows: Hideki Sakai is a candidate for Corporate Auditor as a substitute for Minoru Ujihara who is our current Corporate Auditor, and Shunsaku Yagi is a candidate for Outside Corporate Auditor as a substitute for Noriko Kitajima and Satoshi Nakayama who are our Outside Corporate Auditors.

The election of substitute Corporate Auditors will be valid until the time of the commencement of the next annual general meeting of shareholders. However, the validity of the election can be nullified by resolution of the Board of Directors if the consent of the Board of Corporate Auditors has been obtained; provided, however, that this applies only in the time before assuming office as Corporate Auditor.

In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

Candidate No.	Name (Date of birth)	Career summary, and position in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Hideki Sakai (July 19, 1967)	Apr. 1990      Joined the Company May 2022      Head of Audit Office (to present)	6,100
	[Reasons for nomination as candidate for substitute Corporate Auditor] Since Hideki Sakai has been engaged in internal audit work for many years and has extensive business experience, a good track record and knowledge, the Company believes that he is competent to perform an audit appropriately and nominates him as a candidate for a substitute Corporate Auditor.		
2	Shunsaku Yagi (March 8, 1945) [Candidate for substitute Outside Corporate Auditor]	Oct. 1971      Registered as a certified tax accountant (to present) Oct. 1972      Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Sep. 1978      Registered as a certified public accountant (to present) Aug. 1983      Established Certified Public Accountant Tax Accountant, Shunsaku Yagi & Associates, Inc., Director (to present)	-
	Outside Independent	Mar. 2007      Outside Corporate Auditor of the Company (Significant concurrent positions outside the Company) Certified Public Accountant Tax Accountant, Shunsaku Yagi & Associates, Inc., Director	
[Reasons for nomination as candidate for substitute Outside Corporate Auditor] Since Shunsaku Yagi has extensive experience and highly professional knowledge as a certified public accountant, the Company believes that he will be able to provide beneficial opinions and advice about the audit of the Daitron Group and nominates him as a candidate for a substitute Outside Corporate Auditor. Shunsaku Yagi has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill duties as an Outside Corporate Auditor based on the above reasons.			

- Notes:
1. There is no special interest between any of the candidates for substitute Corporate Auditor and the Company.
  2. Shunsaku Yagi is a candidate for substitute Outside Corporate Auditor.
  3. If Shunsaku Yagi assumes the office of Corporate Auditor, the Company plans to enter into an agreement with him pursuant to the provisions of Article 427, paragraph (1) of the Companies Act to limit his liability for damages under Article 423, paragraph (1) of the same Act. The maximum amount of liability for damages under this agreement is the amount provided for under laws and regulations if the Corporate Auditor executes his duties in good faith and without gross negligence.
  4. If Hideki Sakai and Shunsaku Yagi assume the office of Corporate Auditor, the Company plans to enter into an indemnification agreement with them pursuant to the provisions of Article 430-2, paragraph (1) of the Companies Act, under which the Company will indemnify them for the expenses set forth in item (i) and losses set forth in item (ii) of the same paragraph to the extent provided for under laws and regulations. However, in order to ensure that this indemnification agreement does not impair the appropriateness of the execution of duties by a corporate officer, indemnification is not provided in the event of malicious intent or gross negligence in the execution of their duties.

5. In accordance with provisions of Article 430-3, paragraph (1) of the Companies Act, the Company has entered into a directors and officers liability insurance policy with an insurance company. The insureds in the insurance policy do not bear any of the premiums. The insurance policy covers legal damages that may arise due to the insured assuming responsibilities for the execution of duties as a corporate officer or being subjected to a claim for damages related to the said liability. However, in order not to impair the appropriateness of duty execution by the insured, the policy does not cover damages arising from performance of an illegal act with full knowledge of its illegality. If Hideki Sakai and Shunsaku Yagi assume the office of Corporate Auditor, both of them will be included as insureds in the insurance policy.
6. Shunsaku Yagi satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange Inc., and if he assumes the office of Outside Corporate Auditor, the Company plans to register him as an independent officer with the exchange.

### **Proposal No. 3: Introduction of Share Remuneration Plan for Executive Directors**

It was approved that the amount of remuneration, etc. for Directors of the Company shall be no more than ¥500,000 thousand per year (excluding salaries for employees) by the resolution at the Extraordinary General Meeting of Shareholders held on September 20, 1991. However, for the purposes of providing the Company's Executive Directors (the "Eligible Directors") with incentives to continuously improve the Company's corporate value by further clarifying the linkage between their remuneration and the Company's business performance and share value, as well as of further promoting value sharing between the Eligible Directors and shareholders, the Company proposes the introduction of a new performance-linked share remuneration plan (the "Plan") for the Eligible Directors, as described below, separately from the above remuneration plan.

#### 1. Overview of the Plan

The Plan is a performance-linked share remuneration plan in which the Board of Directors sets in advance numerical targets for the Company's business performance during the period from the first day of each fiscal year to the last day of that fiscal year (the "Evaluation Period"), and the number of the Company's common shares and money (the "Company's Shares, Etc.") calculated based on the achievement of such numerical targets and the Eligible Directors' position, etc. are granted to the Eligible Directors as remuneration, etc. using performance share units. The Board of Directors shall determine the performance indicators to be adopted under the Plan, which include indicators of profits, indicators of sales, and other indicators based on the Company's management policy.

Therefore, the Plan is to deliver or pay the Company's Shares, Etc. in accordance with the degree of achievement of numerical targets for business performance, etc., and at the time of the introduction of the Plan, whether or not to deliver or pay the Company's Shares, Etc., the number of shares to be delivered, and the amount of money to be paid to each Eligible Director have not been determined.

Under the Plan, the total amount of common shares of the Company to be issued or disposed of to the Eligible Directors shall be no more than 10,000 shares per year (provided, however, that if a share split (including gratis allotment of the Company's common shares) or a consolidation of shares of the Company's common shares is conducted after the date this proposal is approved, the maximum number shall be adjusted according to the split ratio or consolidation ratio), the total amount of the Company's Shares, Etc. shall be an amount considered reasonable in light of the above purposes, not exceeding ¥35 million per year, separately from the above remuneration plan.

There are three current Directors who can be included as Eligible Directors.

The grant of shares of the Company's common shares under the Plan shall be conducted by either of the following methods, based on a resolution of the Board of Directors.

- (1) Method in which the Company's common shares are issued or disposed of without requiring payment of money or delivery of properties contributed in kind as remuneration, etc. to the Eligible Directors
- (2) Method in which a monetary remuneration claim is paid as remuneration, etc. to the Eligible Directors, and the Eligible Directors are to receive all of such monetary remuneration claim as properties contributed in kind, and the Company's common shares are issued or disposed of (In case of (2), the amount to be paid per share shall be determined by a resolution of the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately preceding the date of such resolution by the Board of Directors on the issuance or disposal (or if no transaction is effected on that date, the closing price on the immediately preceding trading day) to the extent not particularly favorable to the Eligible Directors.)

## 2. Requirements for granting the Company's shares, Etc.

Under the Plan, upon completion of the Evaluation Period and fulfillment of the requirements outlined below, the Company's Shares, Etc. will be granted to the Eligible Directors (including the Eligible Directors who newly assumed the office after the commencement of the Evaluation Period).

- (1) There has been not certain misconduct, etc., as determined by the Board of the Directors of the Company
- (2) Other requirements determined by the Board of Directors as necessary to achieve the purposes of the performance-linked share remuneration plan are satisfied

After the commencement of the Evaluation Period (or, in the case of an Eligible Director who newly assumed the office after the commencement of the Evaluation Period, after such assumption of the office) and prior to the grant of the Company's Shares, Etc., (1) if the Eligible Directors resign or retire from the position of Executive Director or other position determined by the Board of Directors of the Company due to death or other reasons deemed justifiable by the Board of Directors; (2) if the general meeting of shareholders of the Company approves a merger agreement under which the Company becomes a dissolving company, a share exchange agreement under which the Company becomes a wholly-owned subsidiary, a share transfer plan, or other matters related to reorganization, etc. (provided, however, that if such reorganization, etc. does not require approval at a general meeting of shareholders, the Board of Directors of the Company); or (3) if the Board of Directors finds a justifiable reason, the Company's Shares, Etc. may be granted, if necessary, at a time reasonably determined and in the number or amount reasonably determined by the Board of Directors.

## 3. Reasons why the payment of remuneration under the Plan is reasonable

The payment of remuneration under the Plan is considered to be reasonable for the following reasons: (1) the Plan provides an incentive for the sustainable improvement of corporate value over the medium to long term by setting business performance targets for the Evaluation Period and granting the Company's Shares, Etc. in accordance with the degree of achievement of such targets, and (2) the ratio of the total number of shares under the performance-linked share remuneration plan to the total number of shares outstanding is approximately 0.09% for each Evaluation Period, and the dilution ratio is minimal.

In addition, the Board of Directors, at its meeting held on February 12, 2021, established a policy for determining the details of remuneration, etc. for individual Directors, an overview of which is shown on page 19 of the Business Report (in Japanese only), and if this proposal is approved, the Company plans to change this policy in a manner consistent with this proposal.

### (Reference)

If this proposal is approved, the Company plans to introduce a performance-linked share remuneration plan similar to the Plan for Corporate Officers and upper-level employees.