

Takaoka Toko Group
FY2022 (Fiscal year ending on March 31, 2023)
Second Quarter Supplementary
Briefing Material on Financial Results

November 18, 2022

TSE Prime Market (6617)
Takashi Ichinose, President and Representative Director



株式会社 東光高岳
TAKAOKA TOKO CO., LTD.



We deeply apologize for causing great inconveniences and concerns regarding the improper cases of gas insulated switchgear and remote controller for automated switchgear, which we announced on Aug. 27, Sep. 8, and Oct. 29, 2021, and temporary suspension of ISO9001 certification as a result of the matter (suspension lifted on Jan. 6, 2022), to our customers, shareholders, and related parties.

On May 24, 2022, we comprehensively completed every inspection and investigation conducted after the improper cases were found. We did not find any new cases with the same type of improprieties.

Since the announcement on Oct. 29, 2021, we have been engaging in company-wide reforms to prevent any reoccurrence from the four perspectives: quality management system (QMS), human resource development, communication, and awareness and culture.

To further strengthen these measures, we established a Management Reformation Task Force, which is under the direct control of our President, in Apr. 2022. We will strive to regain the trust of our customers by implementing management reforms to become a company that is "strong in safety and quality" and is "customer-oriented and always up to the challenge."

Prevention measures	
<p style="text-align: center;"><u>Rebuilding the QMS</u></p> <ul style="list-style-type: none"> • Comprehensively review and systematically organize and coordinate internal manuals for visualization • Timely collect information related to revisions of standards to reflect the latest on the manuals • Strengthen monitoring of standard compliance situation 	<p style="text-align: center;"><u>Strengthening human resource development</u></p> <ul style="list-style-type: none"> • Strengthen the management level • Offer training for the Quality Assurance Department and enhance training contents subjected to all employees • Enhance company-wide basic training
<p style="text-align: center;"><u>Enhancing communication</u></p> <ul style="list-style-type: none"> • Bring the management and front-line employees closer physically and mentally • Enhance workplace communication and build an open workplace 	<p style="text-align: center;"><u>Reforming awareness and culture</u></p> <ul style="list-style-type: none"> • Thoroughly implement quality-first principle • Redefine and share the company mission • Promote Kaizen & DX for the improvement of SQCD • Break the inward closed company culture



October 1, 2022 marked the 10th anniversary of the business integration of the Company's predecessor, Takaoka Electric Mfg. Co., Ltd., with Toko Electric Corporation, through the establishment of a joint holding company (the former TAKAOKA TOKO HOLDINGS CO., LTD.).

We would like to take this opportunity to express our sincere gratitude for the support that our shareholders and other stakeholders have given us.

For commemorating this landmark year, our Group will hold a private exhibition to extend our thanks to all stakeholders and provide knowledge of the Group's products and services more deeply and extensively.

2022 TAKAOKA TOKO 10th Anniversary Solution Fair

- Aiming to Become a Comprehensive Energy Business Provider -



- ◆ Date: December 6 (Tue.) and 7 (Wed.), 2022 * Pre-registration required
- ◆ Place: Tokyo Kotsu Kaikan, 12F Diamond Hall, Cattleya Salon
- ◆ Event website: <https://www.tktk.co.jp/10th-anniversary-solution-fair/>

Under the concept of “Connecting Thoughts with Power of Technology,” this solution fair will introduce the 10-year history of TAKAOKA TOKO HOLDINGS CO., LTD. from its establishment and the nearly 100-year history before the integration of both Takaoka Electric Mfg. Co., Ltd. and Toko Electric Corporation with the latest products, technologies, and solutions of the TAKAOKA TOKO Group.

We look forward to your visit.

Also, we would appreciate it if you would read the TAKAOKA TOKO REPORT published on November 18.



1. FY2022 Second Quarter Business Results
<YoY Analysis>
2. Performance of Business Segments
<YoY Analysis>
3. Impact of Prolonged Lead Time of Parts
Procurement and Soaring Major Material
Prices
4. FY2022 Business Forecast
5. Dividend Payment
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1. FY2022 Second Quarter Business Results

<YoY Analysis>



- Consolidated net sales amounted to **42,243 million yen (a YoY increase of 5.7%)** mainly due to an increase in sales of 3D inspection systems, disconnecting switches, and power distribution equipment, despite a decrease in the number of overseas construction projects, etc.
- In terms of profit, we **hit a record high after the completed merger** and posted an increase in all profit measures with **operating income of 2,301 million yen (a YoY increase of 86.6%), ordinary income of 2,489 million yen (a YoY increase of 95.8%), and net income attributable to owners of the parent company of 1,620 million yen (a YoY increase of 41.1%)** thanks to outcomes such as higher sales of 3D inspection systems, disconnecting switches, and power distribution equipment, improved profitability in existing businesses through DX investments, cost reductions from procurement reforms, and increased productivity through the refinement of KAIZEN activities, despite the impact on sales of some products due to prolonged procurement lead time of semiconductors and other parts and soaring material prices.

(In millions of yen)

	FY2022 2Q (A)	FY2021 2Q (B)	Increase (A)–(B)	YoY
Net sales*	42,243	39,955	2,287	5.7%
Operating income	2,301	1,233	1,068	86.6%
Ordinary income	2,489	1,271	1,218	95.8%
Profit attributed to shareholders of the parent company	1,620	1,148	472	41.1%
*Net sales related to TEPCO Power Grid Inc.	17,854	17,975	(121)	(0.7%)
Net sales composition of TEPCO Power Grid Inc.	42.3%	45.0%	(2.7%)	–
Orders received	53,209	49,831	3,377	6.8%

1. FY2022 Second Quarter Business Results

Change in Segments



Establish a highly mobile organizational structure to achieve the 2030 VISION

- ◆ We reorganized our organization on June 29 to establish the **GX Solution Business Division** as part of our efforts toward a “comprehensive energy business provider” set in the 2030 VISION. The GX Solution Business Division has been created by unifying the GX-related businesses that were separately organized in order to provide systems and solutions contributing to GX of the overall economic and social system to achieve a carbon neutral society in a highly mobile and thoroughly optimized way.

Specifically, we integrated the former Energy Solution Business Division and Business Innovation Department with Electric Vehicle Infrastructure Promotion Project and PPP/PFI Promotion Project to encourage synergy effects and make optimal proposals for various customer needs.

- ◆ In conjunction with this reorganization, we **changed our disclosure segments from the second quarter of the fiscal year ending on March 31, 2023**. Segment information in this Supplementary Briefing Material has been reclassified into new segments.

Before (up to the first quarter)

Segment	Takaoka Toko	
	Takaoka Toko	Consolidated subsidiaries
Electric Equipment Business	Power Equipment & System Business Division	TAKAOKA ENGINEERING CO., LTD.
	Electric Equipment Business Division	TAKAOKA CHEMICAL CO., LTD. Toko Kizai Corporation
Metering Business	Metering Business Division	WATT LINE SERVICE Co., Ltd. Toko Electric (Suzhou) Co., Ltd. Toshiba Toko Meter Systems Co., Ltd.
Energy Solution Business	Energy Solution Business Division Electric Vehicle Infrastructure Promotion Project	●
Information System / Applied Optics Inspection System Business	Applied Optics Inspection System Business Division	MintWave Co., Ltd. ●
Other businesses	Business Innovation Department	●
	PPP/PFI Project Leasing business	

After (from the second quarter)

Segment	Takaoka Toko	
	Takaoka Toko	Consolidated subsidiaries
Electric Equipment Business	Power Equipment & System Business Division	TAKAOKA ENGINEERING CO., LTD.
	Electric Equipment Business Division	TAKAOKA CHEMICAL CO., LTD. Toko Kizai Corporation
Metering Business	Metering Business Division	WATT LINE SERVICE Co., Ltd. Toko Electric (Suzhou) Co., Ltd. Toshiba Toko Meter Systems Co., Ltd.
GX Solution Business	GX Solution Business Division	MintWave Co., Ltd.
Applied Optics Inspection System Business	Applied Optics Inspection System Business Division	
Other businesses	Leasing business	

1. FY2022 Second Quarter Business Results

Business Portfolio (FY2022 Second Quarter Net Sales)



Applied Optics Inspection System Business Segment

3D inspection systems, 2D image processing systems, etc.

5% (2%)

Real estate leasing

Other Businesses 1% (1%)

GX Solution Business Segment

6% (6%)

EMS related products (automated metering system for apartment houses/tenants, automatic environmental control system to save electricity and energy for lighting and air conditioning), charging infrastructure (quick charger for electronic vehicles, V2H), information system, smart grid- & proposal-related business, etc.

Power plant equipment (high voltage transformers, switching equipment, control equipment), power distribution equipment (switches, pole-mounted transformers), power system, disconnectors, construction for receiving substations, etc.

[Consolidated subsidiaries]
TAKAOKA ENGINEERING CO., LTD.
TAKAOKA CHEMICAL CO., LTD.
Toko Kizai Corporation

[Consolidated subsidiaries]
MintWave Co., Ltd.

Metering Business Segment

30% (30%)

Smart meter
Voltage transformer for metering
Electricity meter replacement work

[Consolidated subsidiaries]
WATT LINE SERVICE Co., Ltd.
Toko Electric (Suzhou) Co., Ltd.
Toshiba Toko Meter Systems Co., Ltd.

FY2022 2Q
Net sales
Segment composition
42,200
(39,900)

Electric Equipment Business Segment

58% (61%)

(In millions of yen)

The number in () is FY2021 2Q sales and composition ratio.

1. FY2022 Second Quarter Business Results: Net Sales

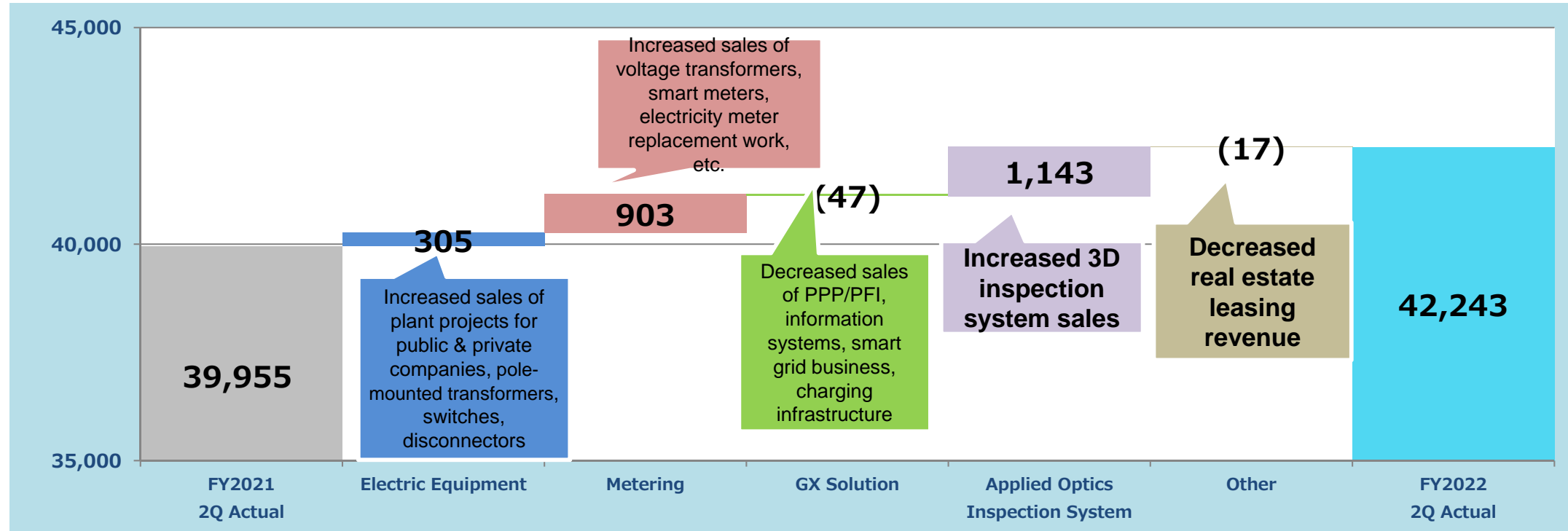
<YoY Analysis>



[Net sales by segment]

(In millions of yen)

Segment	FY2022 2Q		FY2021 2Q		YoY	
	Amount (A)	Ratio	Amount (B)	Ratio	Increase (A)-(B)	Percent change
Electric Equipment Business	24,482	58.0%	24,176	60.5%	305	1.3%
Metering Business	12,842	30.4%	11,939	29.9%	903	7.6%
GX Solution Business	2,460	5.8%	2,508	6.3%	(47)	(1.9%)
Applied Optics Inspection System Business	1,950	4.6%	807	2.0%	1,143	141.6%
Other (real estate leasing)	506	1.2%	524	1.3%	(17)	(3.3%)
Net sales by segment: Total	42,243	—	39,955	—	2,287	5.7%



1. FY2022 Second Quarter Business Results: Income

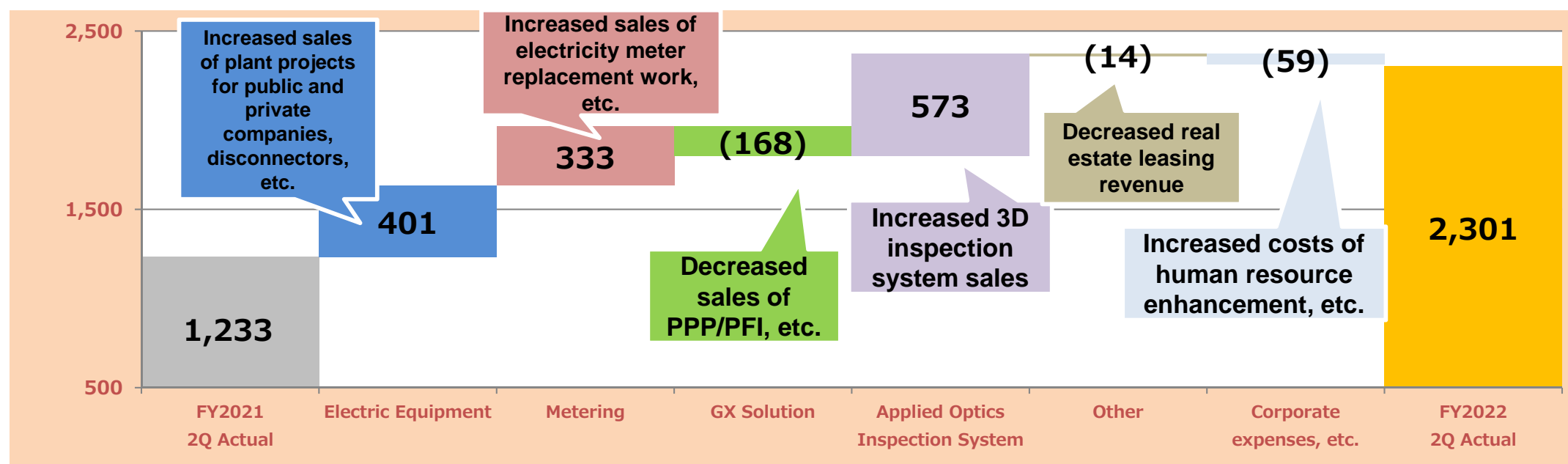
<YoY Analysis>



[Income by segment]

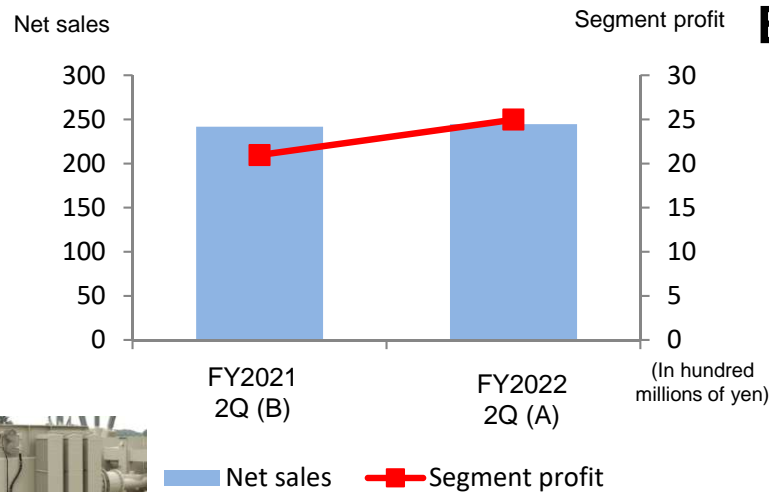
(In millions of yen)

Segment	FY2022 2Q		FY2021 2Q		YoY	
	Amount (A)	Profit margin	Amount (B)	Profit margin	Increase (A)–(B)	Percent change
Electric Equipment Business	2,499	10.2%	2,097	8.7%	401	19.1%
Metering Business	1,300	10.1%	966	8.1%	333	34.6%
GX Solution Business	(447)	(18.2%)	(278)	(11.1%)	(168)	–
Applied Optics Inspection System Business	762	39.1%	188	23.3%	573	305.1%
Other (real estate leasing)	345	68.2%	359	68.5%	(14)	(4.0%)
Income by segment: Total	4,459	10.6%	3,333	8.3%	1,126	33.8%
Corporate expenses, etc. (incl. consolidated adjustments)	(2,158)	–	(2,099)	–	(59)	–
Operating income	2,301	5.4%	1,233	3.1%	1,068	86.6%



2. Performance of Business Segments

<YoY Analysis>



Eco-friendly palm fatty acid ester-immersed transformer

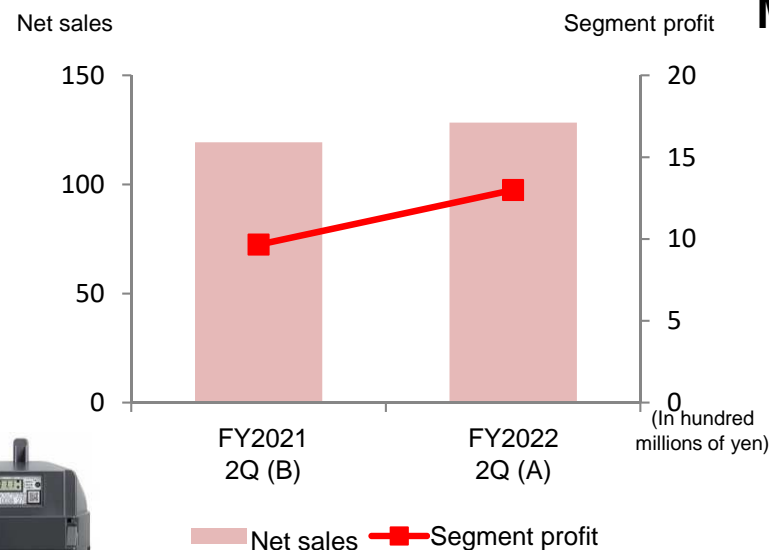
Electric Equipment Business Segment

(In millions of yen)

	FY2022 2Q Actual (A)	FY2021 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	24,482	24,176	305	1.3%
Segment profit	2,499	2,097	401	19.1%

Net sales
 [Reason behind increase] Plant projects for public & private companies, pole-mounted transformers, switches, disconnectors
 [Reason behind decrease] Overseas construction, high voltage transformers for overseas, controllers for distribution automation, plant projects for electric power companies

Profit
 [Reason behind increase] Increased net sales of plant projects for public & private companies, pole-mounted transformers, switches, disconnectors
 [Reason behind decrease] Decreased net sales of controllers for distribution automation, plant projects for electric power companies



Smart Meter

Metering Business Segment

(In millions of yen)

	FY2022 2Q Actual (A)	FY2021 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	12,842	11,939	903	7.6%
Segment profit	1,300	966	333	34.6%

Net sales
 [Reason behind increase] Voltage transformers, smart meters, electricity meter replacement work, etc.
 [Reason behind decrease] Inspections, meters for regional electric power companies

Profit
 [Reason behind increase] Increased net sales of electricity meter replacement work, smart meters, etc.
 [Reason behind decrease] —

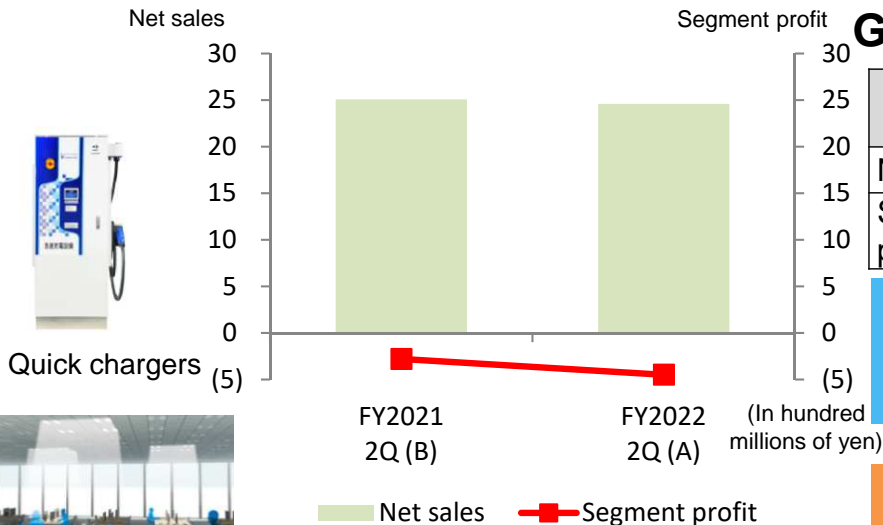
2. Performance of Business Segments

<YoY Analysis>



GX Solution Business Segment

(In millions of yen)



	FY2022 2Q Actual (A)	FY2021 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	2,460	2,508	(47)	(1.9%)
Segment profit	(447)	(278)	(168)	–

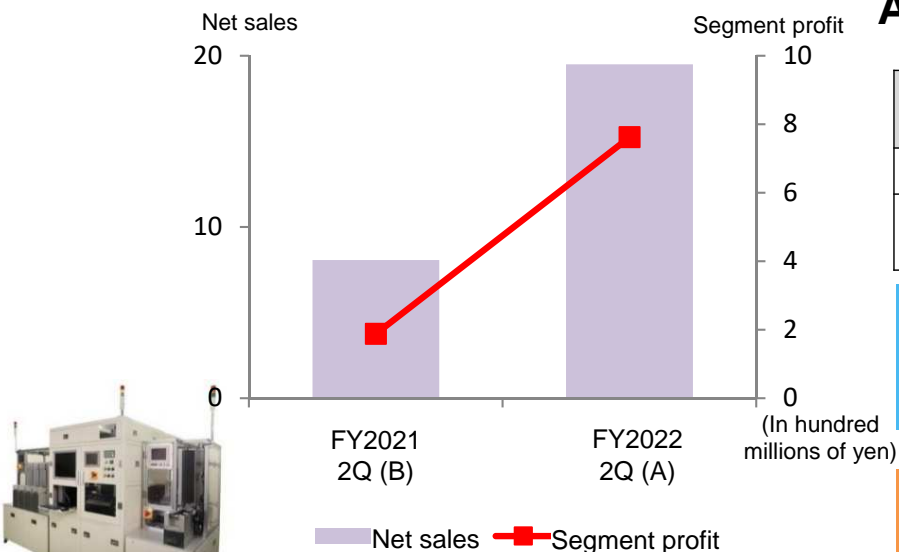
Net sales
 [Reason behind increase] Information system, EMS related products
 [Reason behind decrease] PPP/PFI, Embedded software, smart grid business, charging infrastructure

Profit
 [Reason behind increase] Increased net sales of information system, EMS related products
 [Reason behind decrease] Decreased net sales of PPP/PFI, embedded software, smart grid business, charging infrastructure

Energy-saving control system for lighting and air conditioning

Applied Optics Inspection System Business Segment

(In millions of yen)



	FY2022 2Q Actual (A)	FY2021 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	1,950	807	1,143	141.6%
Segment profit	762	188	573	305.1%

Net sales
 [Reason behind increase] 3D inspection systems
 [Reason behind decrease] –

Profit
 [Reason behind increase] Increased net sales of 3D inspection systems
 [Reason behind decrease] –

Applied Optics Inspection System

3. Impact of Prolonged Lead Time of Parts Procurement and Soaring Major Material Prices



Prolonged lead time of parts procurement

With prolonged lead time of procurement of various parts including semiconductors, we are also experiencing difficulties in procuring parts related to our product items on a normal delivery schedule, causing a delivery delay for some products.

As measures against this situation, we are focusing on securing parts such as by sharing parts procurement routes among the entire Group and collecting information directly from parts manufacturers. Furthermore, we are taking measures such as internally transferring stored parts, proposing the use of alternative parts, searching for parts on the market, and examining foreign-made parts.

Second quarter cumulative impact (vs. plan)

Net sales: approx. 1,500 million yen
Profit: approx. 500 million yen

Soaring major material prices

Regarding soaring prices of major materials including copper and steel plates, we have continued efforts to bargain over the price as much as possible. However, we will eventually be put in a situation where we will have to accept price revisions.

In response to this situation, we are continuing efforts to minimize the impact by taking measures such as a revision in sales prices, changes in suppliers, specification changes, and use of stored goods.

Second quarter cumulative impact (vs. plan)

Profit: approx. 300 million yen

As future conditions are likely to change, the impact on full-year results is uncertain.



4. FY2022 Business Forecast

In FY2022, we expect net sales of 93,000 million yen, operating income of 4,400 million yen, ordinary income of 4,500 million yen, and profit attributed to shareholders of the parent company of 3,000 million yen based on estimated increase in sales of quick chargers and 3D inspection systems, although taking into consideration the impact of soaring material prices and prolonged parts procurement lead time.

As for the amount of orders received, we expect 90,213 million yen (a YoY decrease of 7.5%) due to a decrease in orders as a reaction to large orders of electric system equipment and 3D inspection systems received in FY2021.

The business forecast remains unchanged from the figures announced on April 27, 2022.

(In millions of yen)

	FY2022 Forecast (A)	FY2021 Actual (B)	Increase (A)–(B)	YoY
Net sales *	93,000	91,936	1,064	1.2%
Operating income	4,400	4,625	(225)	(4.9%)
Ordinary income	4,500	4,172	328	7.9%
Profit attributed to shareholders of the parent company	3,000	3,279	(279)	(8.5%)
*Net sales related to TEPCO Power Grid	37,096	37,763	(667)	(1.8%)
Net sales composition of TEPCO Power Grid	39.9%	41.1%	(1.2%)	—
Orders received	90,213	97,483	(7,270)	(7.5%)



5. Dividend Payment

We believe that stable dividends are the basis for meeting shareholders' expectations; therefore, we will continue to pay dividends twice a year, an interim dividend of 25 yen and a year-end dividend of 25 yen, while striving to ensure a stable management base by strengthening our financial position.

On October 1, 2022, we celebrated the 10th anniversary of the establishment of TAKAOKA TOKO HOLDINGS CO., LTD., the predecessor of our company, and to commemorate this occasion and to express our gratitude to our shareholders, we have paid a commemorative dividend of additional 5 yen per share as an interim dividend for FY2022.

(in Yen)

		FY2020	FY2021	FY2022 (forecast)
Net income per share (consolidated)		87.29	203.17	185.86
Dividend per share	interim/year-end	25/25	25/25	30/25
	annual	50	50	55
Dividend pay out ratio		57.3%	24.6%	29.6%



6. FY2022 Second Quarter Topics

Enhance EV infrastructure solution to help create a low-carbon society



Aiming for carbon neutrality by 2050, we are continuously working to reduce environmental impact throughout corporate activities and offer products and services which help reduce environmental impact.

So far, we, as a manufacturer with top market share, have promptly responded to more diversified needs for charging by mainly offering quick chargers for EVs as well as large-capacity quick chargers, the EV charge/discharge system “Smaneco V2H,” and the charging system for apartment houses “WeCharge Hub.”

In December 2022, we will release a new model of **intermediate capacity quick chargers for EVs**. This product is **suitable for the charging needs of EVs for corporate use and light EVs**. In addition, this is **the thinnest wall-mounted type product in the industry** and so can be placed in a limited space where it is difficult to place a self-supporting type. Furthermore, for better convenience, **the FY2023 model will support remote condition monitoring and billing authentication**.

New product



Intermediate capacity quick chargers Example of charging



Key!

- **Features of intermediate capacity quick chargers**
 - Thin wall-mounted type; 200 mm, the thinnest in the industry
 - For users wanting a complete charge in 2 – 3 hours
 - Plan to be registered as a model subject to a subsidy from the Next Generation Vehicle Promotion Center

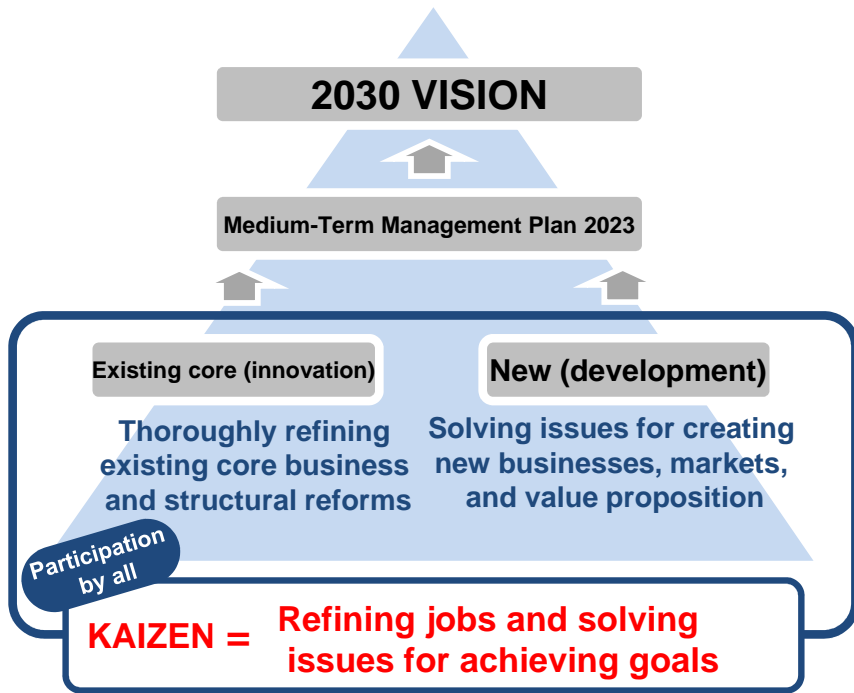
Policy for supporting expansion of EV infrastructure

- The **Green Growth Strategy** by the government expressly states, “**installing 30,000 quick chargers for electric vehicles by 2030.**”
- A **subsidy for introducing charging and filling infrastructure (approx. 20 billion yen)** was included in the draft supplementary budget for FY2022.



Improving productivity through KAIZEN and Digitalization

For realizing a “sustainable society” which Takaoka Toko aims for, we are promoting Toyota KAIZEN activities and digitalization which we have continued so far in a more powerful way and are working to create innovation across the entire Group by fully utilizing the latest digital technologies and data.

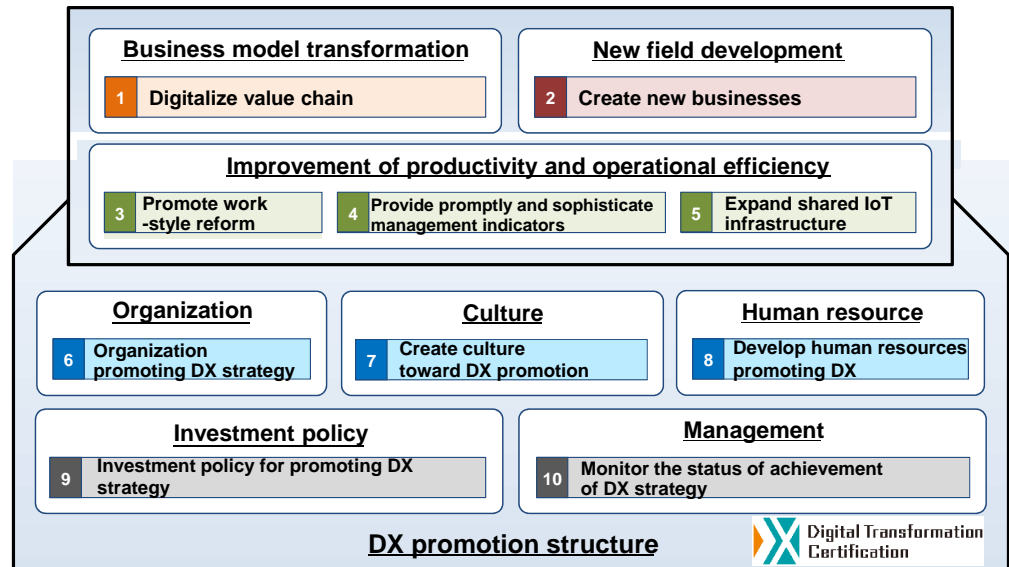


Create Make Sell

Category	Development	Manufacturing	Sales	Back office
Department	Manufacturing Designing Quality Process management, etc.		Sales, branches	Administrative and other departments

Major efforts and effects in FY2022

- Improving productivity by refining KAIZEN activities**
 - Major efforts: reducing costs, standard man-hours, and lead time through model changes, etc.
 - Target: approx. 300 million yen (to appear in FY2023)
- Improving profitability through DX investments**
 - Major efforts: releasing configurator models and using 3D data
 - Target: approx. 100 million yen (to appear in FY2023 and subsequent years)





6. FY2022 Second Quarter Topics



Efforts for human resource vitalization

Promoting women’s empowerment

We are promoting women’s empowerment with a target by FY2030 that 25% of recruited employees, 15% of total employees, and 5% of managerial employees shall be women.

We have launched the “Diversity Promotion Committee” in December 2021 to establish a system under which women can play an active role and reinforce human resource development. From August 2022, we are providing approx. one year’s training for raising awareness and learning management skills to 25 selected female employees.

Also in the future, we will promote diversity, focusing on creating an environment where a wide variety of human resources can comfortably work, in addition to efforts for women’s empowerment and child rearing.

External evaluation

We received the “Eruboshi” and “Kurumin” certification awarded by the Ministry of Health, Labour and Welfare in September 2022. Eruboshi is a system to certify companies with excellent efforts for active participation of women and we received the highest 3-star certification by meeting all criteria such as recruitment, retaining, and rate of managerial positions. Kurumin is a system to certify companies with an excellent system for supporting well-balanced working and child rearing, such as a reduction in long working hours and acquisition of childcare leave.



Human resource development

Toward achieving the 2030 VISION, we have established the Strategic Human Resource Development Committee for the purposes of enriching human resources for management leader candidates supporting our future and producing proper executives in the near future, making efforts to find, manage, and systematically develop human resources for management leader candidates in an improved way.



6. FY2022 Second Quarter Topics

Smart Meter Business

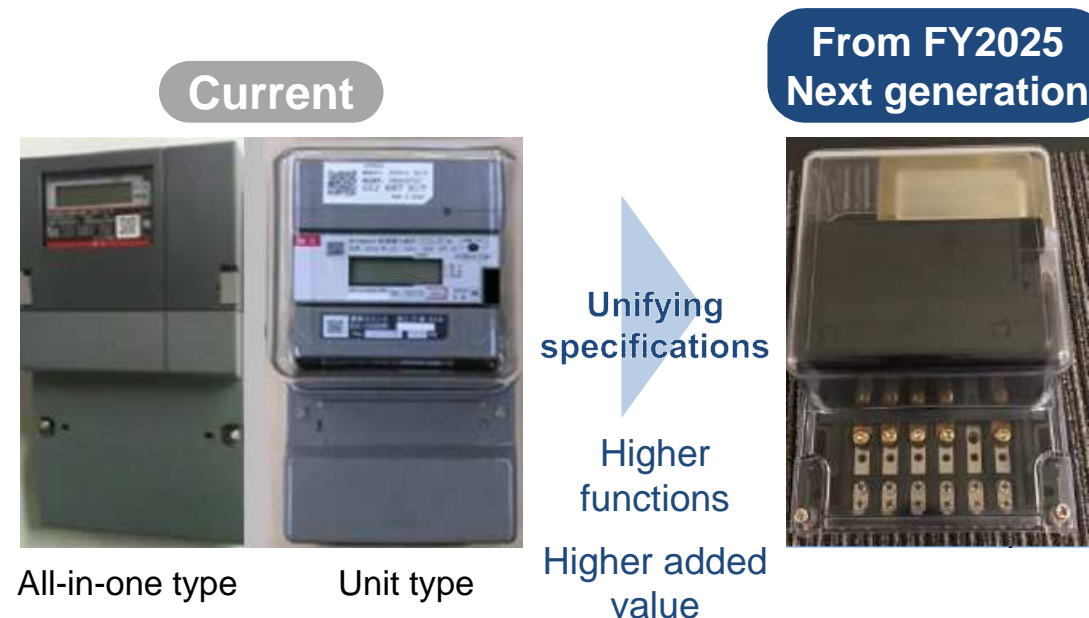
Second quarter results of Toshiba Toko Meter Systems

- Net sales were nearly at the same level as the previous year (an increase of 2%) thanks to an increased sales in the gas field, despite the impact on production of some electric smart meters due to difficulties in the procurement of parts including semiconductors and prolonged lead time.
- As for soaring material prices due to a weaker yen from the beginning of the year, we managed to mitigate the impact on revenue to a minor level by switching to alternative parts and having secured a relatively large volume of stored parts, in addition to partly revising sales prices. In addition, partly due to a decrease in quality-related costs, operating income increased YoY (an increase of 126%).
In the second half, a higher impact of soaring material prices is expected.

Development status of next-generation electric smart meters

- Common specifications have almost been finalized by 10 electric power companies and we are carrying out design and development toward introduction in FY2025. Aiming for 100% automation of assembly and testing lines, we will refine facilities to further increase productivity.
- Next-generation electric smart meters have more functions and added value than current products and thereby the unit price is expected to be higher, which will lead to an increase in revenue.

These photos are excerpted from Material 4 “Next-Generation Smart Meter Specification Unification Study Status and Introduction Plan” (Transmission & Distribution Grid Council) by the seventh Next-Generation Smart Meter System Study Group Meeting.





Cautionary statement regarding the performance forecast

Performance forecasts in this document have been made based on information available as of its publication date, and actual operating results may differ from such forecasts due to various factors.





Reference: FY2022 Business Forecast Comparison Between Before and After Segment Change

[Net sales by segment] **Before the segment change**

(In millions of yen)

Segment	FY2022 Forecast		FY2021 Actual		YoY	
	Amount (A)	Ratio	Amount (B)	Ratio	Increase (A)–(B)	Percent change
Electric Equipment Business	55,992	60.2%	57,644	62.7%	(1,672)	(2.9%)
Metering Business	24,391	26.2%	24,247	26.4%	144	0.6%
Energy Solution Business	4,136	4.4%	2,768	3.0%	1,368	49.4%
Information System / Applied Optics Inspection System Business	6,039	6.5%	4,805	5.2%	1,234	25.7%
Other (real estate-, smart grid-, & proposal-related business)	2,439	2.6%	2,450	2.7%	(11)	(0.4%)
Net sales by segment: Total	93,000	—	91,936	—	1,064	1.2%

[Net sales by segment] **After the segment change**

(In millions of yen)

Segment	FY2022 Forecast		FY2021 Actual		YoY	
	Amount (A)	Ratio	Amount (B)	Ratio	Increase (A)–(B)	Percent change
Electric Equipment Business	55,992	60.2%	57,664	62.7%	(1,672)	(2.9%)
Metering Business	24,391	26.2%	24,247	26.4%	144	0.6%
GX Solution Business	7,782	8.4%	6,840	7.4%	942	13.8%
Applied Optics Inspection System Business	3,838	4.1%	2,139	2.3%	1,699	79.5%
Other (real estate leasing)	994	1.1%	1,044	1.1%	(50)	(4.8%)
Net sales by segment: Total	93,000	—	91,936	—	1,064	1.2%



Reference: FY2022 Business Forecast Comparison Between Before and After Segment Change

[Income by segment] **Before the segment change**

(In millions of yen)

Segment	FY2022 Forecast		FY2021 Actual		YoY	
	Amount (A)	Profit margin	Amount (B)	Profit margin	Increase (A)–(B)	Percent change
Electric Equipment Business	6,465	11.5%	6,355	11.0%	110	1.7%
Metering Business	1,329	5.4%	1,721	7.1%	(392)	(22.8%)
Energy Solution Business	225	5.4%	(119)	(4.3%)	344	–
Information System / Applied Optics Inspection System Business	1,058	17.5%	532	11.1%	526	98.9%
Other (real estate-, smart grid-, & proposal-related business)	366	15.0%	660	26.9%	(294)	(44.5%)
Income by segment: Total	9,443	10.2%	9,150	10.0%	293	3.2%
Corporate expenses, etc. (incl. consolidated adjustments)	(5,046)	–	(4,524)	–	(522)	–
Operating income	4,400	4.7%	4,625	5.0%	(225)	(4.9%)

[Income by segment] **After the segment change**

(In millions of yen)

Segment	FY2022 Forecast		FY2021 Actual		YoY	
	Amount (A)	Profit margin	Amount (B)	Profit margin	Increase (A)–(B)	Percent change
Electric Equipment Business	6,465	11.5%	6,355	11.0%	110	1.7%
Metering Business	1,329	5.4%	1,721	7.1%	(392)	(22.8%)
GX Solution Business	(455)	(5.8%)	(284)	(4.2%)	(171)	–
Applied Optics Inspection System Business	972	25.3%	482	22.5%	490	101.7%
Other (real estate leasing)	646	65.0%	708	67.8%	(62)	(8.8%)
Income by segment: Total	8,959	9.6%	8,983	9.8%	(25)	(0.3%)
Corporate expenses, etc. (incl. consolidated adjustments)	(4,559)	–	(4,358)	–	(201)	–
Operating income	4,400	4.7%	4,625	5.0%	(225)	(4.9%)