

FY2025 Financial Results

Daitron Co., Ltd.

Securities Code: 7609



Overview of Consolidated Financial Results (Operating Results and Earnings Forecast)

Full-Year Results Trends

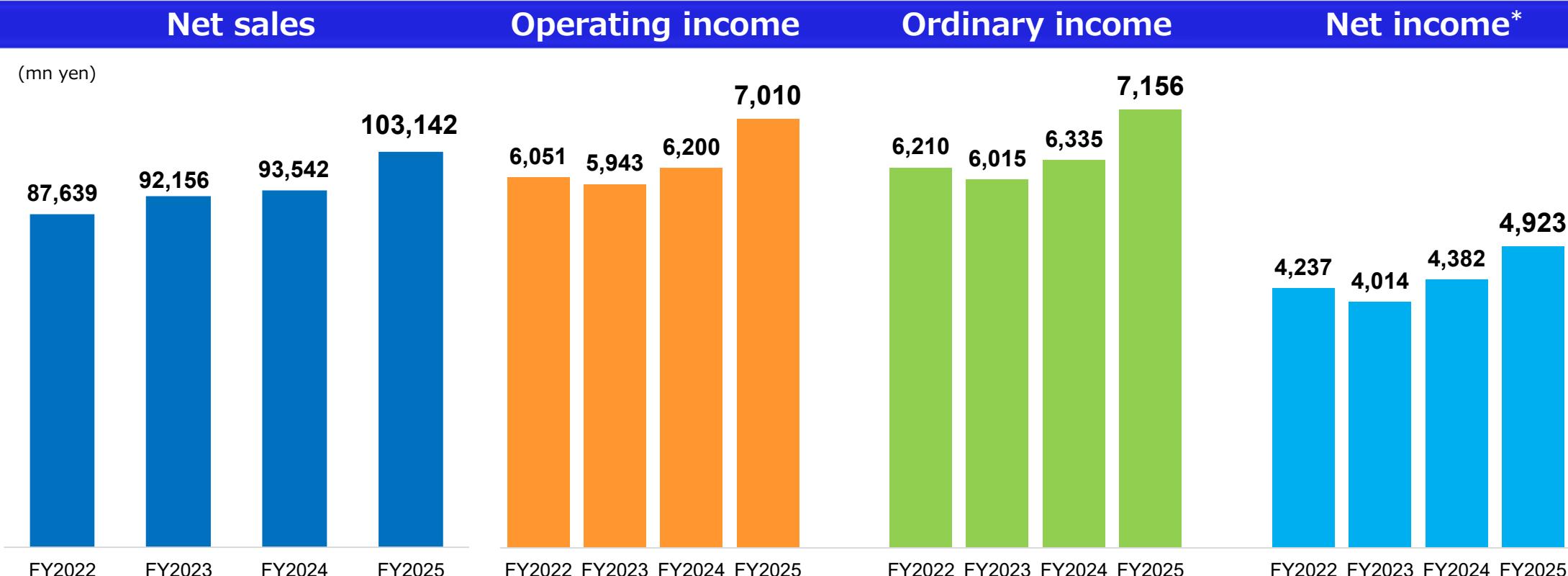


■ FY2025 earnings

Net sales ¥103,142 mn
(110.3% YoY)

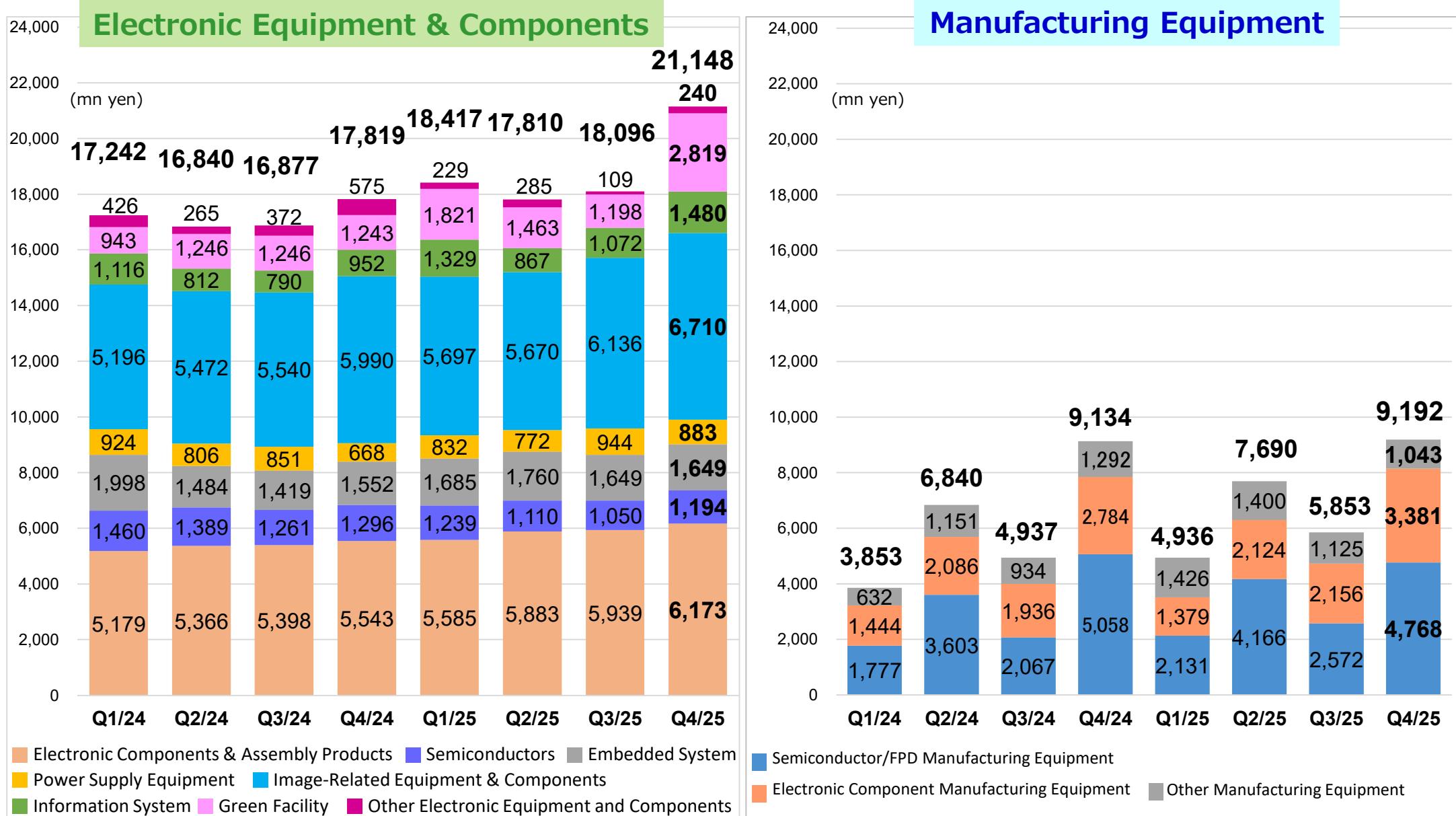
- Operating income ¥7,010 mn
(113.1% YoY)
- Ordinary income ¥7,156 mn
(113.0% YoY)
- Net income* ¥4,923 mn
(112.4% YoY)

Change in full-year earnings



* Net income attributable to owners of parent

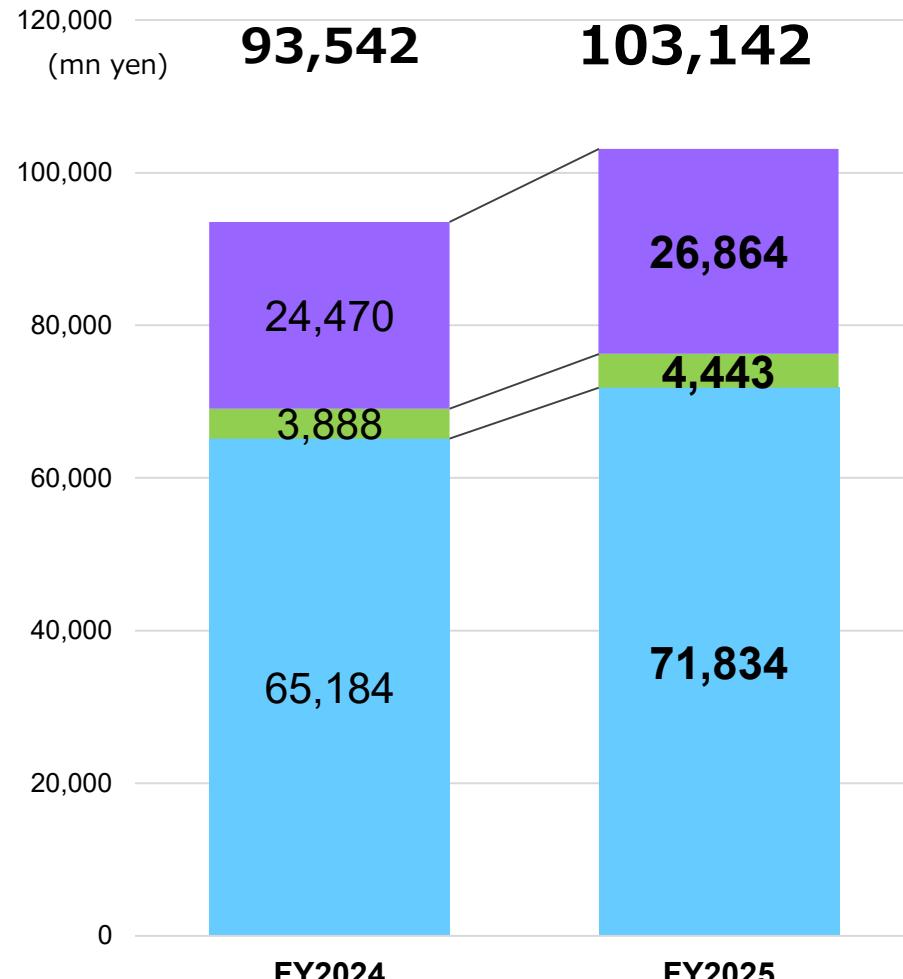
Quarterly Performance Trends by Product Segment



Performance Trends by Reportable Segment



Revenue from External Customers

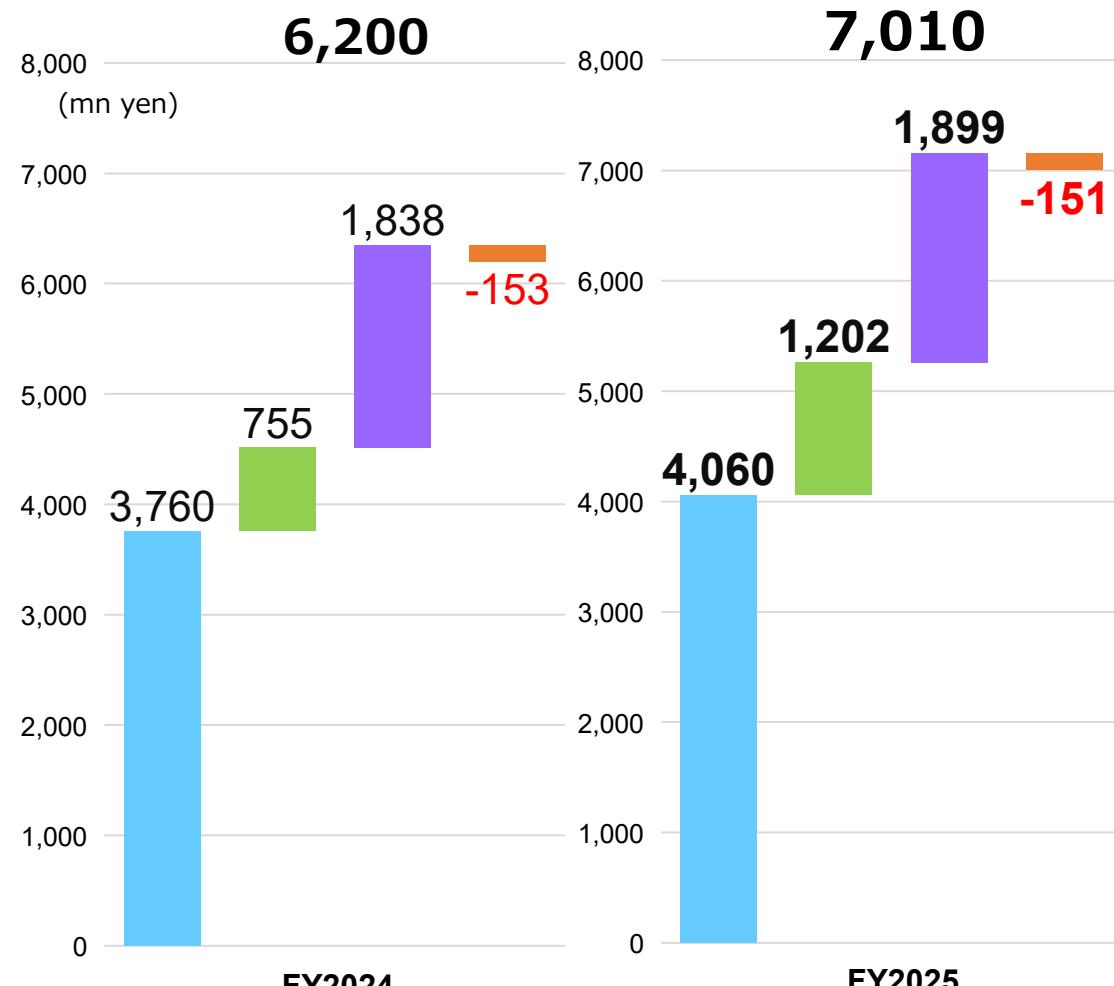


■ Domestic Sales Business ■ Domestic Manufacturing Business ■ Global Business

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

FY2025 ¥13,039 mn
(FY2024 ¥11,484 mn)

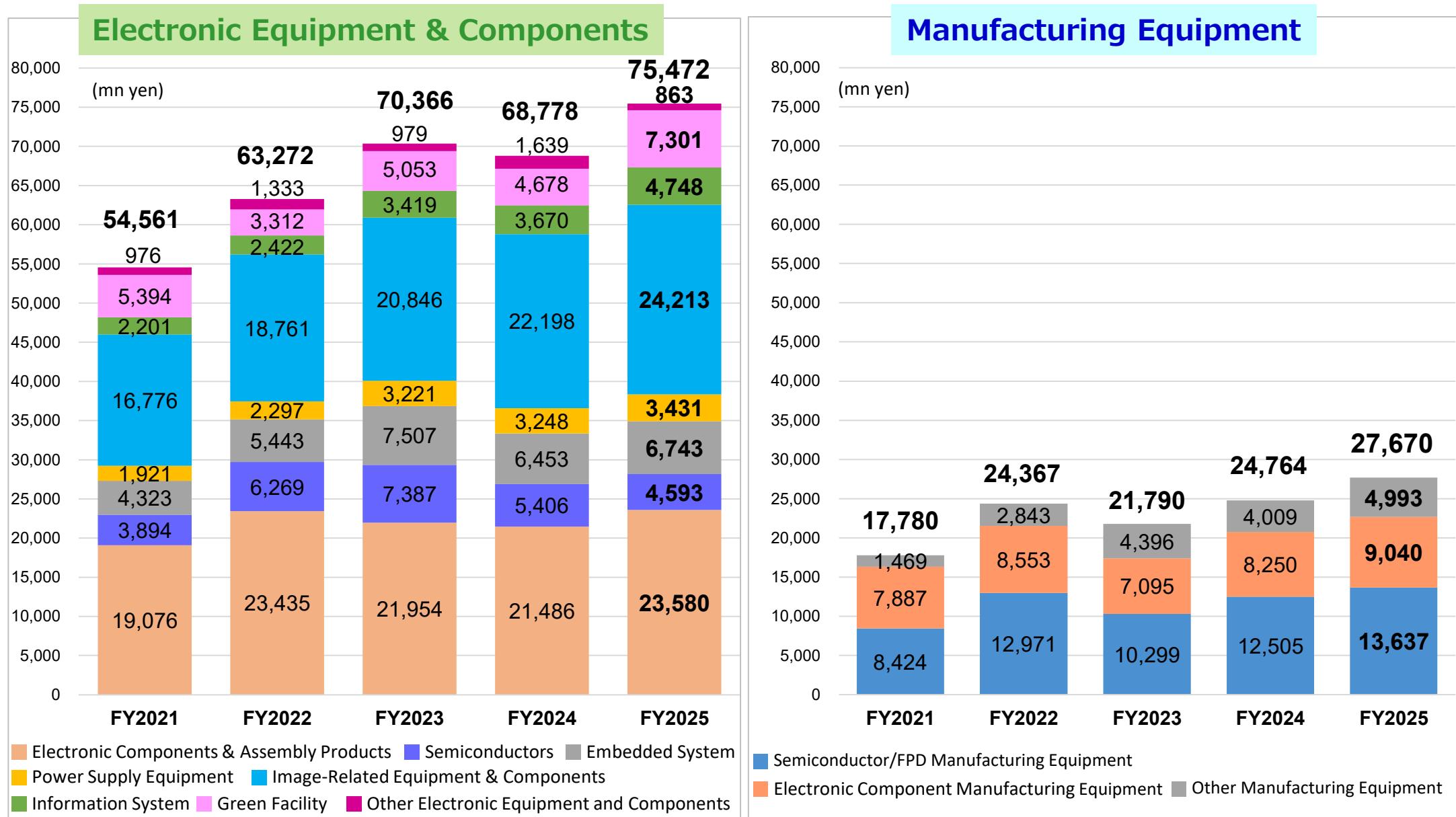
Operating Income



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

* Corporate expenses are mainly selling, general and administrative (SG&A) expenses that are not attributable to any reportable segment.

Product Segment Performance Change



Business Structure of the Company FY2025 performance



Business	By product segment	Sales composition ratio	Gross profit margin	Original product ratio	Overseas sales ratio
Electronic Equipment & Components	Electronic Components & Assembly Products	22.9% (23.0% FY2024)	24.7% (24.3% FY2024)	16.9% (16.8% FY2024)	North America 6.8% (6.0% FY2024)
	Semiconductors	4.5% (5.8% FY2024)	20.4% (19.1% FY2024)		
	Embedded System	6.5% (6.9% FY2024)	16.5% (17.0% FY2024)		
	Power Supply Equipment	3.3% (3.5% FY2024)	17.8% (17.5% FY2024)		
	Image-Related Equipment & Components	23.5% (23.7% FY2024)	13.3% (13.2% FY2024)		
	Information System	4.6% (3.9% FY2024)	20.1% (22.1% FY2024)		
	Other Electronic Equipment and Components	0.8% (1.7% FY2024)	20.7% (11.4% FY2024)		
Manufacturing Equipment	Semiconductor/FPD Manufacturing Equipment	13.2% (13.4% FY2024)	21.7% (20.0% FY2024)	16.9% (16.8% FY2024)	Europe 2.0% (0.8% FY2024)
	Electronic Component Manufacturing Equipment	8.8% (8.8% FY2024)	28.5% (27.2% FY2024)		
	Other Manufacturing Equipment	4.8% (4.3% FY2024)	21.8% (24.7% FY2024)		
New Business	Green Facility	7.1% (5.0% FY2024)	21.0% (27.4% FY2024)	26.2% (26.3% FY2024)	Asia 17.4% (19.6% FY2024)
Total		100.0%	20.3% (20.2% FY2024)		

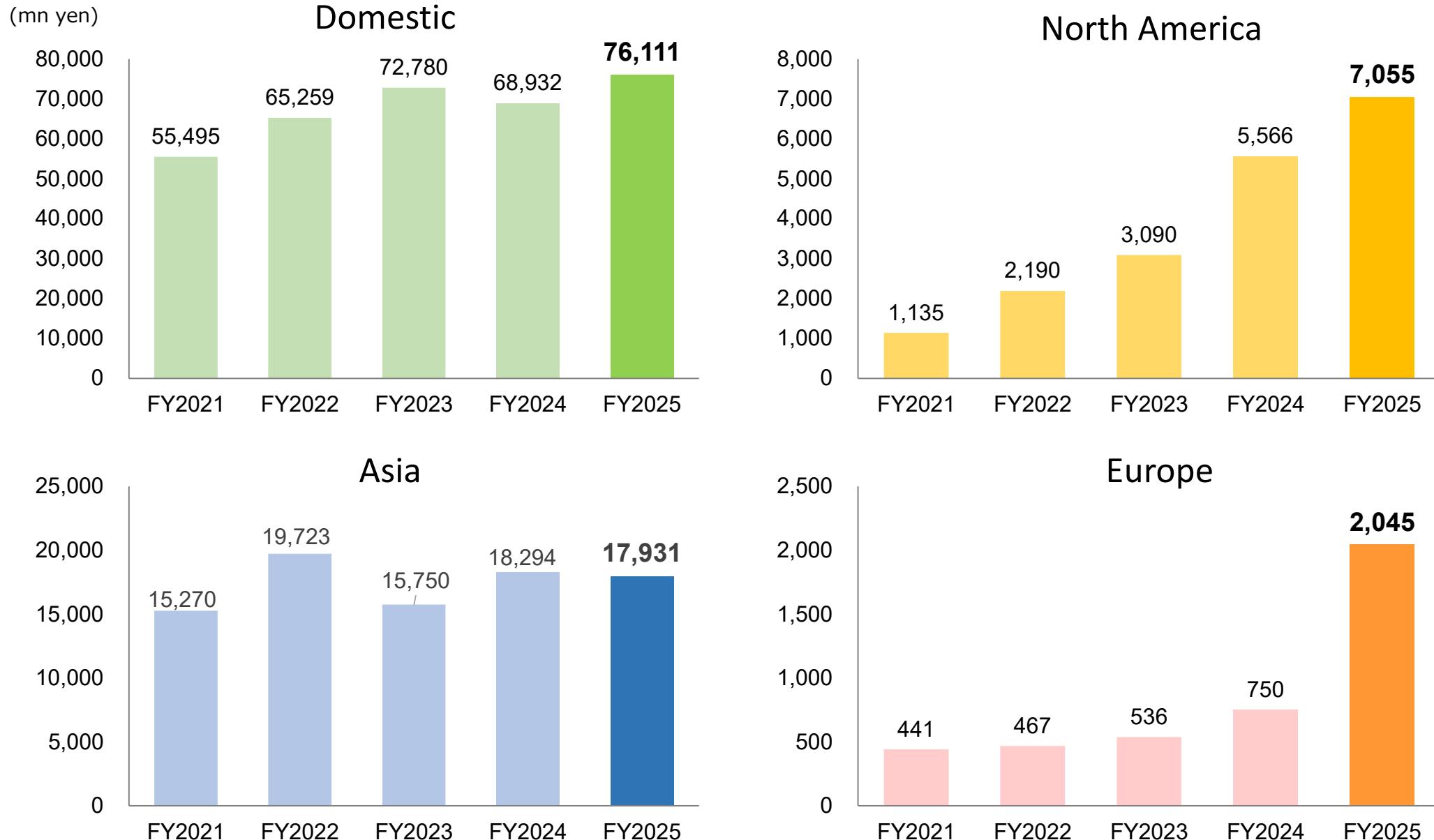
shows the product segments including Daitron's original products.

Year-on-year Net sales by Region

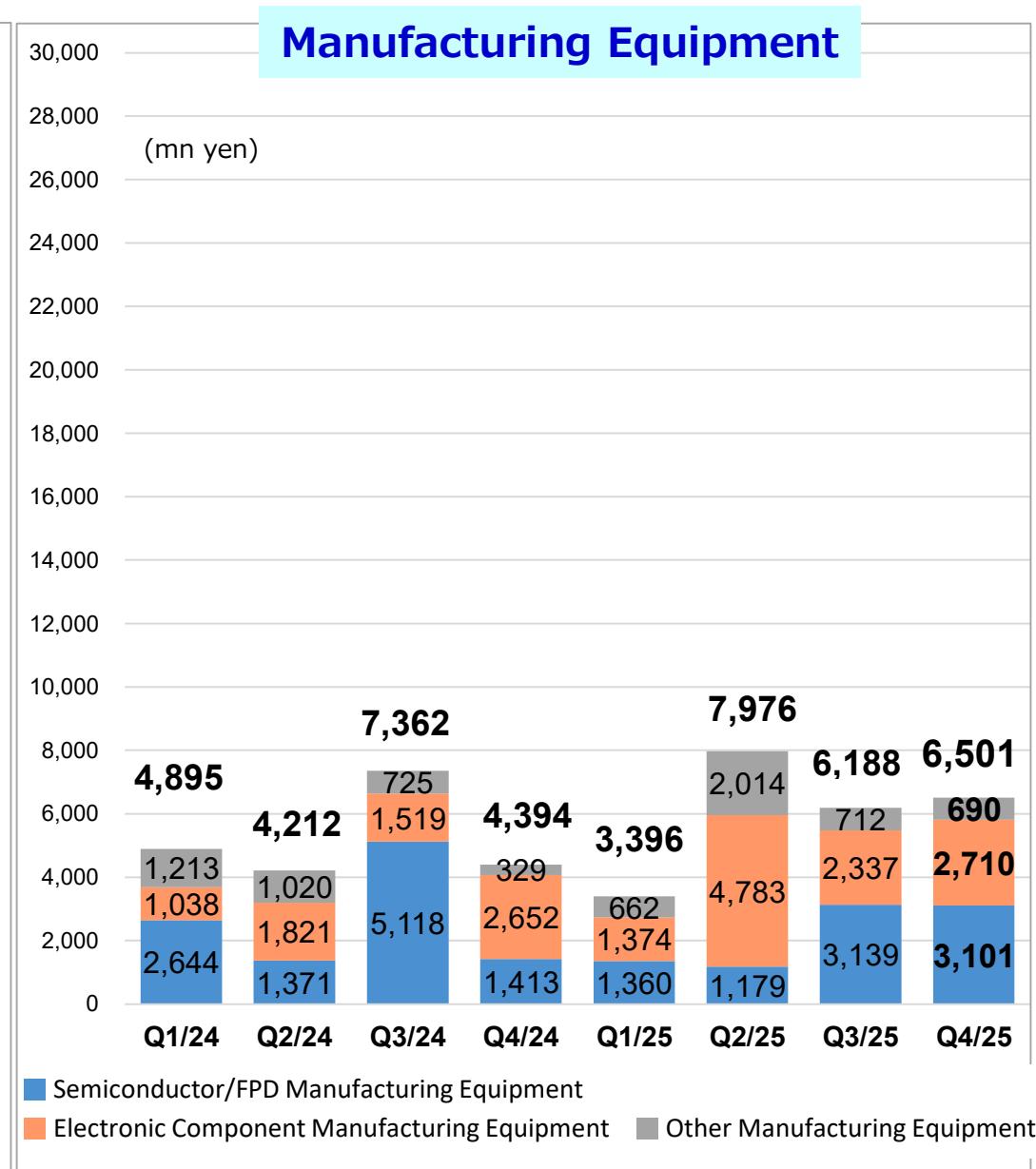
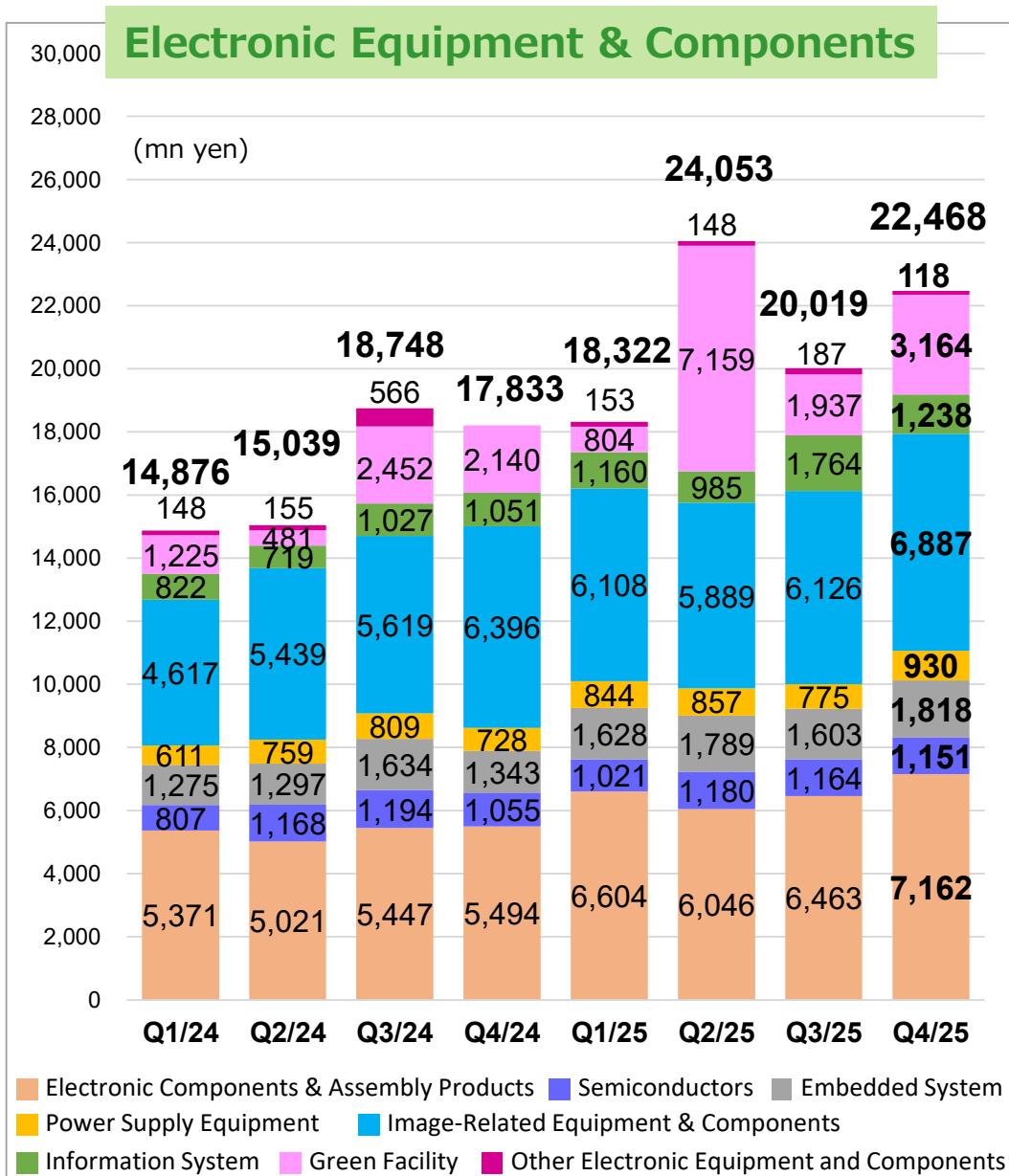


(mn yen)	FY2024	FY2025	Difference
Domestic	68,932	76,111	7,179
Overseas (% of total sales)	24,610 (26.3%)	27,031 (26.2%)	2,421 (-0.1pp)
North America	5,566	7,055	1,489
Europe	750	2,045	1,295
Asia [China]	18,293 [10,459]	17,931 [10,048]	△362 [(411)]
Total	93,542	103,142	9,600

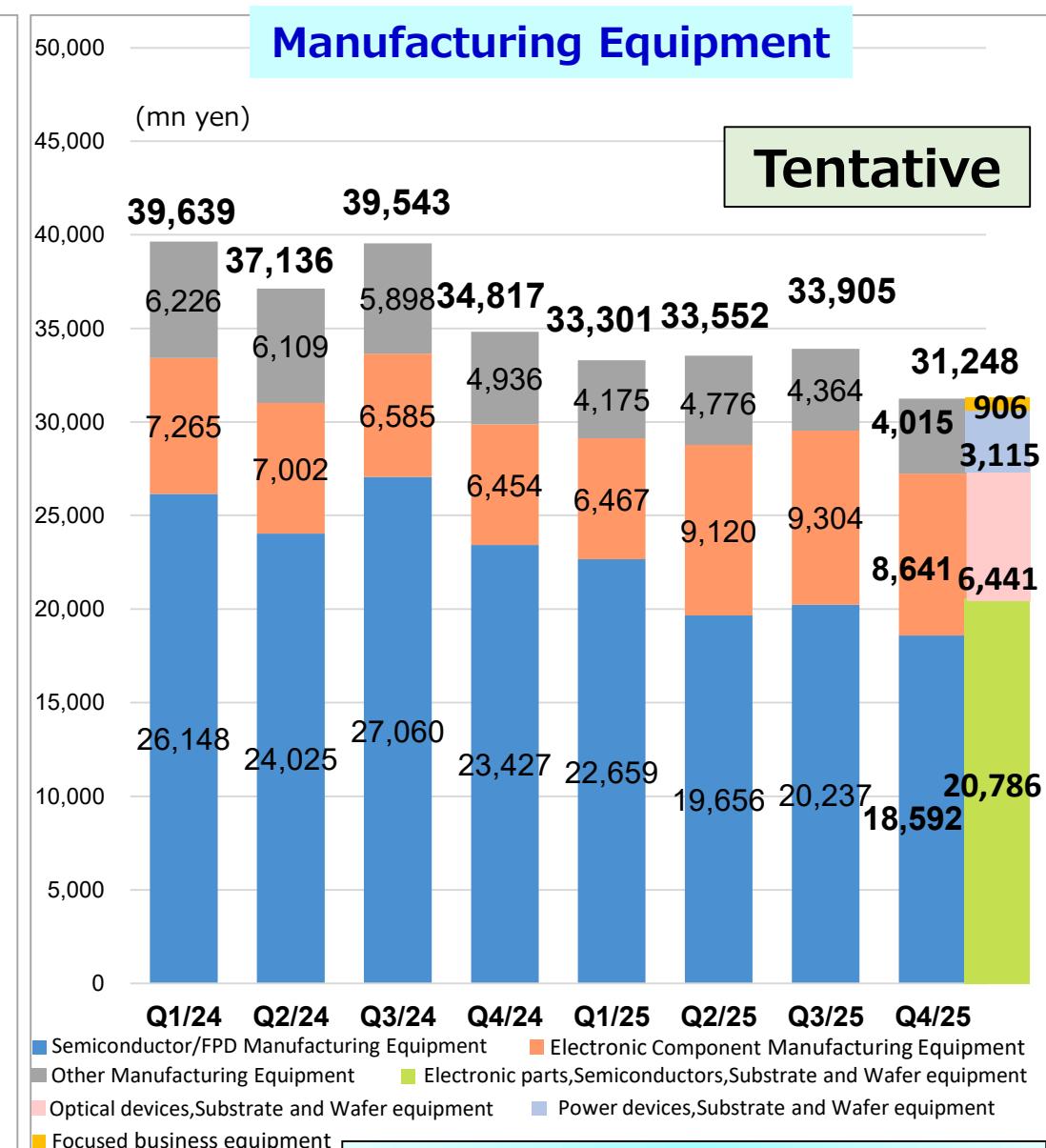
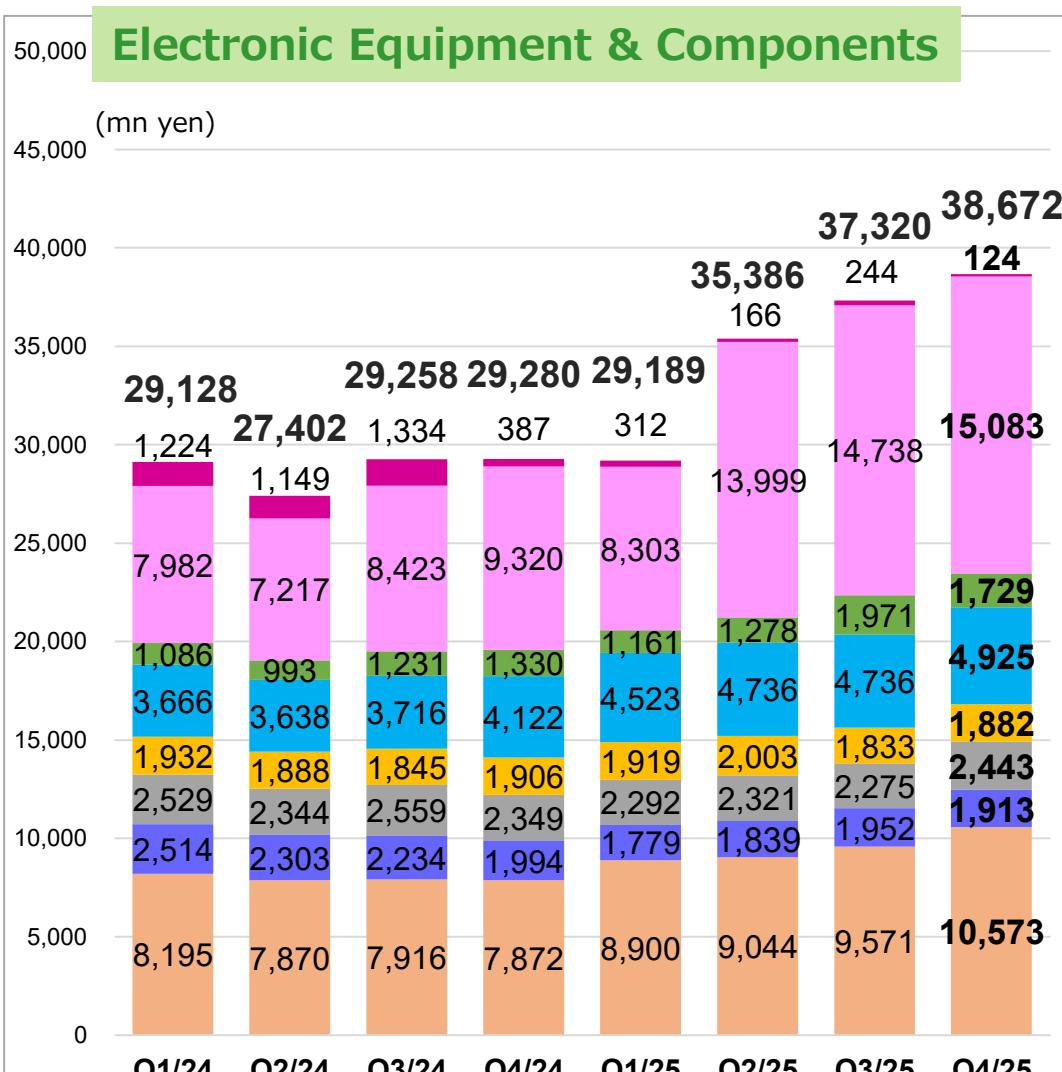
Sales Change by Region



Quarterly Order Change (by product segment)



Quarterly Order Backlog Change (by product segment)



Order Backlog for sales from FY2027 onward

- Electronic Equipment and Components
- Manufacturing Equipment
- Total

¥10,067 mn
¥7,227 mn
¥17,294 mn

We reviewed segments by product for manufacturing equipment and added new product segments from FY2025.

Financial Position & Cash Flows



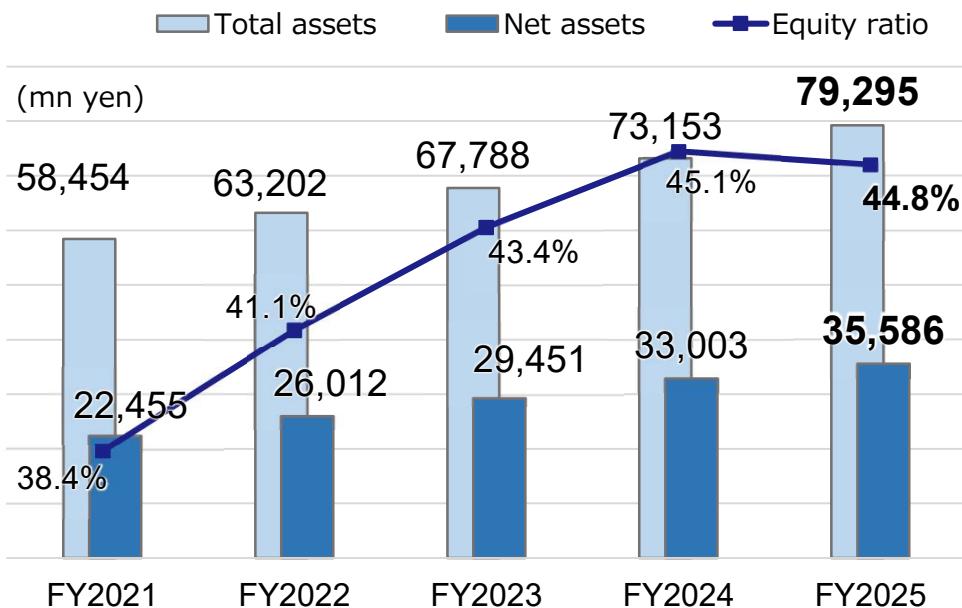
Consolidated financial position

Total assets
¥79,295 mn
(up ¥6,141 mn)

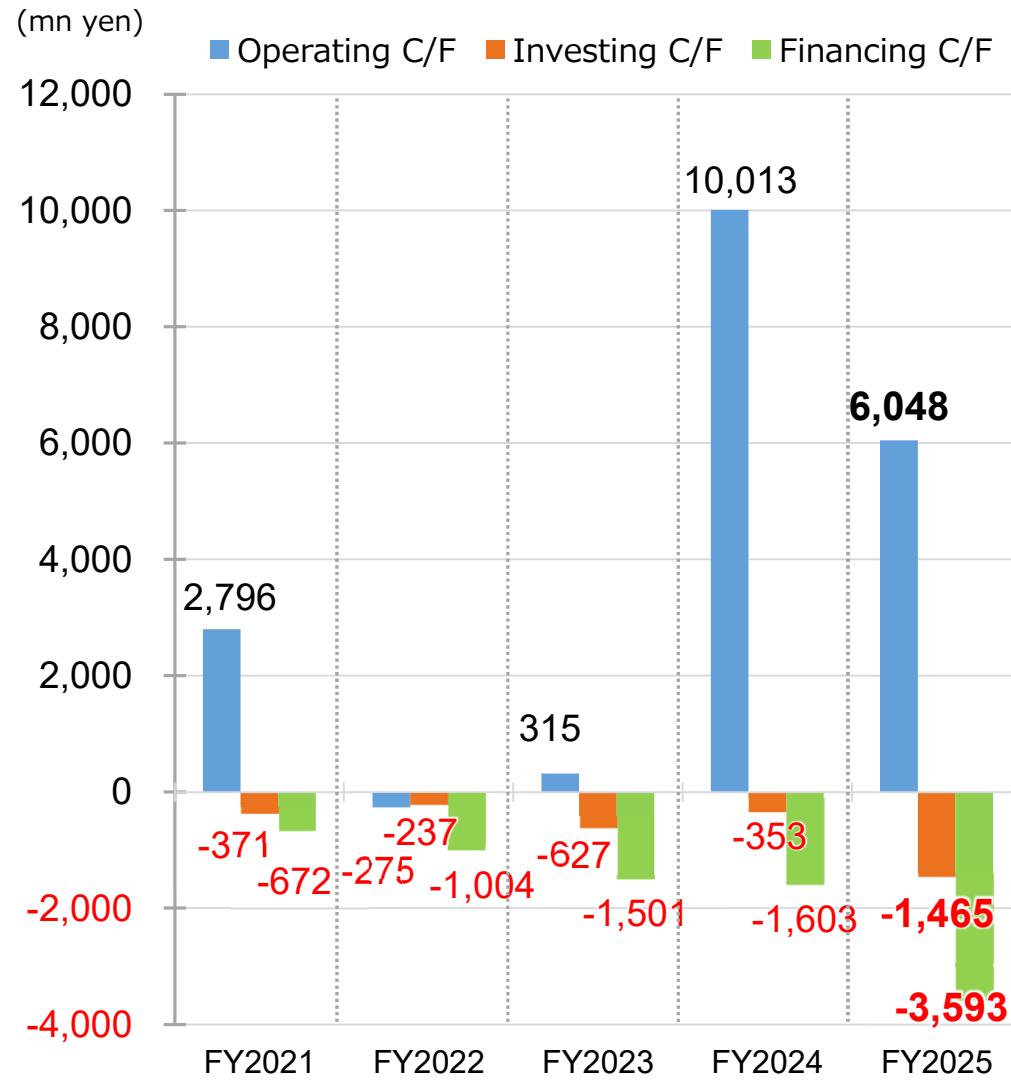
Liabilities
¥43,709 mn
(up ¥3,559 mn)

Net assets
¥35,586 mn
(up ¥2,582 mn)

Total assets / Net assets / Equity ratio



Consolidated cash flows



Consolidated Performance Forecast (full-year)



■ Net sales **¥103,400 mn**
(100.3% YoY)

■ Operating income

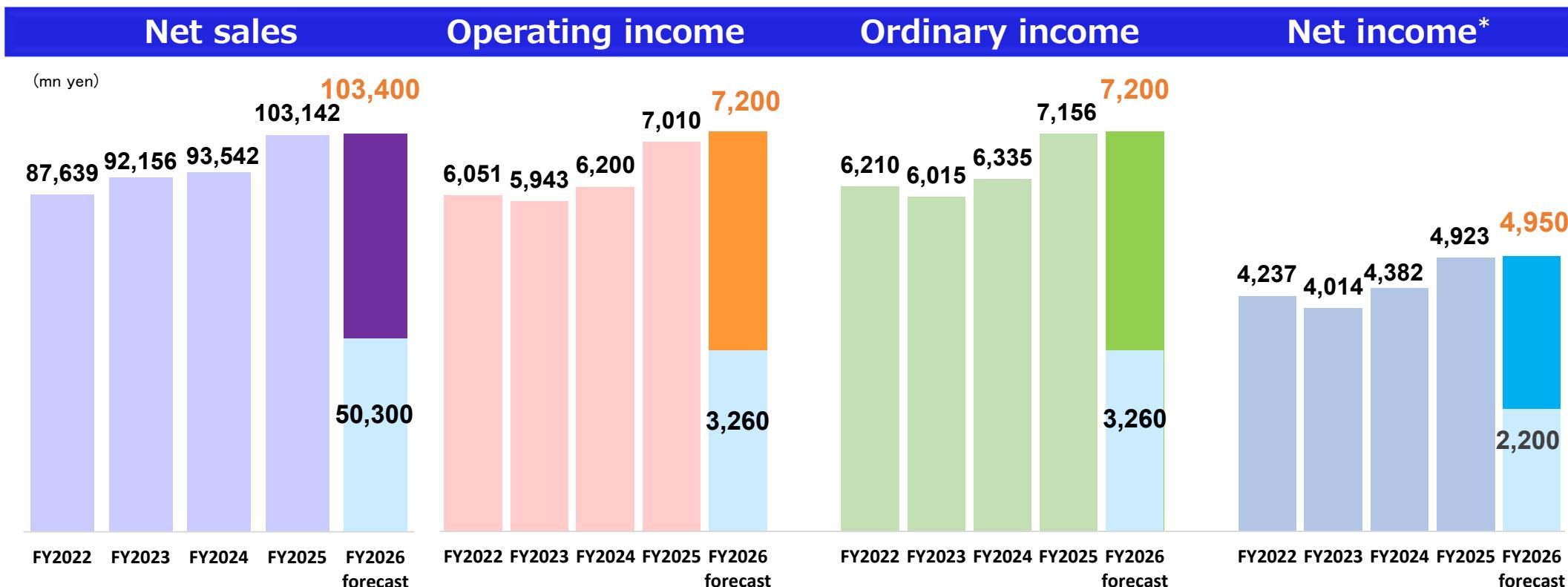
¥7,200 mn
(102.7% YoY)

■ Ordinary income

¥7,200 mn
(100.6% YoY)

■ Net income*

¥4,950 mn
(100.5% YoY)

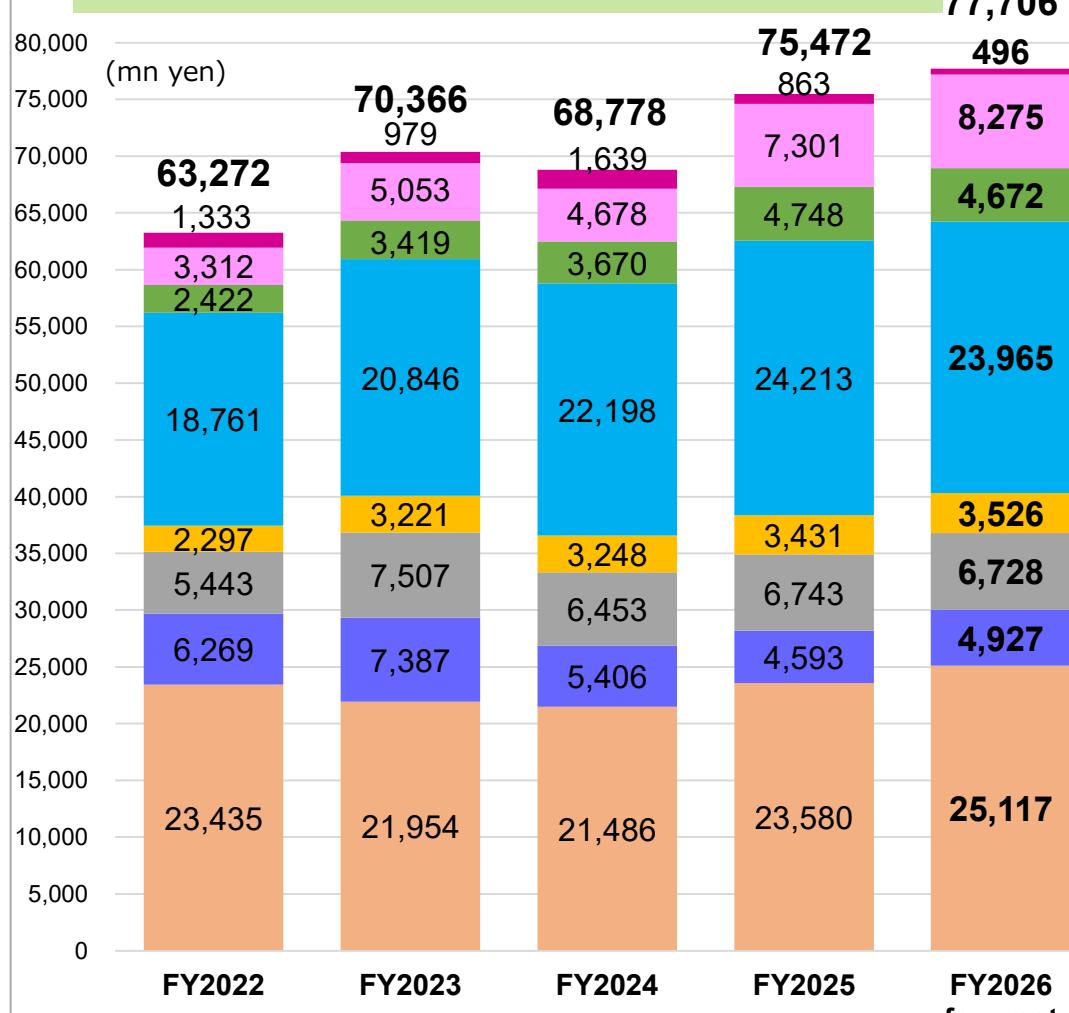


* Net income attributable to owners of parent

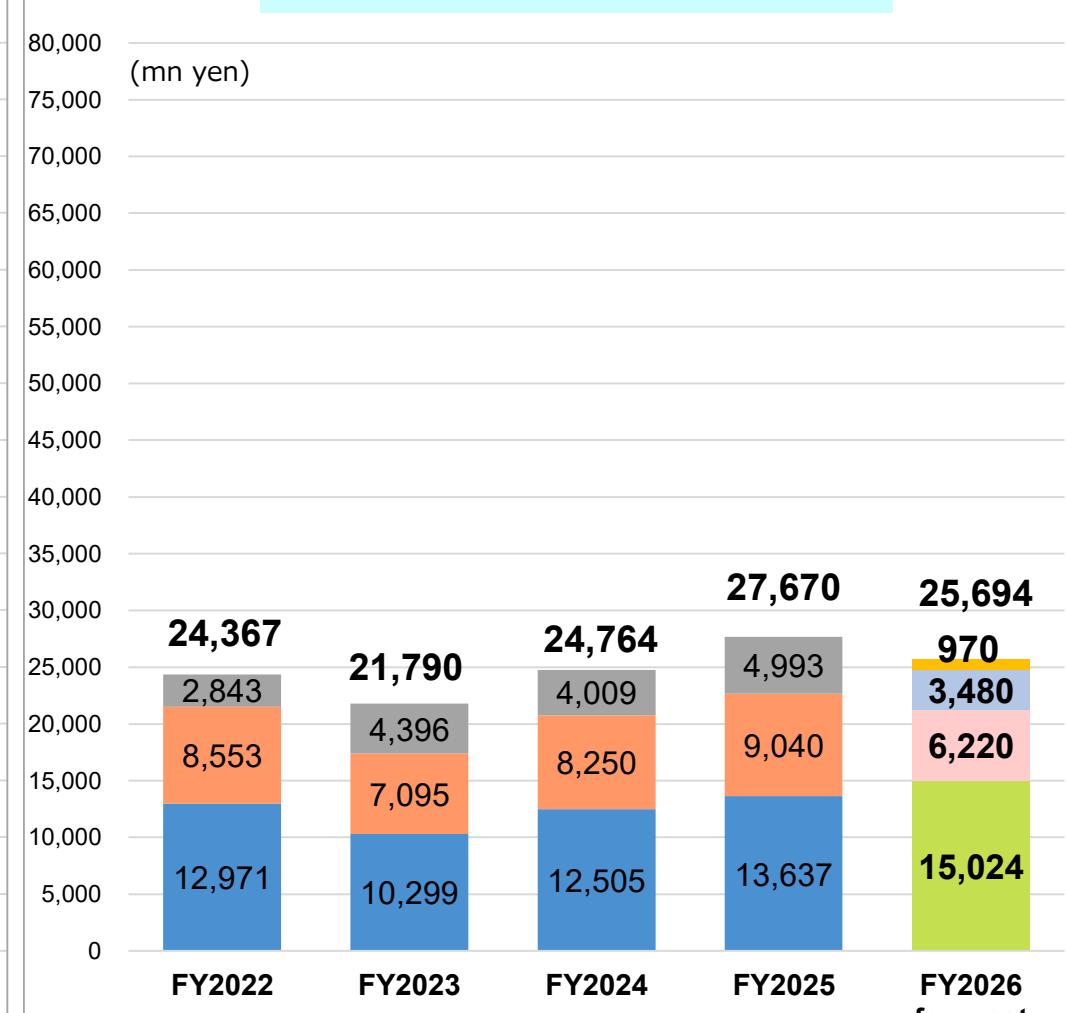
Performance Change and Forecast by Product Segment



Electronic Equipment & Components



Manufacturing Equipment



█ Electronic Components & Assembly Products █ Semiconductors █ Embedded System
█ Power Supply Equipment █ Image-Related Equipment & Components
█ Information System █ Green Facility █ Other Electronic Equipment and Components

█ Semiconductor/FPD Manufacturing Equipment █ Electronic Component Manufacturing Equipment
█ Other Manufacturing Equipment █ Electronic parts,Semiconductors,Substrate and Wafer equipment
█ Optical devices,Substrate and Wafer equipment █ Power devices,Substrate and Wafer equipment
█ Focused business equipment

Dividends



(yen)	2Q end (interim)	Year-end	Annual dividend (interim + year-end)	Initial forecast	Payout ratio
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	70	120	190	160	40.9%
FY 2026 forecast	40	55	95		40.4%

* We conducted a 2-for-1 stock split of common shares effective January 1, 2026.



11th Medium-Term Business Plan(11M)

【 FY2024-FY2026 】



Foundations of 11M Development

1) Management Philosophy



We respect our employees' pursuit of self-fulfillment and encourage them to give their best, striving to create a truly rewarding and comfortable workplace.

We are committed to delivering satisfaction to our shareholders, customers, and suppliers.

We continually embrace a global perspective, taking on the challenge of technological innovation and the creation of high value-added products and services.

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Creator for the *NEXT*

As a technology trading company serving the electronics industry, we leverage our group network to create new value.

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

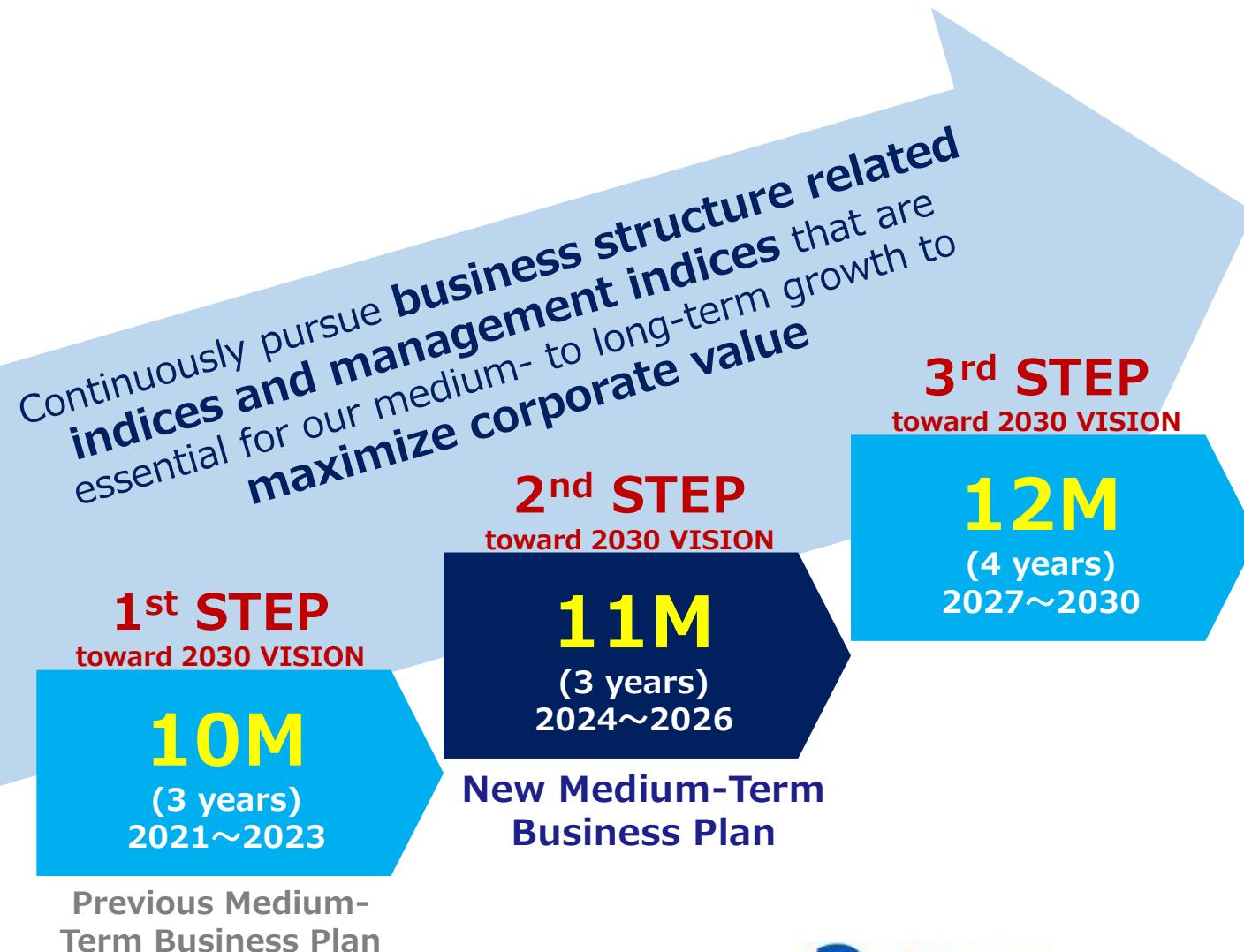
Always create a next business and seek a stage for further growth

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



Long-Term Vision 2030 VISION

Quantitative Target (2030)

Consolidated net sales of over 100 billion yen for further expansion

Qualitative Target (Ideals toward 2030)

A corporate group valued worldwide for its technological expertise and ability to propose solutions.



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

Foundations of 11M Development

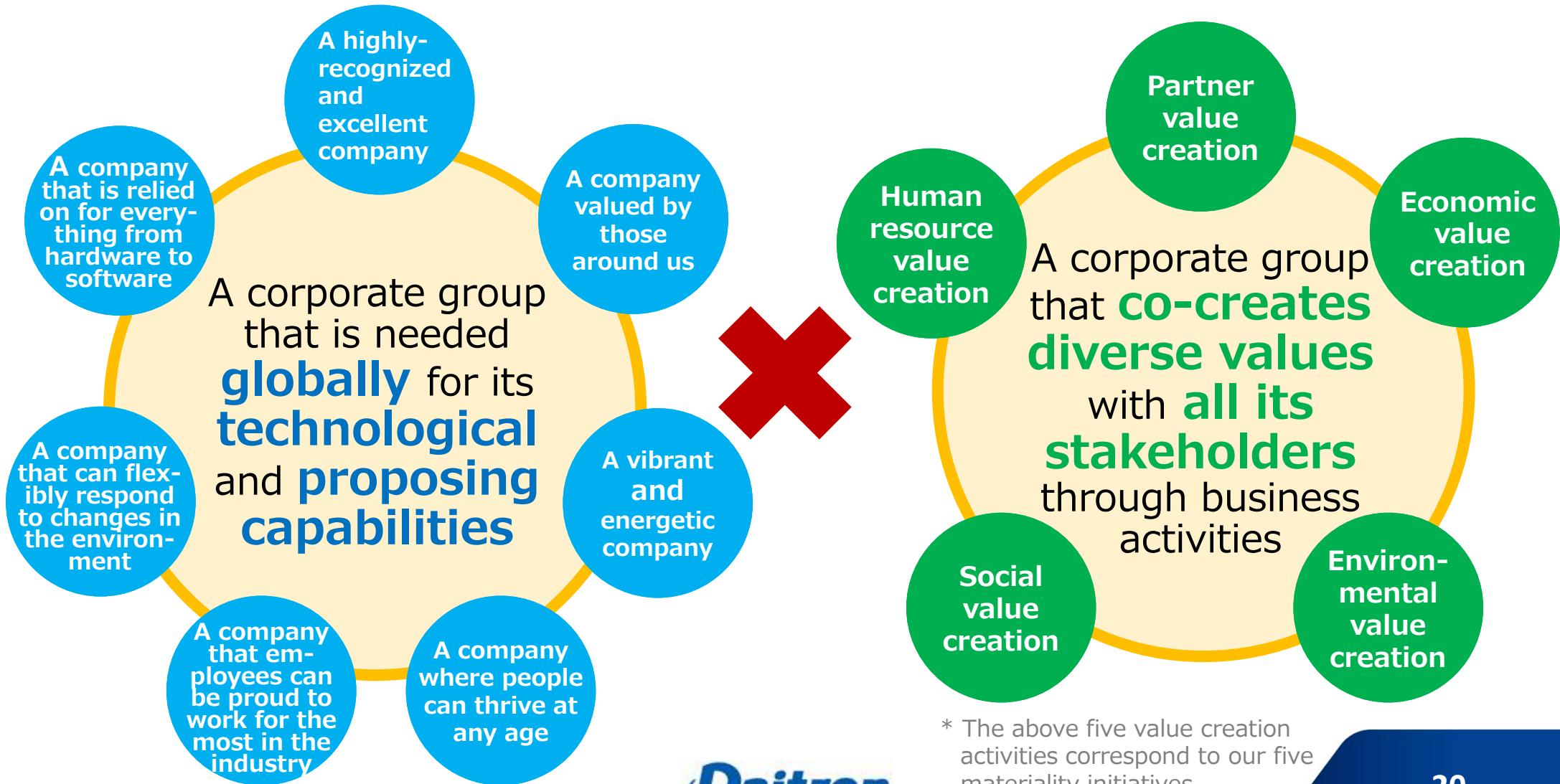
4) Outline of Long-Term Vision



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)



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 where employees find their work rewarding and feel proud to belong.
- A company that has the strength of solidarity with an organizational culture of working autonomously and actively

**Main
reinforcement
points**
(focus challenges)

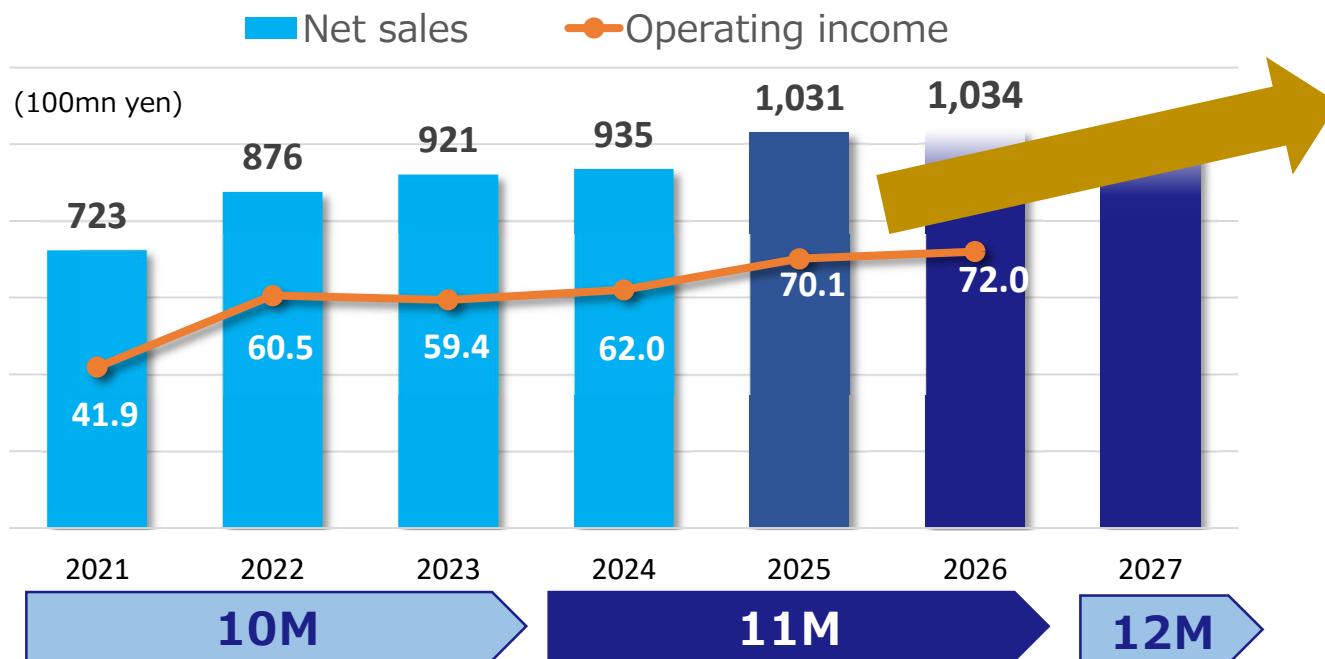
- Continuous reinforcement of **domestic business** as a basis for stable growth
- Further reinforcement of **overseas business** as the core of our medium- to long-term growth strategy, particularly the electronic equipment and components business in overseas markets
- Development, cost reduction, and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

Outline of 11M 1) Performance Target



◆ 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 **SG&A expenses** to increase by 3-5% per year to drive investments in people, technology development, and other areas that form the basis for sustainable growth



Toward sustained expansion in net sales & operating income, aiming to become a ¥100 billion company within reach

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 FY2025]

20.3%

Financial Health

Equity ratio

[Target]
50% *

[Results of FY2025]

44.8%

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)

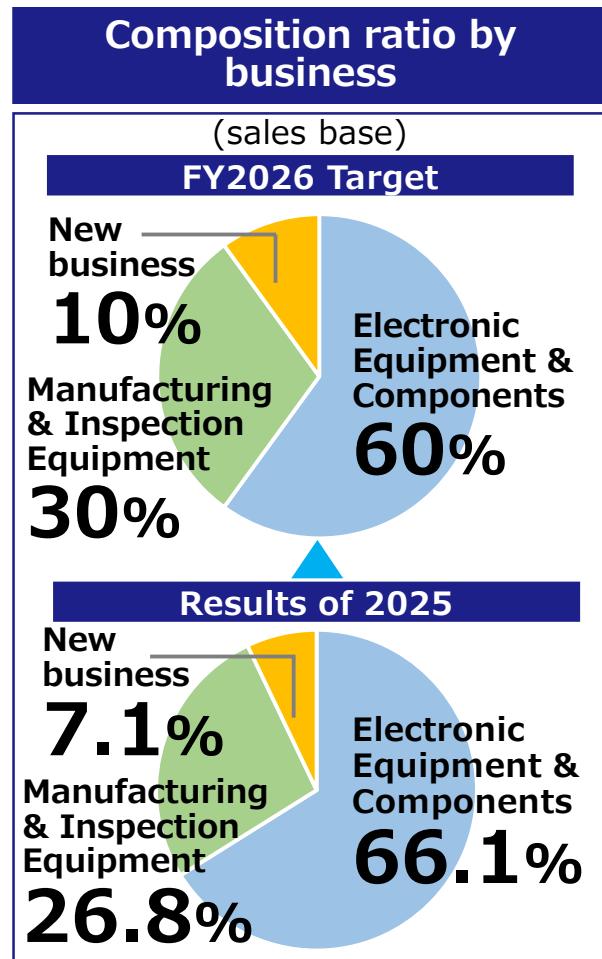
Increase power toward sustained growth!

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

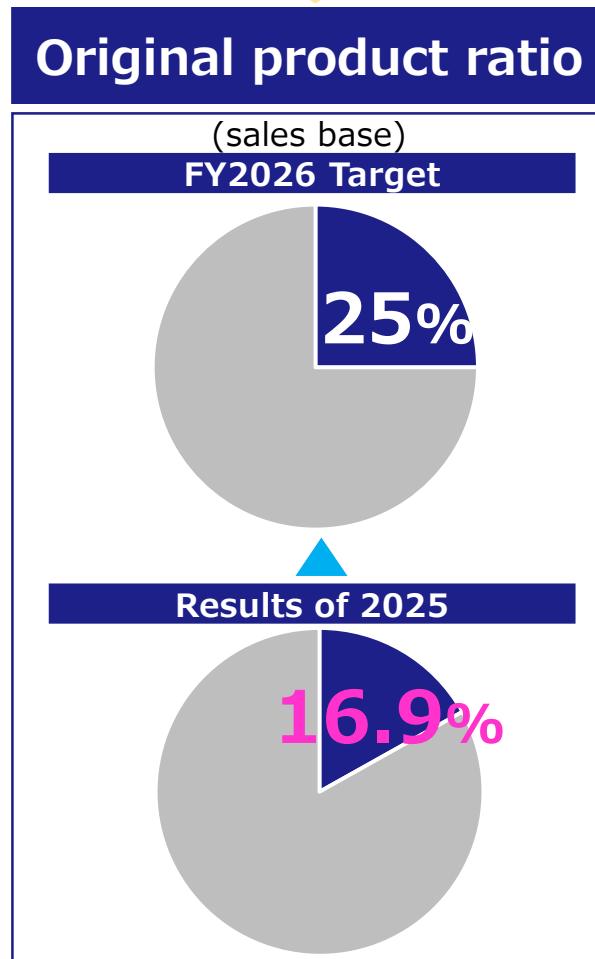


Three KPIs for business structure reform

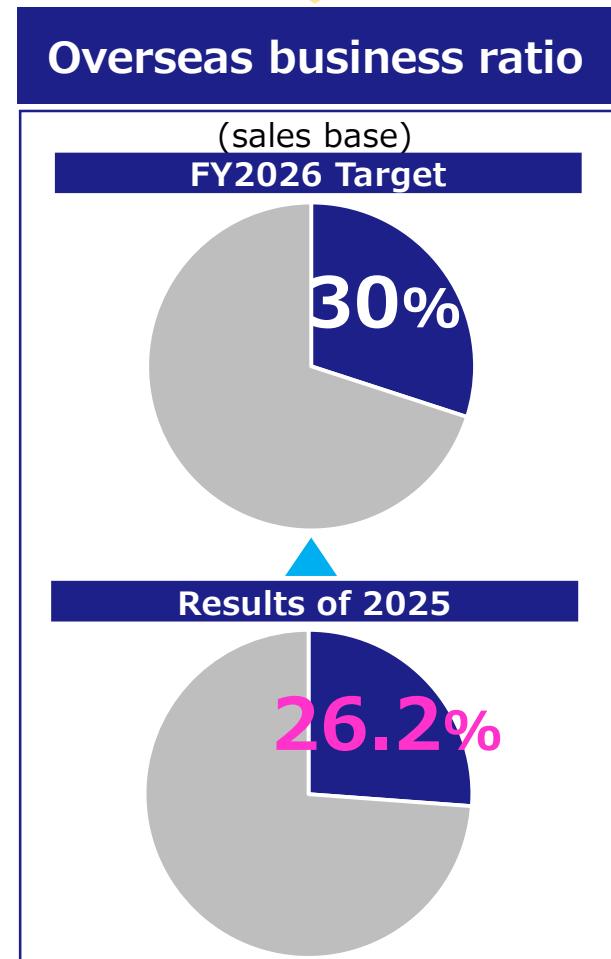
Stability + Challenge axis



Profit axis



Growth axis



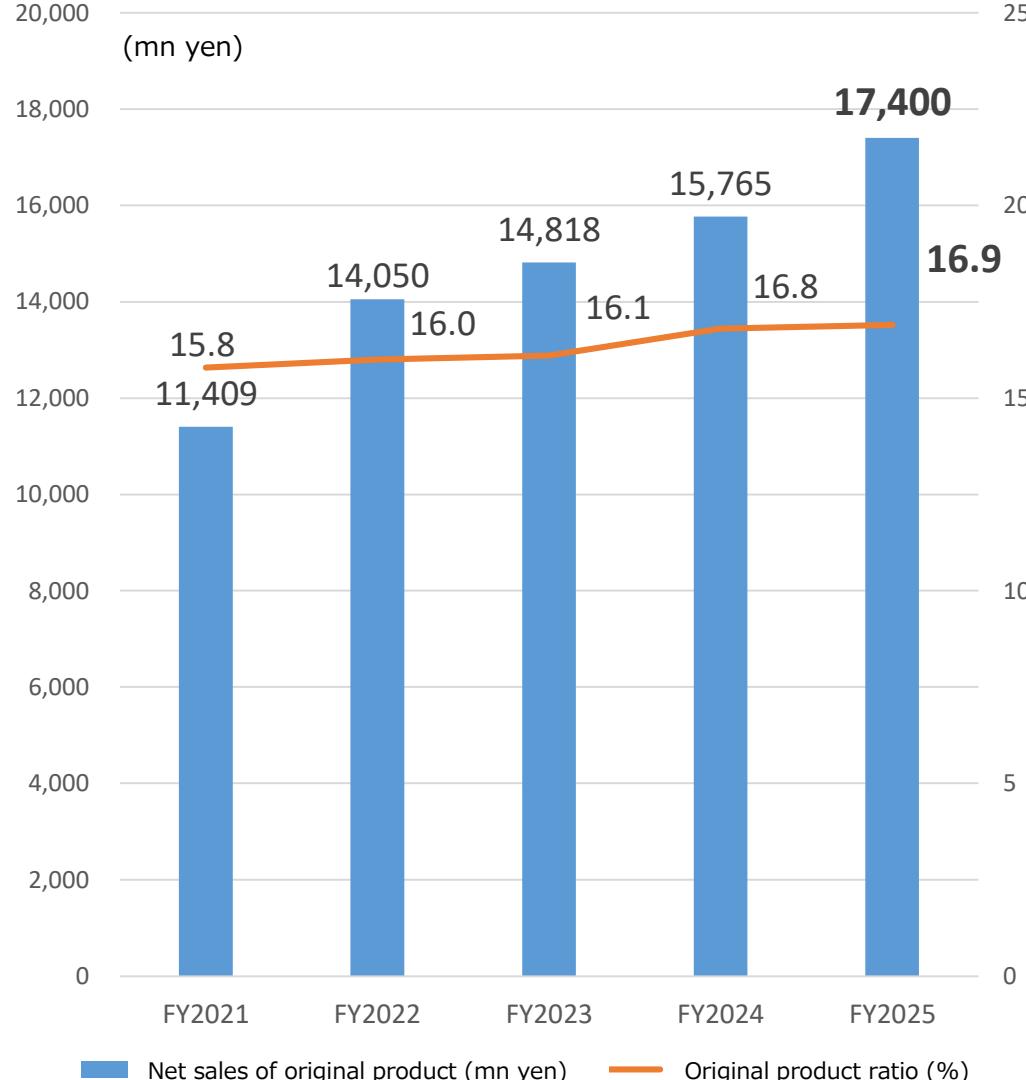
- Composition ratio by business
- Original product ratio
- Overseas business ratio

- ▶▶▶ 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 business creation in response to the achievement of the 5% target set in the previous Medium-Term Business Plan (10M)
- ▶▶▶ The target is set at 25% continuing from the previous Medium-Term Business Plan (10M): "Original products" are limited to our own products and products developed in collaboration with partner companies
- ▶▶▶ Overseas sales calculated as in the past. The target remains 30%.

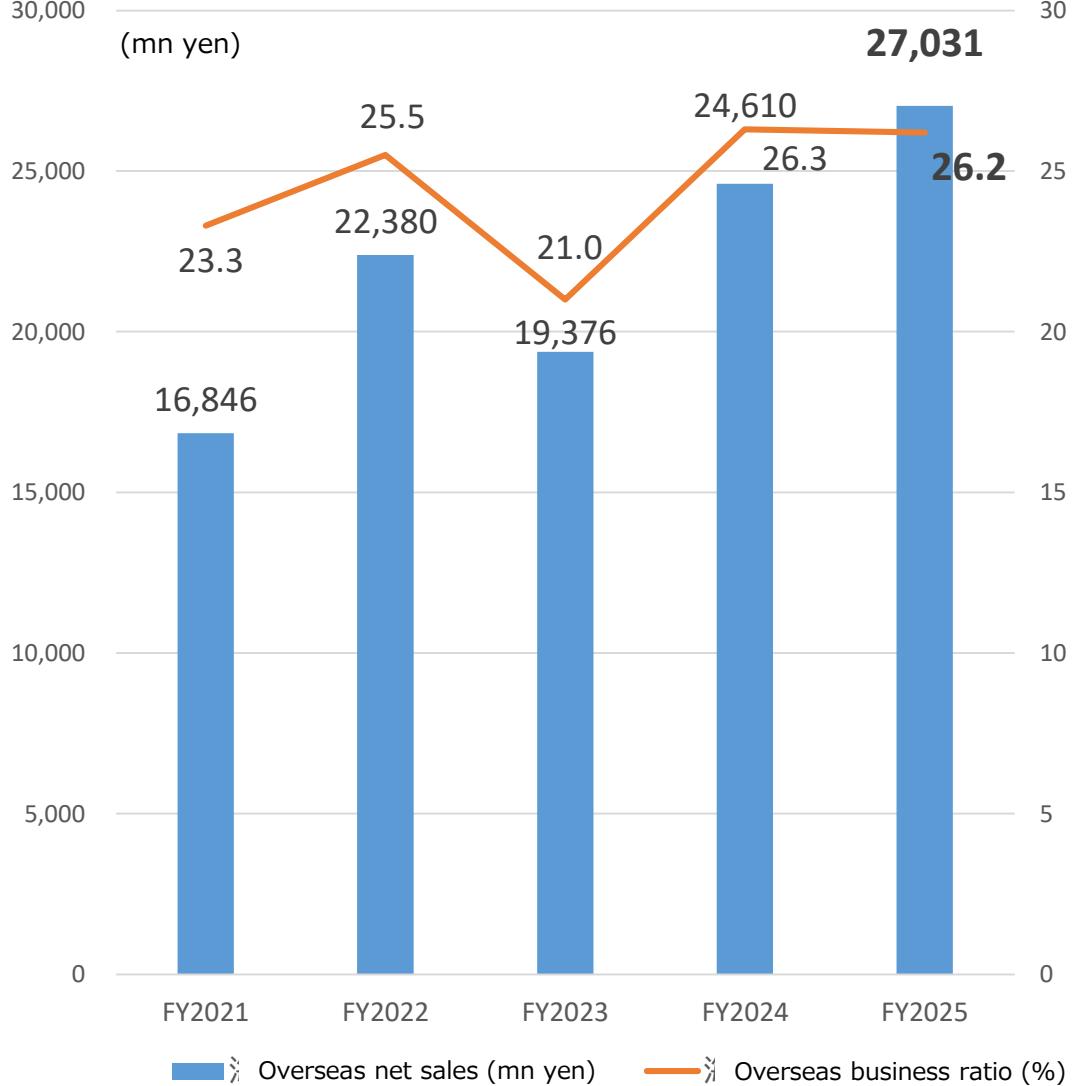
Outline of 11M 4) Basic Strategic Policy (i) Annual Performance Change



Net sales of original products



Overseas business net sales



* Added the results by fiscal year as material on page 25

◆ Basic Strategic Policy (ii) ◆

Maximize strengths taking advantage of our uniqueness!

M
Manufacturing/
Development
D&P Company

Strong partner bases

S
Sales/
Marketing
M&S Company

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

Many partner companies
having business with
both Companies

G
Global
Overseas group

- 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 and their focus areas and markets

Existing

1 Promote business expansion in focus areas and markets for existing organizations

Semiconductor related business

Aerospace and defense related business

Data center related business

Automated visual inspection related business

Industrial/Consumer equipment related business

Projects

2 Promote commercialization and monetization in cross-sectional projects (PJs)

Automotive PJ

Medical PJ

IoT PJ

New

3 Promote business creation and development from the stage of a "new business"

Software PJ

ECO/SDGs related

Others

1 Reinforce domestic business as a basis for stable growth

Increase **marketing power!**

● Further deepen relations with focus customers

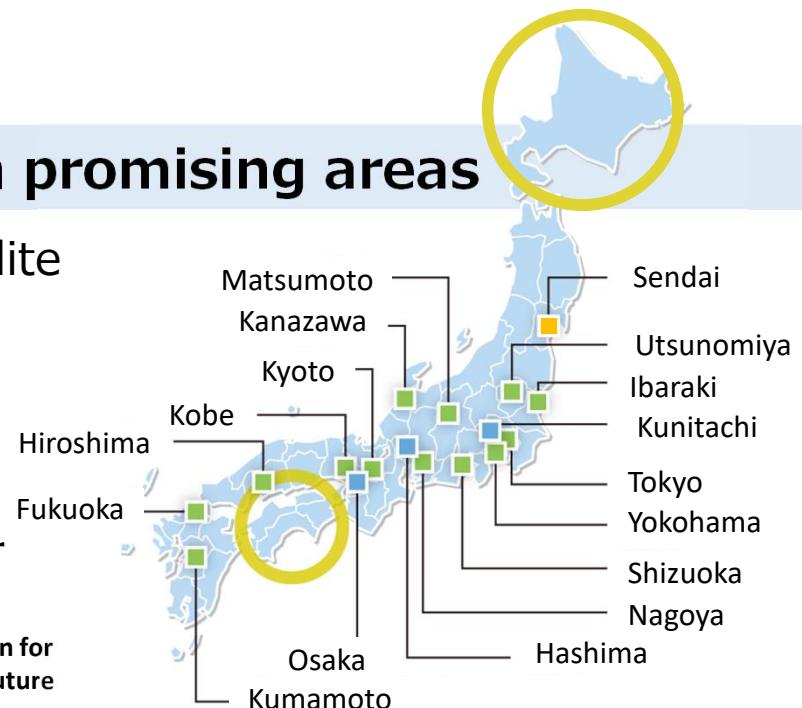
- Continue deployment of "**All-Daitron**" products
(Promote trinity cooperation by D&P Company, M&S Company, and Overseas group)
- Expand business with local blue-chip companies by strengthening **sales focused on local areas**

● 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 + Logistics Center
- Satellite office

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



2 Reinforce overseas business as the core of our growth strategy

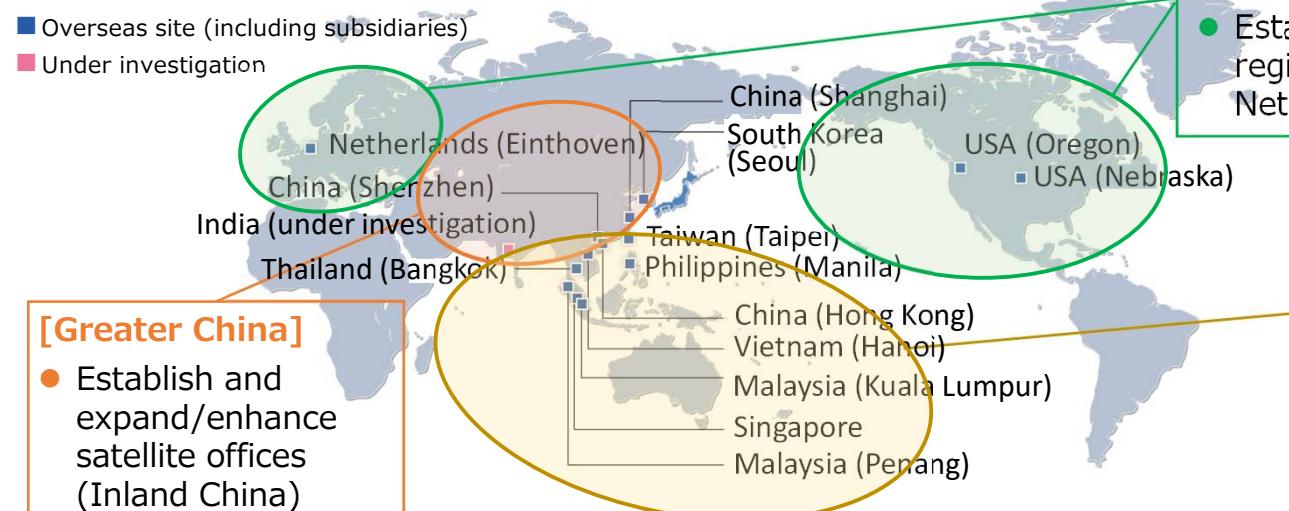
Increase **marketing power!**

- 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



[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)

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



Overseas

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

- Continuously promote production cost reduction measures

- Formulate and execute a permanent person-hour reduction plan for the Lincoln Factory
- Establish a 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
 - Promote increasing 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 certification as an Outstanding Organization of KENKO Investment for Health

● PR/IR

- Establish a department specialized in PR/IR
- 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. Respond 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) Transitioned from a company with an audit & supervisory board to a company with an audit and supervisory committee: 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.

We recognize ROE as an important management indicator and have set a target of maintaining it at a level of 12% or higher in our Medium-Term Business Plan. This level is above our recognized cost of shareholders' equity of 8% to 9%, a level that has been continuously achieved since FY2021, when the previous Medium-Term Business Plan started. On the other hand, P/E and P/B 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 FY2025

- ROE: 14.4%
- P/E ratio: 10.45
- P/B ratio: 1.44
- Net sales growth ratio: 10.3%
- Operating profit ratio: 6.8%

Shareholder returns

■ Trends in dividends per share and dividend payout ratio

* Raise the dividend payout ratio target from 30% to 40% from FY2024.



* We conducted a 2-for-1 stock split of common shares, effective January 1, 2026. The forecast for 2026 reflects the dividend amount without taking the stock split into account.

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
•
Funding
(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 business
⇒ 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 own stock
⇒ Make decisions and take action flexibly

Notice of Publication of Integrated Report



Details of our management policy and sustainability are also included in our Integrated Report. Please take a look.



Please refer to the following QR code or URL

https://www.daitron.co.jp/ir/library/uploads/Daitron_Integrated_Report2025_EN_A3.pdf

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.

Attention for use of material



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

In the electronic equipment/components 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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