

DAITRON CO., LTD.

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Announcement of Disposal of Treasury Shares as Restricted Stock for Transfer to Employees of the Company

Daitron Co., Ltd. is pleased to announce that its board of directors resolved on April 11, 2025 to dispose of treasury shares as restricted transferable shares (hereinafter referred to as the "Disposal of Treasury Shares"), as follows.

1. Outline of Disposal

(1) Date of Disposal	June 5, 2025
(2) Type and number of shares to be disposal of	Common stock of 3,900 shares
(3) Disposal Value	2,964yen per share
(4) Total amount of Disposal	11,559,600yen
(5) Number of the recipients and shares disposed of	39 employees, 3,900 shares

2. Purpose and Reason for the Disposal

At the board of directors meeting held today, we resolved to grant monetary claims totaling 11,559,600 yen and therefore 3,900 shares of the company's common stock (hereinafter referred to as the "allotted shares") to 39 employees who have served us for a specified number of years (three years or more) (excluding employees who have served us for such number of years and have already been granted restricted stock; hereinafter referred to as the "eligible employees"), with the aim of increasing employees' motivation to contribute to the sustainable improvement of our group's corporate value and further promoting shared value with shareholders. This grant will give each employee one unit (100 shares), which is the minimum trading unit of the company's common stock, so that the employees can acquire the right to sell on the market while taking into consideration the dilution of the shareholding ratio of existing shareholders. In addition, in order to encourage medium- to long-term continuous employment, we have set a transfer restriction on the allotted shares, with a period of three years.

The eligible employees will pay all of the monetary claims provided by us as in-kind contributions and will subscribe to the allotted shares. In addition, we will enter into a restricted stock allotment agreement with the eligible employees, the contents of which are outlined below.

The allotted shares will be allocated only to eligible employees who wish to receive them.

< Outline of the Restricted Stock Allotment Agreement >

(1) Restricted transfer period

Eligible employees may not transfer, grant security interest in, or otherwise dispose of the allotted shares between June 5, 2025 (the payment due date) and June 4, 2028.

*This document is an English translation of a statement written initially in Japanese.
The Japanese original should be considered the primary version.*

(2) Lifting of the Restrictions on Transfer

The restrictions on transfer will be lifted for all of the allotted shares on the expiration date of the transfer restriction period, provided that the eligible employees continue to hold the position of an employee of the company or one of its subsidiaries during the transfer restriction period. However, if an eligible employee loses his or her status as an employee of the company or one of its subsidiaries due to the expiration of his or her employment term (or, if reemployed after retirement, the expiration of the reemployment term), death, or any other reason that the company's board of directors deems legitimate, the transfer restrictions on all of the allotted shares will be lifted at the expiration of the transfer restriction period (or immediately after such loss in the case of loss due to death).

(3) Acquisition by the Company without consideration

The company will automatically acquire without consideration, 1. the allotted shares for which the transfer restrictions have not been lifted at the time the transfer restriction period expires, or 2. the allotted shares for which the transfer restrictions are not expected to be lifted immediately after the eligible employee loses his or her status as an employee of the company or one of its subsidiaries during the transfer restriction period.

(4) Management of Shares

The allotted shares will be managed in a dedicated account opened by the eligible employee at Daiwa Securities Co. Ltd. during the restricted transfer period to prevent the transfer, establishment of security interests or other disposition of the allotted shares during the restricted transfer period.

(5) Handling in the event of organizational restructuring, etc.

If, during the period of restriction on transfer, a merger agreement in which the company becomes the dissolving company, a share exchange agreement in which the company becomes a wholly owned subsidiary, a share transfer plan, or other matters related to organizational restructuring a general meeting of shareholders (however, in the case of a reorganization that does not require the approval of a general meeting of shareholders, the company's board of directors may, if the applicable) of the company, by a resolution of the board of directors, the transfer restriction on relevant shares will be lifted as of the time immediately before the effective date of the organizational restructuring, etc.

3. Basic for Calculation of the Amount to be Paid and Specific Details

This disposition of treasury stock will be conducted with the monetary claims provided to the allottees as the assets to be contributed, and the disposition price will be a price that eliminates arbitrariness. For that reason 2,964 yen, which is the closing price of the company's common stock on the Tokyo Stock Exchange on April 10, 2025 (the business day preceding the date of the board of directors' resolution). In the absence of special circumstances indicating that the most recent share price cannot be relied upon, we believe that the price is reasonable and appropriately reflects the corporate value of our company, and is not a particularly favorable price and is considered reasonable to the eligible employees.