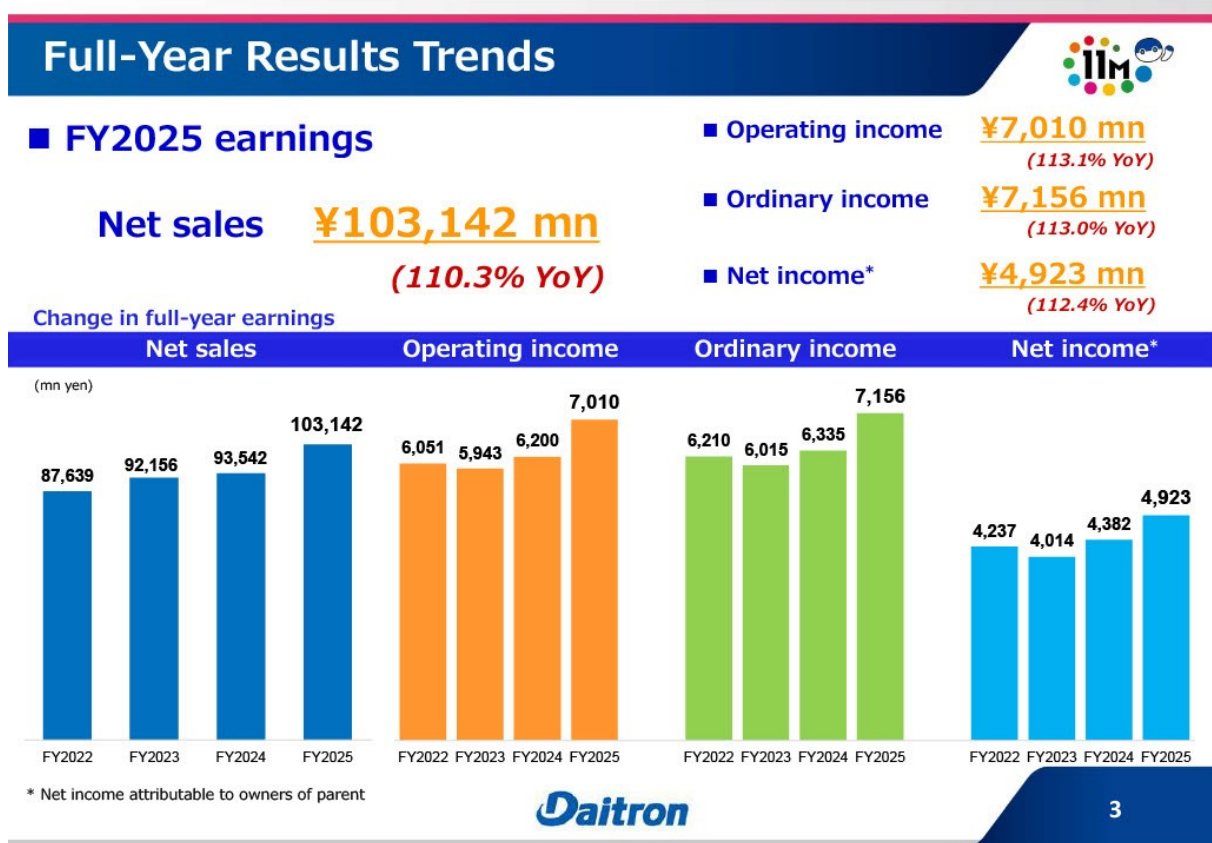


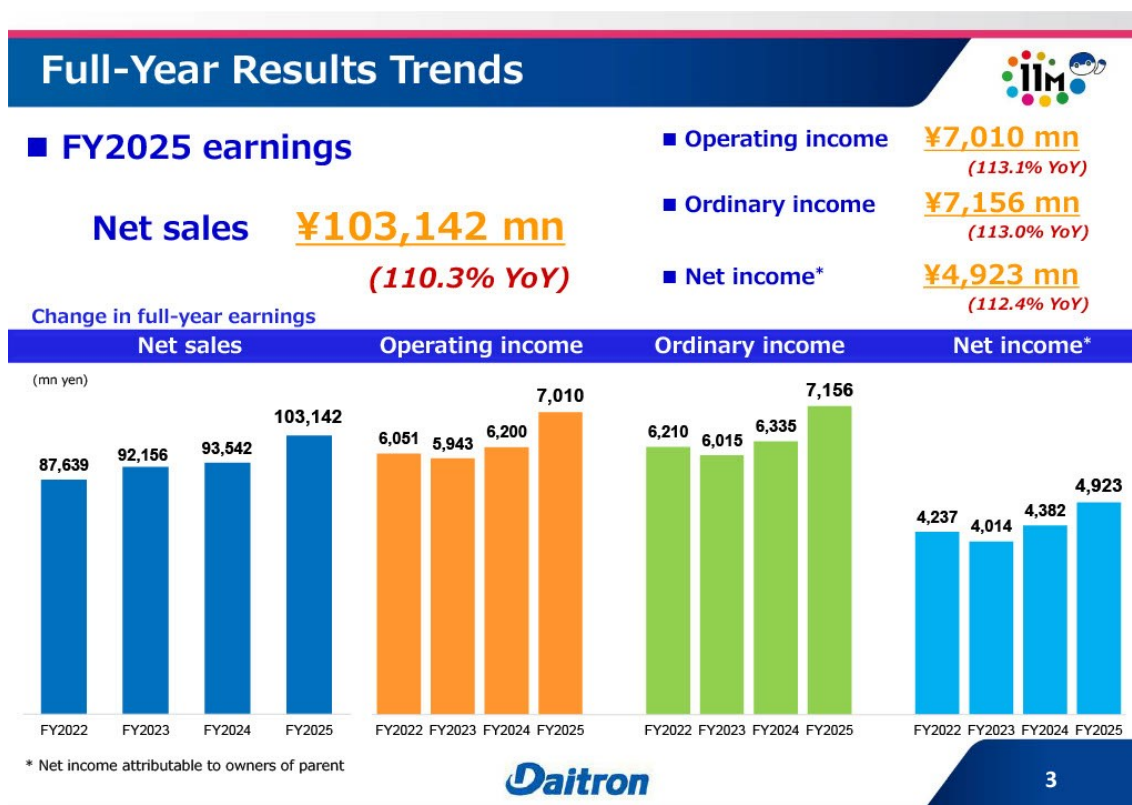
Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

[Title]

Daitron posts net sales of ¥103.1 billion, up 10.3% YoY, driven by solid domestic performance and growth in North America and Europe



Full-Year Results Trends



Shinsuke Tsuchiya (“**Tsuchiya**”): Hello. I am Shinsuke Tsuchiya, the President, CEO and COO of Daitron Co., Ltd. Thank you for joining us today. I will now begin the presentation of our financial results for the fiscal year ended December 31, 2025 (“FY2025”).

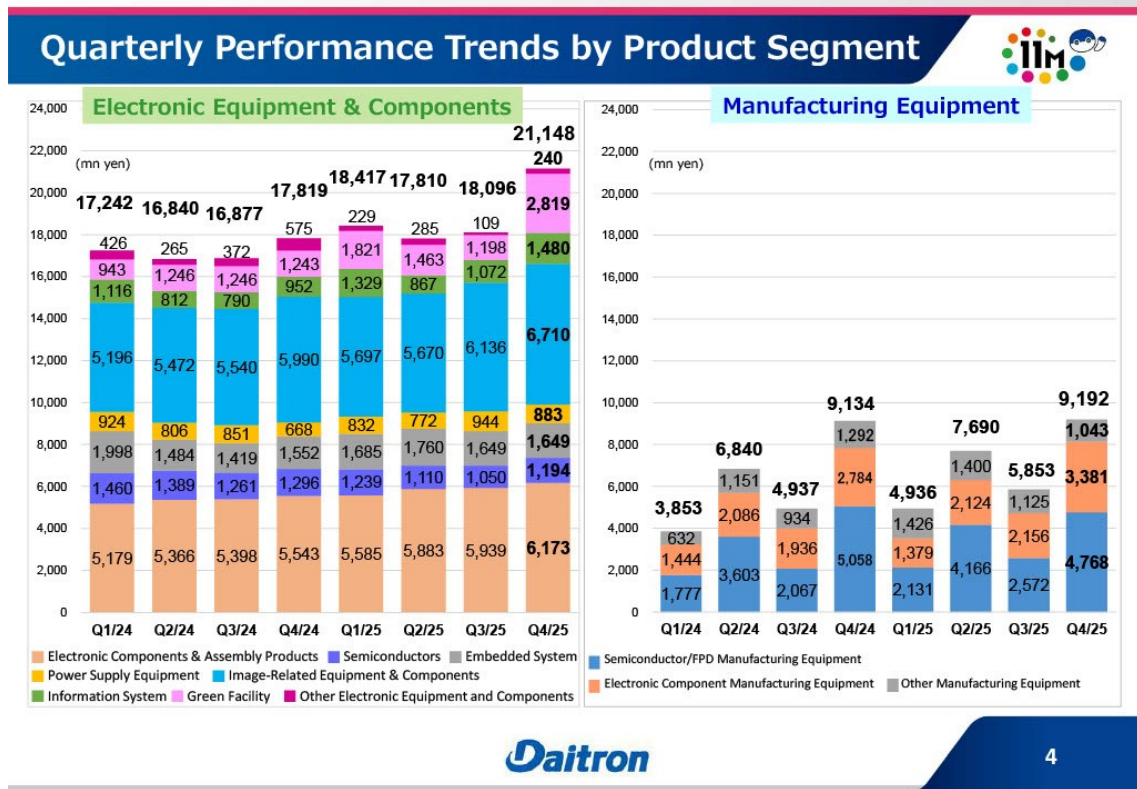
First, let me provide an overview of the consolidated financial results. I will explain the operating results and the earnings forecast. This slide shows the full-year results for FY2025.

Net sales were ¥103,142 mn, up 10.3% YoY. Operating income was ¥7,010 mn, up 13.1% YoY. Ordinary income was ¥7,156 mn, up 13.0% YoY. Net income was ¥4,923 mn, up 12.4% YoY. All figures reached new highs, reflecting strong performance.

The business environment surrounding the Group was somewhat challenging, particularly in businesses related to semiconductor manufacturing equipment and industrial equipment. However, through sales activities mainly in the domestic market, we successfully expanded our customer base and developed new applications, which contributed to the increase in sales and profits.

In addition, some equipment-related projects originally scheduled for 2026 were brought forward and recorded as sales in FY2025, contributed to the strong results.

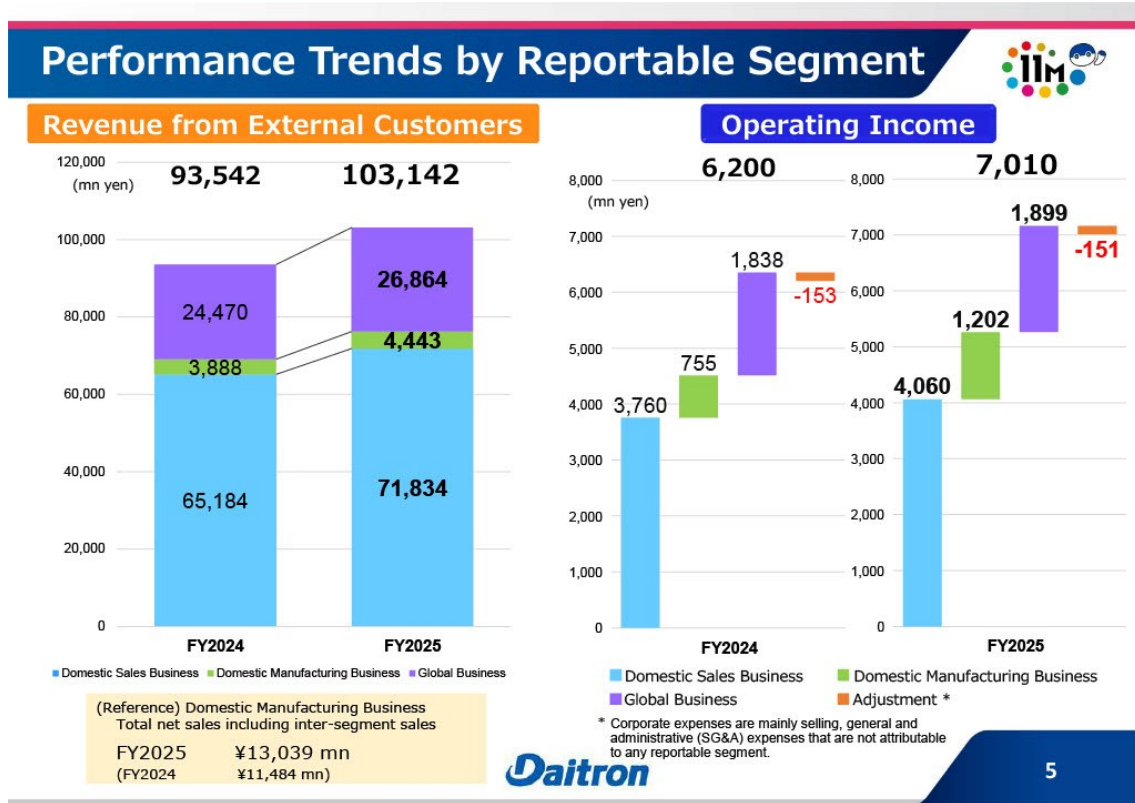
Quarterly Performance Trends by Product Segment



This slide shows the quarterly performance trends by product segment. As shown in the graph, Electronic Equipment & Components performed steadily each quarter.

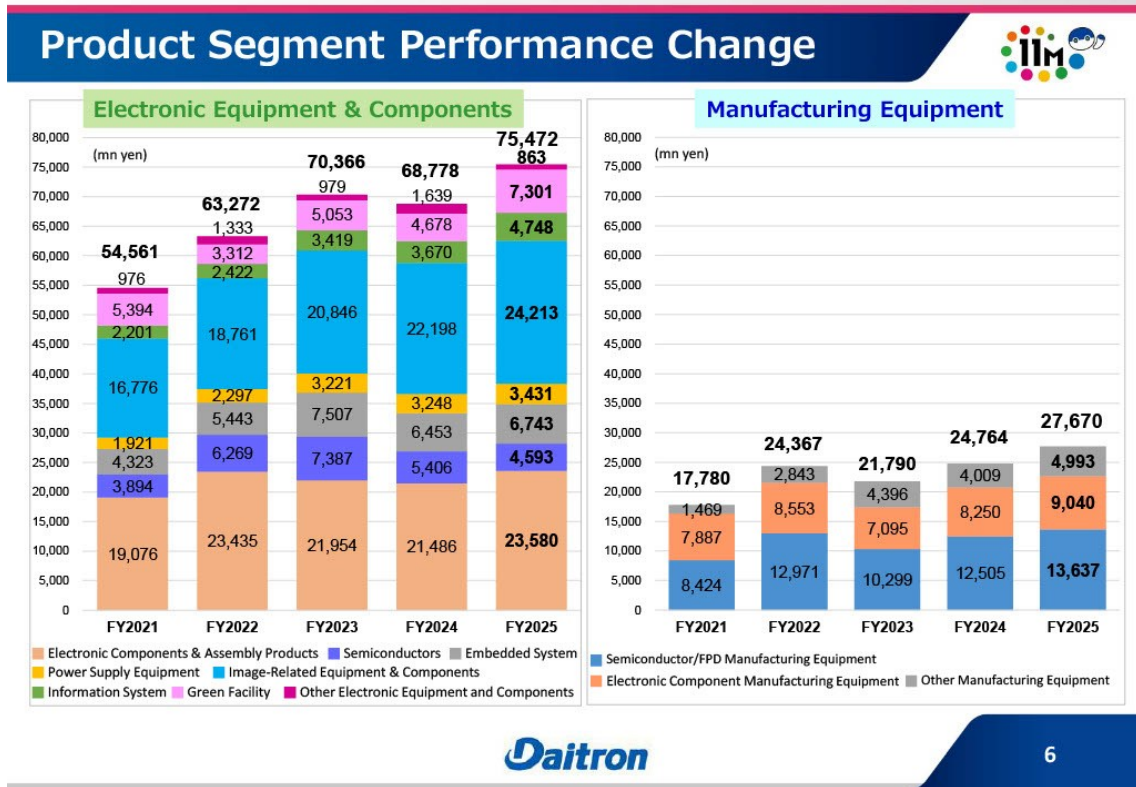
While Manufacturing Equipment experienced some fluctuations due to investment cycles, it maintained a relatively high level on average.

Performance Trends by Reportable Segment



This is an overview of performance trends by reportable segment. The Group's reportable segment are the Domestic Sales Business, the Domestic Manufacturing Business, and the Global Business. All three segments achieved increases in both sales and profits year on year, delivering strong results.

Product Segment Performance Change




This slide shows performance changes by product segment. The graph on the left shows changes in the performance of Electronic Equipment & Components for each fiscal year.


All product segments have grown to a certain extent. Unfortunately, Semiconductors fell slightly below the previous year’s results due to the impact of inventory adjustments. Conversely, segments other than Semiconductors grew due to new business development and increased sales of semiconductor manufacturing equipment in the latter half of the year.


The section shown in pink represents Green Facility, a new data center business we have launched. This business provides uninterrupted power supply (UPS) sales and technical services for data centers, and its steady growth is one of the factors contributing to our strong performance.

Sales of Manufacturing Equipment also grew steadily. Specifically, we leverage our strengths to provide equipment related to silicon materials for semiconductors, as well as equipment related to optical semiconductors, which are also relevant to some data centers. Steady growth in sales in these areas contributed to these results.

Business Structure of the Company (FY2025 performance)

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)		Europe 2.0% (0.8% 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)		Asia 17.4% (19.6% 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)
Total		100.0%	20.3% (20.2% FY2024)		

 shows the product segments including Daitron's original products.



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This is our business structure. It is primarily divided into two product segments: Electronic Equipment & Components and Manufacturing Equipment.


The light blue sections on the slide represent segments including our original products. Excluding power supply equipment, all of these segments achieve high gross profit margins of over 20%.

Furthermore, as shown on the right side of the table, the original product ratio remained nearly the same as the previous year. There was also no significant change in the overseas sales ratio.

As I will explain in detail later, all product segments saw steady increases in net sales. Due to the overall growth in both general and domestic sales, the sales composition ratio had no significant change.

Year-on-year Net Sales by Region

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



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This slide shows net sales by region on a year-on-year basis. The overseas sales ratio was 26.2%, largely unchanged from the previous year. However, the composition changed, with growth emerging in North America and Europe.

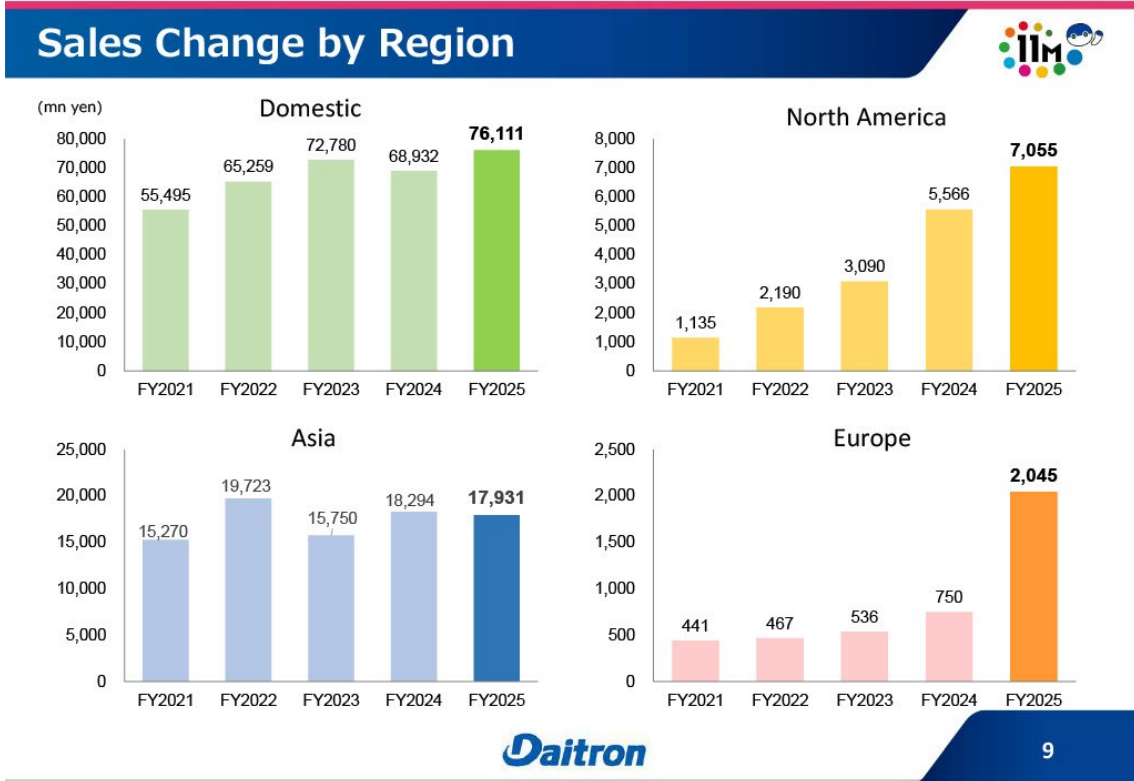
There are two main factors behind the growth in North America. First, the Group operates a harness business at its manufacturing facility in the United States, supplying wiring used in applications such as ceilings for subway railcars. We secured a large project in this business, and as a result, the operation was successfully launched and production has started smoothly.

Second, in our automotive image-related equipment business in the United States, there was a transfer of operations from Japan. This business has also been growing steadily.

In Europe, orders and sales of semiconductor material-related equipment increased substantially.

In contrast, results in Asia declined slightly year on year. This is mainly attributable to a pause in equipment-related demand in China. In particular, semiconductor-related demand softened compared with the previous year, resulting in lower performance.

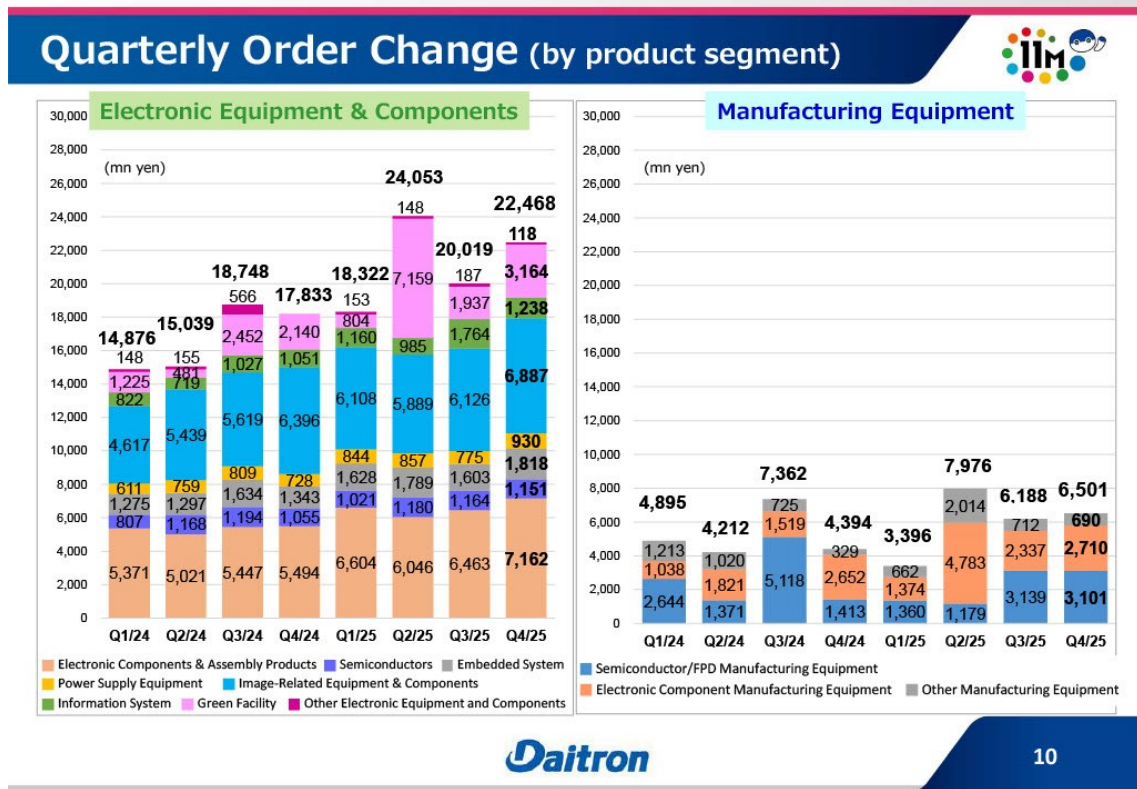
Sales Change by Region



Next, let me explain sales trends by region. Sales increased significantly in Japan, North America, and Europe. In contrast, Asia was somewhat affected by conditions in China.

Looking ahead, we will continue to closely monitor these trends. While we expect new capital investment demand to emerge from next year onward, we believe this could lead to a return to a recovery trend.

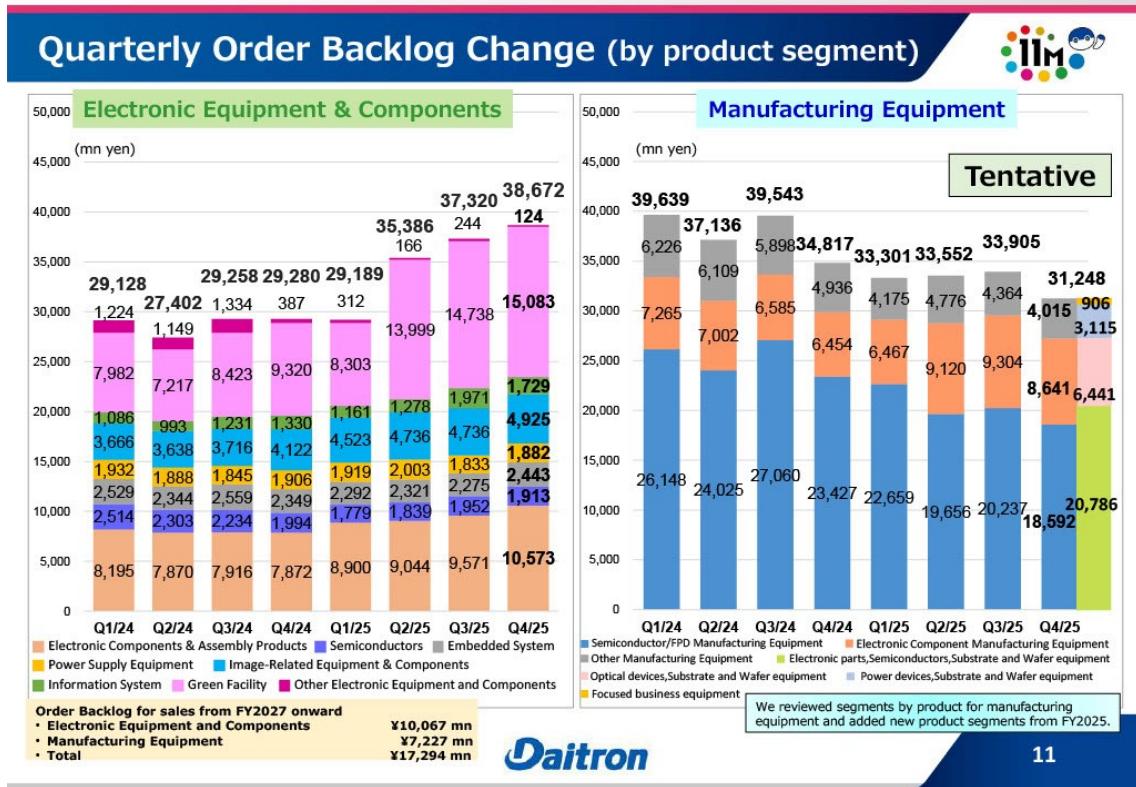
Quarterly Order Change (by product segment)



This shows the quarterly order change. By product segment, Electronic Equipment & Components grew steadily.

Manufacturing Equipment shows some fluctuations due to investment cycles, and orders in overseas markets, particularly in Asia, have experienced a temporary slowdown. On the other hand, in Japan, orders for optical device-related equipment for data centers have been very strong. These factors have gradually contributed, allowing us to maintain this level of performance.

Quarterly Order Backlog Change (by product segment)



As a result, the quarterly order backlog changed as shown in the graphs on this slide.

Electronic Equipment & Components are represented by the portions below the green segments in each bar. Each of these has been showing gradual growth.

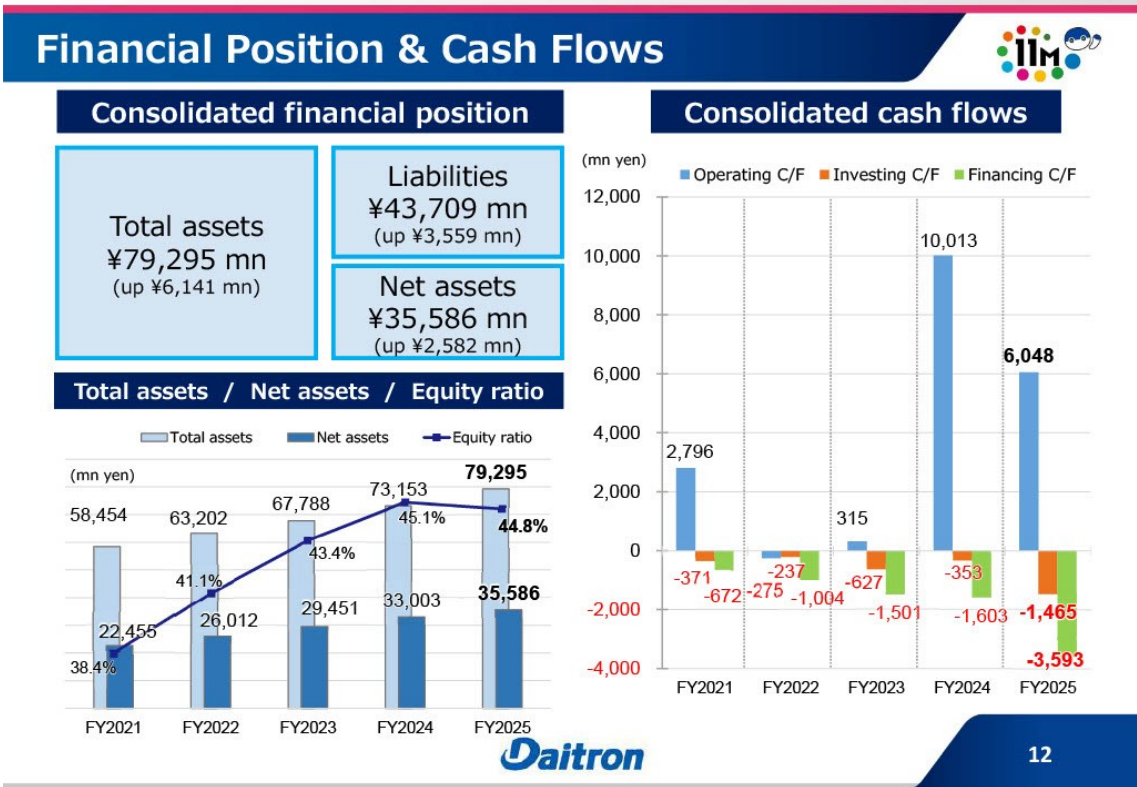
The portion below the green segment in the graph on the left side of the slide corresponds to Electronic Equipment & Components. Each is growing, albeit gradually.

In addition, Green Facility, shown in pink, has grown significantly. This is mainly attributable to the UPS business for data centers, which we expect will continue to grow and generate a stable level of sales going forward.

With regard to manufacturing equipment, we received various orders from around 2022, and longer lead times resulted in a significant order backlog. Subsequently, as order intake moderated, we were able to steadily deliver these orders. This year as well, we continued to execute deliveries in line with schedules, mainly in overseas markets, and sales of Manufacturing Equipment remained solid.

Consequently, the order backlog decreased slightly, partly due to orders leveling off. However, we believe that we have maintained a certain high level.

Please note that Q4/2025 in the bar chart is shown in two separate graphs on a provisional basis, as we are currently reviewing the segment classification.



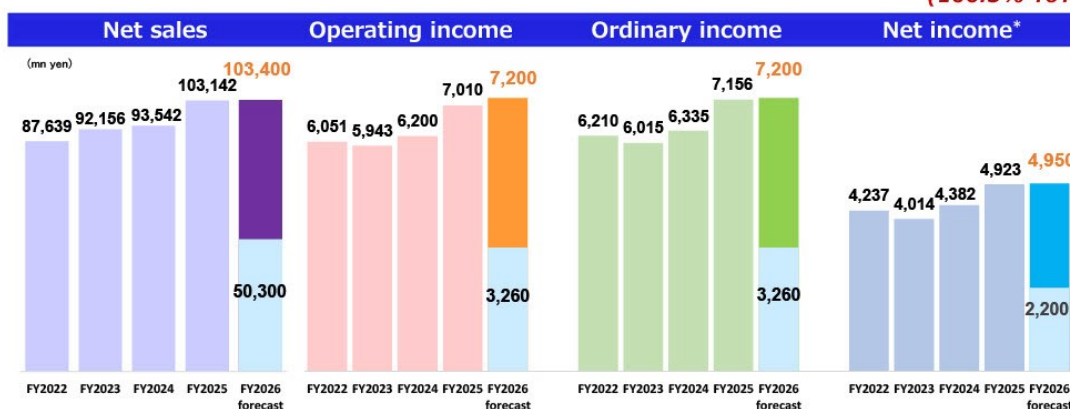
For the full-year financial position and cash flows, please refer to the slide.

Consolidated Performance Forecast (full-year)

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

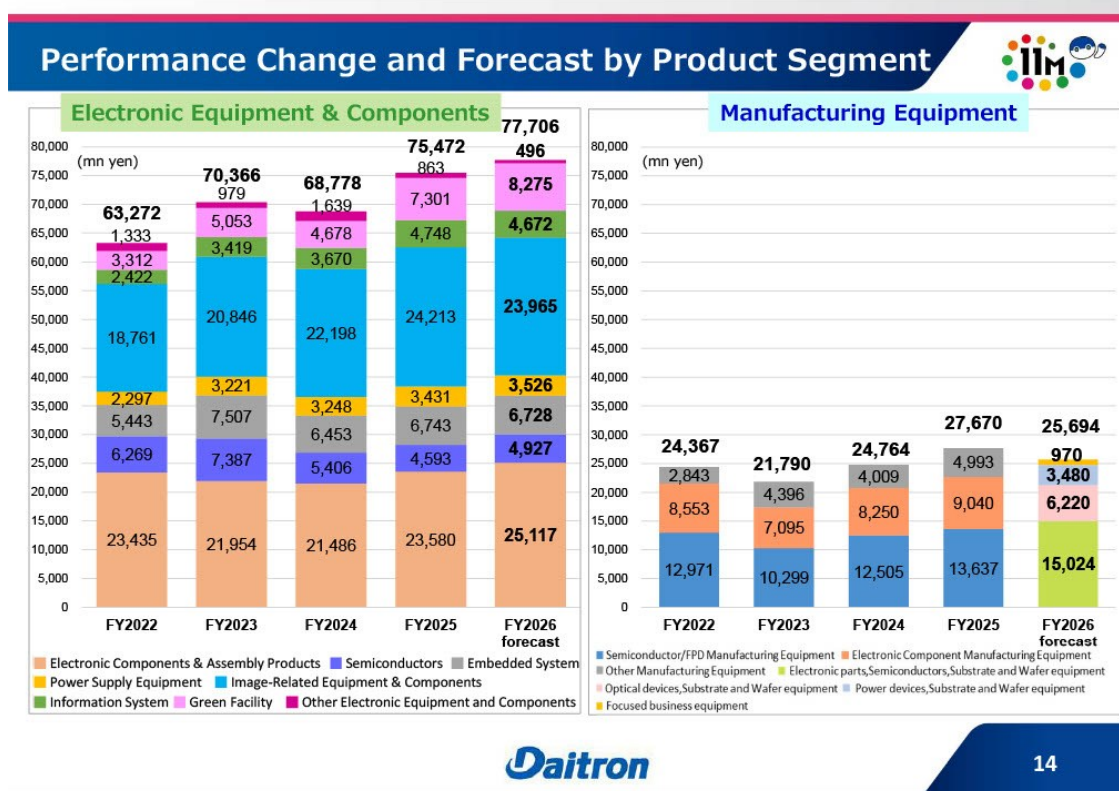


This slide shows our full-year consolidated performance forecast. Net sales are projected to reach ¥103,400 mn, up 0.3% YoY.

Both operating income and ordinary income are forecast at ¥7,200 mn. Operating income is up 2.7% YoY, while ordinary income is up 0.6% YoY. Net income is projected to be ¥4,950 mn, up 0.5% YoY.

We aim to continue achieving steady growth, and as shown in the slide, we expect performance to increase slightly. If these targets are achieved, we expect to reach new record highs in both net sales and profits.

Performance Change and Forecast by Product Segment



This slide covers performance change and forecast by product segment. Performance change is as discussed earlier.

With regard to the outlook for 2026, overall growth is expected in Electronic Equipment & Components. In particular, in the UPS business for data centers and in our core product segment, Electronic Components & Assembly Products (also referred to as “Components & ASSY”), a recovery in demand related to semiconductor manufacturing equipment and industrial machinery is expected.

In addition, we finally expect Semiconductors to nearly complete inventory adjustments, and anticipate gradual growth in new orders and sales this year.

However, this year’s figure for Image-Related Equipment & Components is projected to show a slight YoY decrease. This is due to the anticipated impact of price adjustments for image-related equipment in North America. While there are no major changes in content, adjustments have been made to account for some price fluctuations.

For Manufacturing Equipment, order intake has slowed somewhat, particularly in Asia. Specifically, prolonged inventory adjustments in semiconductor materials are delaying new investment initiatives.

On the other hand, the domestic data center machinery business is experiencing rapid growth in orders for optical device equipment. The market continues to report shortages of these devices. As further demand growth is anticipated, multiple companies are offering us investment projects. We have high expectations for these orders.

In addition, the domestic materials sector is advancing sales of equipment for the recycled wafer business. We expect this business to grow in FY2026.

Although overall sales of Manufacturing Equipment are expected to decrease slightly in FY2026 compared with FY2025, we believe they will remain stable at a high level.

Dividends

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.

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Turning to dividends, we paid an interim dividend of ¥70 per share for FY2025, and have decided on a year-end dividend of ¥120 per share. This results in an annual dividend of ¥190 per share, with a payout ratio of 40.9%. We plan to maintain this dividend level and expect to pay an annual dividend of ¥190 per share going forward.

For FY2026, we forecast an interim dividend of ¥40 per share and a year-end dividend of ¥55 per share, totaling ¥95 per share. This is because we conducted a 2-for-1 stock split of common shares effective January 1, 2026. Without the impact of the stock split, the FY2026 forecast would be an annual dividend of ¥190 per share, the same as in FY2025.

This concludes our explanation of the overview of the consolidated financial results.

Foundations of 11M Development

5) Slogan and Main Reinforcement Points

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

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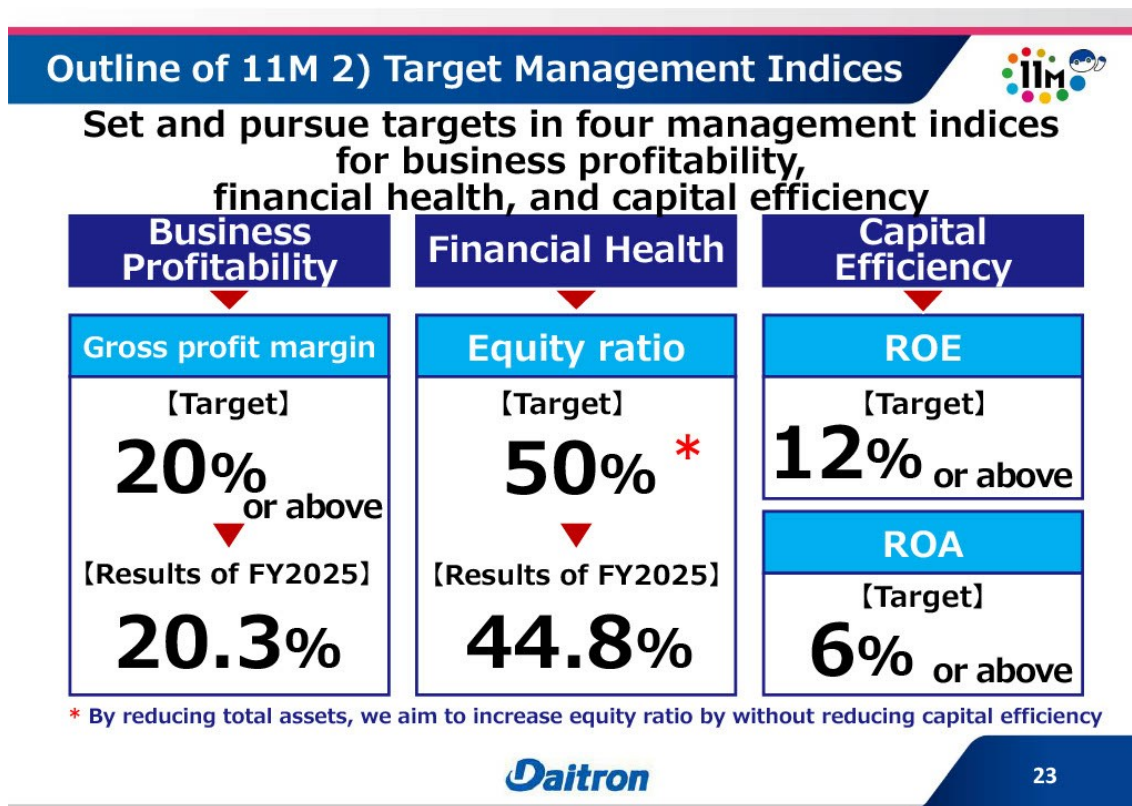
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From here, I will explain the 11th Medium-Term Business Plan, which is a project we are working on. The project began in 2024, with 2026 as its final year.

This plan is abbreviated as “11M.” Let me briefly highlight the key points. Its slogan is: “Make a leap forward in the global market as a technology-based company.”

The major theme is “Becoming a company with net sales of over 100 billion yen.” We achieved 100 billion yen in sales in 2025. However, we recognize that sustaining growth beyond 100 billion yen is critically important.

It is essential for us to grow in the global market and maintain net sales of over 100 billion yen.



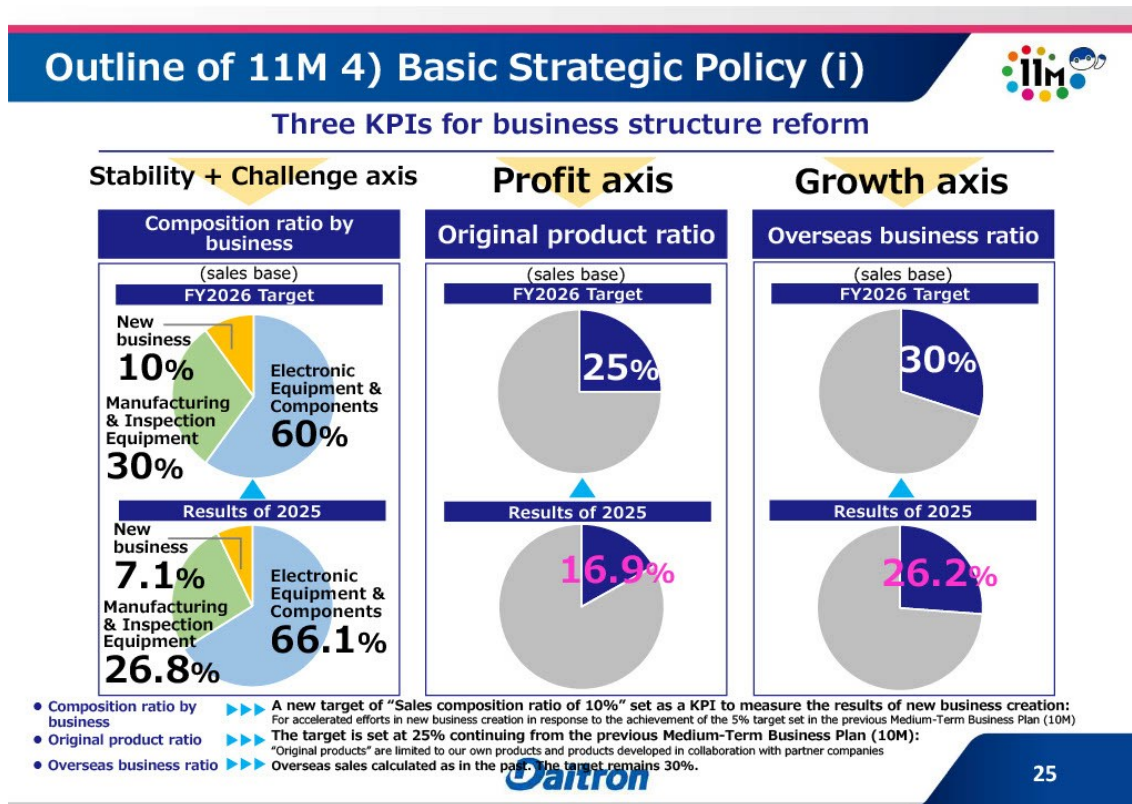
The target management indices are shown on the slide. The first is the gross profit margin. Since our company combines the functions of a trading company and a manufacturer, our goal is to achieve a slightly higher level than the typical gross profit margin of a trading company. We have currently achieved that level.

Under 11M, we have set a target of a gross profit margin of 20% or higher. The actual result for FY2025 was 20.3%.

Second, from the perspective of financial soundness, we are targeting an equity ratio of 50%. The actual result for FY2025 was 44.8%.

Third, in terms of capital efficiency, we have set targets of an ROE of 12% or higher and an ROA of 6% or higher.

We have already achieved these targets at this point. In particular, ROE stands at slightly above 14%, while ROA is approximately 6.5%, indicating that performance has been progressing steadily.



The Group established three KPIs for business structure reform. Specifically, these are the composition ratio by business, the original product ratio, and the overseas business ratio.

First, with regard to the composition ratio by business, we divide our operations into three segments: Electronic Equipment & Components, Manufacturing & Inspection Equipment, and New Business. We aim to achieve stable operations by maintaining an appropriate balance among them.

For New Business, we have set this ratio from the perspective of pursuing new challenges. Currently, the UPS business for data centers is included in this category, and it has been growing steadily, reaching 7.1%.

The second KPI, the original product ratio, has a target of 25%. The actual result for FY2025 was 16.9%.

As the pie chart on the slide shows, sales of original products grew steadily from FY2021 to FY2025. Therefore, we believe there are no major issues with our current strategy and plan to strengthen it further.

The third KPI is the overseas business ratio, which has a target of 30%. The actual result for 2025 was 26.2%. This ratio fell slightly short of the target due to its influence by overall, general, and domestic sales growth.

Net sales of overseas businesses also experienced a slight dip in FY2023. However, we recognize that this sector is currently growing steadily.

Among our various businesses, equipment-related sales account for approximately half of overseas sales, representing a very high proportion. In this regard, the overseas business ratio is somewhat affected by investment cycles. While there is room for improvement, the figures show steady growth.

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



◆ Basic Strategic Policy (ii) ◆ Maximize strengths taking advantage of our uniqueness!




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

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Our strengths are described at the bottom of the slide. First, we possess both trading and manufacturing functions. Second, we deploy these capabilities on a global basis.

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

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

1 Existing Promote business expansion in focus areas and markets for existing organizations	Semiconductor related business Data center related business Industrial/Consumer equipment related business	Aerospace and defense related business Automated visual inspection related business
2 Projects Promote commercialization and monetization in cross-sectional projects (PJs)	Automotive PJ	Medical PJ IoT PJ
3 New Promote business creation and development from the stage of a "new business"	Software PJ	ECO/SDGs related Others

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We have narrowed down our targets by clarifying our focus areas and markets. As outlined in Box 1 on the slide, we are advancing activities in promising markets.

Regarding the new area shown in Box 3, we must focus on not only the UPS business for data centers, but also creating and developing new businesses to achieve our next phase of growth. Currently, our focus is on the software business.

We have initiated activities aimed at developing this new software business. We are progressing with project planning and conducting multifaceted marketing research. Going forward, we aim to grow this area further so that it contributes to our bottom line, even if only slightly.

Outline of 11M
5) Specific Strategies for Basic Strategic Policy (iv)



1 Reinforce domestic business
as a basis for stable growth

Increase **marketing power!**

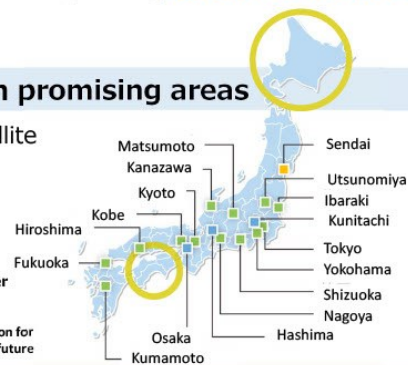
● **Further deepen relations with focus customers**

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

● **Proactively promote new deployment in promising areas**

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

- Sales office
- Sales office + Logistics Center
- Satellite office
- * ○ Circled areas are under examination for establishing new locations in the future



Now, I will explain our strategies by business region. First, there are still untapped regions within our domestic business. To further penetrate these regions, we plan to explore establishing new locations for new deployment.

Next, let me explain our regional strategies for each business. First, in the domestic business, there are still some untapped areas. To further expand into these regions, we plan to consider establishing new business locations.

11M

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

[Greater China]

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

[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)



Legend:
■ Overseas site (including subsidiaries)
■ Under investigation

Current Sites: Netherlands (Eindhoven), China (Shenzhen), India (under investigation), Thailand (Bangkok), Taiwan (Taipei), Philippines (Manila), China (Hong Kong), Vietnam (Hanoi), Malaysia (Kuala Lumpur), Singapore, Malaysia (Penang), China (Shanghai), South Korea (Seoul), USA (Oregon), USA (Nebraska).


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Second, we believe that reinforcing our overseas business has significant potential for substantial sales growth. In particular, we will actively support the growth of Electronic Equipment & Components, striving to translate this growth into tangible sales.

To this end, expanding our overseas sales locations is critical. Our primary target markets are China, North America, and Europe. Although we already have overseas sales locations in these regions, we believe that establishing additional satellite offices will enable us to transition from point-based to area-based sales activities.

In other Asian regions, we are closely monitoring the Indian market and conducting marketing activities during business trips. Looking ahead, we plan to advance our marketing efforts with the potential establishment of a representative office in mind.

Outline of 11M
5) Specific Strategies for Basic Strategic Policy (iv)



3 Reinforce global production system

Increase manufacturing power!

● Enhance domestic and overseas production capacities

Continuously enhance domestic and overseas production systems centered on the Chubu Factory, the mother plant for our global production system

Domestic

- Develop new partner companies (harness, assembly and wiring, substrate, sheet metal, painting, software design, mechanical design)
- Promote alliances and M&As with software companies => Secure human resources and reinforce technical capabilities

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)



Third, with regard to production capabilities, we believe that timely expansion of production capacity is a key priority under 11M. From this perspective, we are actively developing new partner companies.

Through this, we aim to properly expand our production capacities and meet customer demands.

Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)

Outline of 11M 5) Specific Strategies for Basic Strategic Policy (iv)



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


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Fourth, we are actively advancing technology and product development. In particular, we believe that strengthening software-related capabilities will be increasingly important. Looking ahead, we also believe it will be necessary to explore alliances with various companies.


In addition, although we started a bit late, we are enhancing our intellectual property strategies. We plan to actively file patent applications.

We believe it is important to establish an environment that enables the filing of patents. To this end, we are strengthening our intellectual property strategy by developing internal frameworks, including revising our evaluation system and reviewing incentive schemes for personnel involved in patent-related activities.


Outline of 11M
5) Specific Strategies for Basic Strategic Policy (iv)

5 Enhance business support function
Increase the power of corporate divisions!

<ul style="list-style-type: none"> ● DX (digital transformation) Increase productivity and operational quality through DX promotion <ul style="list-style-type: none"> (i) Transform business processes/systems <ul style="list-style-type: none"> • Start upgrading/replacing systems for estimation, sales, purchasing, production management, accounting, business management, etc. • Enhance information security (ii) Develop DX promotion infrastructure <ul style="list-style-type: none"> • Identify issues using DX promotion indices and take measures => Obtain DX certification 	<ul style="list-style-type: none"> ● Human capital management Increase the value of human resources through human capital management <ul style="list-style-type: none"> (i) Increase labor productivity through investment in training and education <ul style="list-style-type: none"> • Develop and invest in training/ education systems to increase individual skills • Employ experienced and specialized human resources (ii) Promote diversity and inclusion <ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> ● Global human resources Develop global human resources and exchange personnel in and outside Japan <ul style="list-style-type: none"> • Introduce and institutionalize an overseas location internship system • Continue hiring Vietnamese technical intern trainees at D&P Company and expand it to other factories 	<ul style="list-style-type: none"> ● PR/IR <ul style="list-style-type: none"> (i) Establish a department specialized in PR/IR (ii) Increase recognition of the Daitron brand


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Fifth, we are strengthening our business support function. To enhance productivity and improve the quality of day-to-day operations, we are promote DX initiatives, primarily led by the Business Administration Division.

Furthermore, as part of our human capital management, we are steadily advancing efforts to increase labor productivity through investment in various training and education programs, as well as to advance diversity and inclusion. We are making steady progress while building a track record of achievements.

Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)

Outline of 11M

5) Specific Strategies for Basic Strategic Policy (iv)



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.



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Sixth, we have been promoting ESG management since the 11M period. While we still have areas to further enhance, we are steadily advancing our initiatives step by step.

**Toward Achieving Cost of Capital and Stock Price Conscious Management
(Current status analysis and market assessment improvement policies)**

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



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



We recognize the need for the Group to diligently pursue the management conscious of cost of capital and stock price. We also consider shareholder returns to be of the utmost importance.

Accordingly, under 11M, we have raised our target dividend payout ratio from 30% to 40%. We will continue to closely monitor the situation and consider various measures as appropriate.

Cash Allocation Policies (FY2025-FY2026)



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	Cash out	Details
<p>Own capital Funding (Considering the use of interest-bearing debt)</p>	<p>Growth and rationalization investment</p>	<ul style="list-style-type: none"> • 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
<p>Operating cash flow: Approx. 9 billion yen</p>		



Next is our cash allocation policy. As shown in the slide, we are considering various investments for the period from 2025 through the end of 2026.

We plan to invest approximately 1 billion yen in research and development, which includes last year's investment. Strengthening the development of original products is important to us.

In terms of R&D investment, we plan to invest approximately ¥1.0 billion in total, including the previous year, with a focus on strengthening the development of original products.

With regard to strengthening production capacity, while expanding our network of partner companies is important, we also believe it is necessary to increase the capacity of our own factories. Accordingly, we plan to consider capacity expansion, including the reconstruction of our factories, and to proceed with investments in a disciplined manner.

In the rapidly growing Green Facility, we aim to enhance the service capabilities of our UPS business for data centers. Specifically, we are considering investment in new facilities to establish systems for testing and evaluation and to enhance our overall technical service capabilities.

We are also considering investments, including system upgrades, to promote DX. In addition, we aim to cultivate new software-related businesses. In this context, if suitable partners are

identified, we will consider alternative forms of investment, including M&A, with a view to potential collaboration.

Regarding shareholder returns, we believe the priority is to enhance the substance of our dividends. Last year, we implemented the acquisition of our own stock, and we will continue to carefully assess the situation and consider additional acquisitions in a timely and flexible manner, thereby steadily enhancing shareholder returns.

This concludes my explanation of the current status of the 11th Medium-Term Business Plan.



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.

Under the slogan “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.

That concludes my explanation. Thank you for your attention.

Q&A: Changes in the Business Environment for the Next Medium-Term Business Plan

Question: As the current Medium-Term Business Plan is nearing its end, what changes in the business environment do you anticipate for the next Plan period?

Around this time last year, there was considerable uncertainty regarding tariffs. Now, including the political environment, it seems that visibility has improved to some extent. Could you share your outlook for the business environment going forward, particularly from next year onward?

Tsuchiya: The key point in our outlook for the business environment leading into the next Medium-Term Business Plan is the continued expansion of the AI-related sector. Within this area, we are currently developing the UPS business for data centers.

In addition, we have a business related to equipment, which includes our own original products. Demand for optical devices used for communication between servers in data centers is currently expanding significantly.

Demand for these devices is projected to grow further alongside data center construction. Domestically, multiple companies are significantly increasing their investments, leading to more orders for our company. Thus, the AI-related market is expected to grow further toward the next Medium-Term Business Plan.

On the other hand, one of our concerns is how relations between Japan and China will evolve going forward. In particular, there have been various developments regarding rare earths.

Although there is currently no direct business impact, rare earths are used in many products. In our business, for example, motors use rare earths.

Should rare earth supplies be halted, motor supply could become difficult. Consequently, there is a risk that this could affect production of equipment, including our own. Therefore, how the current situation with China progresses is a point of concern.

Regarding semiconductors, we have heard that the business for HBM, a very high-performance semiconductor, is booming. However, the situation for general-purpose semiconductors was very challenging until last year.

This was primarily due to the time required for inventory adjustments, which are finally being resolved. Furthermore, the significant shift toward HBM-related semiconductors has created a shortage of general-purpose semiconductors. Against this backdrop, we believe that new investment opportunities may emerge as a separate trend.

We believe it is extremely important to formulate our next Medium-Term Business Plan in light of these business environment factors.

Q&A: Initiatives to Enhance Recruitment Activities

Question: Your company has steadily increased both sales and profits. In particular, since you assumed the role of President, it appears that the Company has maintained growth even during the COVID-19 pandemic.

Despite the challenging hiring environment, you have consistently increased headcount not only on a consolidated basis but also on a non-consolidated basis, which gives the impression that the Company has strong recruiting capabilities. On the other hand, I would imagine that it is not easy for a trading company with your business model to attract talent.

Against this backdrop, could you share, to the extent possible, how you have been successful in attracting talent?

Tsuchiya: As you pointed out, there is currently a widespread shortage of human resources. At our Company as well, we have not been able to fully meet our hiring targets.

In particular, for engineering positions, hiring has reached only about 60% to 70% of our target. For general sales positions, we have been able to secure hires largely in line with our plans. While we appreciate your kind comments, our actual experience is that we are facing challenges.

That said, based on their experience, our HR team has been strengthening collaboration with various schools. As a result, we have been taking early action, including proactive internship programs, and are focusing on engaging candidates at an earlier stage.

In addition, our Business Administration Division and the Personnel Section have been leading initiatives to secure talent, such as reaching out to candidates early and proactively. We believe that these efforts have been a key factor in enabling us to secure a certain level of hires.

Q&A: Current Situation for FY2026

Moderator: The next question is, “While performance appears to have softened in the first half of the fiscal year ended December 2025, how do you view the outlook for the new fiscal year?”

Tsuchiya: Regarding the start of this fiscal year, we have actually faced a challenging situation. As mentioned briefly in the presentation, some equipment-related projects originally planned for this year were brought forward and recorded as sales last year. For that reason, we had some concerns and expected a difficult start to the first half.

However, in reality, orders in Electronic Equipment & Components for semiconductor manufacturing equipment began to change rapidly from around December last year. After a period of weakness, demand has rebounded sharply, and we are now in a position to secure a substantial volume of orders.

This development was unexpected. We had anticipated such a recovery from the second half, but we are seeing this trend emerge earlier, already in the first half.

As a result, at this point, we believe that first-half performance will be broadly in line with our plan.

Q&A: Impact of Subsidies Related to the CHIPS Act

Moderator: Here is another question: “What is the status of subsidy trends in the United States?”

Tsuchiya: Regarding your question on subsidies, I assume you are referring to those related to the semiconductor industry, such as under the CHIPS Act.

At this point, we do not expect to receive any direct benefits from these subsidies. However, some of our semiconductor-related customers are expected to benefit, and we therefore anticipate new investments in related equipment and the associated increase in orders going forward.

Separately, with respect to our railway vehicle business, a very large-scale project involving a state government has been confirmed.

This project is not subsidy-based but will be executed within the state government’s budget. Accordingly, we expect that sales from projects of this nature will contribute steadily over the next several years.