

Takaoka Toko Group

Second Quarter of Fiscal Year Ending on March 31, 2024

# Supplementary Briefing Material on Financial Results

November 10, 2023

TSE Prime Market (6617)

Takashi Ichinose  
President and Representative Director



We sincerely reiterate our deep apologies for the great concerns and inconveniences caused to our customers, shareholders, trading partners, and all other stakeholders regarding the “Incidents of Impropriety Regarding Certain Instrument Transformer Products” announced on May 16, 2023.

We are currently in the process of making company-wide efforts to prevent recurrence and restore trust, but we will inform you of the response status at this point.

## 1. Status of Response to Customers

After announcing this incident, we promptly started explaining the situation and discussing responses with customers. The progress to date is as follows:

### (1) Improper preparation of type test reports

All responses are complete for about one third of the affected customers. We will continue to submit corrected type test certificates and report rectification measures to the remaining customers.

### (2) Related incidents (improper labeling of country of origin, preparation of false pre-shipment inspection reports)

We promptly explained to each customer that there are no issues with the quality or safety of the products in question. This response is ongoing.

In addition, from the announcement of this incident on May 16 up to the present, there have been no confirmed cases of quality or safety issues occurring due to this incident.

Please also note the impact of this incident on the results for the six months ended September 30, 2023 is minimal.

## 2. Status of Response to Regulatory Authorities

We are responding appropriately and swiftly to instructions from the regulatory authorities, and there are currently no problematic issues.

## 3. Status of Comprehensive Inspections of Quality

We are conducting a comprehensive inspection and investigation on all products, investigating the root causes of this incident and **the reasons** it was not discovered and corrected for so long. We will **evaluate the effectiveness of “Reforms to Strengthen the Quality Compliance System”**<sup>\*1</sup> initiated in 2021 and **consider and implement any necessary additional measures**. Through this, we will **thoroughly reconstruct our quality management system**.

The investigation system is **structured to enable inspections without omissions**, reflecting lessons from the comprehensive inspection in 2021. We have **expanded inspection documents**<sup>\*2</sup> and **established focused check items**<sup>\*3</sup>, and are conducting comprehensive inspections of quality with the goal of completing them by the end of March 2024.

### \*1 Reforms to Strengthen the Quality Compliance System

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

### \*2 Expanded Inspection Documents

We are expanding the scope of key quality documents and confirming the contents for each product model.

### \*3 Focused Check Items

We are conducting comprehensive inspections with a focus on aligning customer requirements and our specifications, compliance with relevant laws and regulations, consistency and reliability of each record, compliance investigations, etc.

## Takaoka Toko Group

### Financial Results Briefing Session

### for the Second Quarter of the Fiscal Year Ending on March 31, 2024

1. Business Results/Business Portfolio <YoY Analysis>
2. Performance of Business Segments <YoY Analysis>
3. Impact of Prolonged Lead Time of Parts Procurement, Soaring Material Prices, and Exchange Rates <vs. Plan>
4. Investment Performance (Capital Investments, Research & Development) <YoY Analysis>
5. FY2023 Business Forecast <YoY Analysis>
6. FY2023 Action to Implement Management that is Conscious of Cost of Capital and Stock Price
7. FY2023 Second Quarter Initiatives

# 1. FY2023 Second Quarter Business Results

## <YoY Analysis>



TAKAOKA TOKO CO., LTD.

- Consolidated net sales were **43,774 million yen, up 3.6% YoY**, mainly due to increases in sales across the entire Metering Business segment and power distribution equipment, despite decreases in sales for general plant projects and 3D inspection systems.
- In terms of profit, there were decreases across the board. While there were increases in power distribution equipment and smart meters, these were not enough to offset the decreases in general plant projects and 3D inspection systems. As a result, **operating income was 2,253 million yen, down 2.1% YoY**, **ordinary income was 2,406 million yen, down 3.4% YoY**, and **profit attributable to owners of parent was 1,442 million yen, down 11.0% YoY**.

(In millions of yen)

	FY2023 2Q (A)	FY2022 2Q (B)	Increase (A)–(B)	YoY
Net sales*	<b>43,774</b>	42,243	1,531	3.6%
Operating income	<b>2,253</b>	2,301	(48)	(2.1%)
Ordinary income	<b>2,406</b>	2,489	(83)	(3.4%)
Profit attributable to owners of parent	<b>1,442</b>	1,620	(177)	(11.0%)
*Of which, net sales related to TEPCO Power Grid Inc.	<b>19,647</b>	17,856	1,791	10.0%
Net sales composition of TEPCO Power Grid Inc.	<b>44.9%</b>	42.3%	2.6%	–
Order received	<b>59,886</b>	53,209	6,676	12.5%

# 1. FY2023 Second Quarter Business Results

## Business Portfolio (FY2023 Second Quarter Net Sales)

### Applied Optics Inspection System Business Segment

3D inspection systems, etc.

**3%** (5%)

Real estate leasing

### Other Businesses

**1%** (1%)

### GX Solution Business Segment

**7%** (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 systems, smart grid-& proposal-related business, etc.

[Consolidated subsidiary]  
MintWave Co., Ltd.

### Metering Business Segment

**32%** (30%)

Smart meters  
Voltage transformers for metering  
Electricity meter replacement work etc..

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

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

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

### Electric Equipment Business Segment

**57%** (58%)

(In millions of yen)

FY2023 2Q  
Net sales  
Segment composition  
**43,800**  
(42,200)

The number in ( ) is FY2022 2Q sales and composition ratio.

# 1. FY2023 Second Quarter Business Results: Net Sales

## <YoY Analysis>

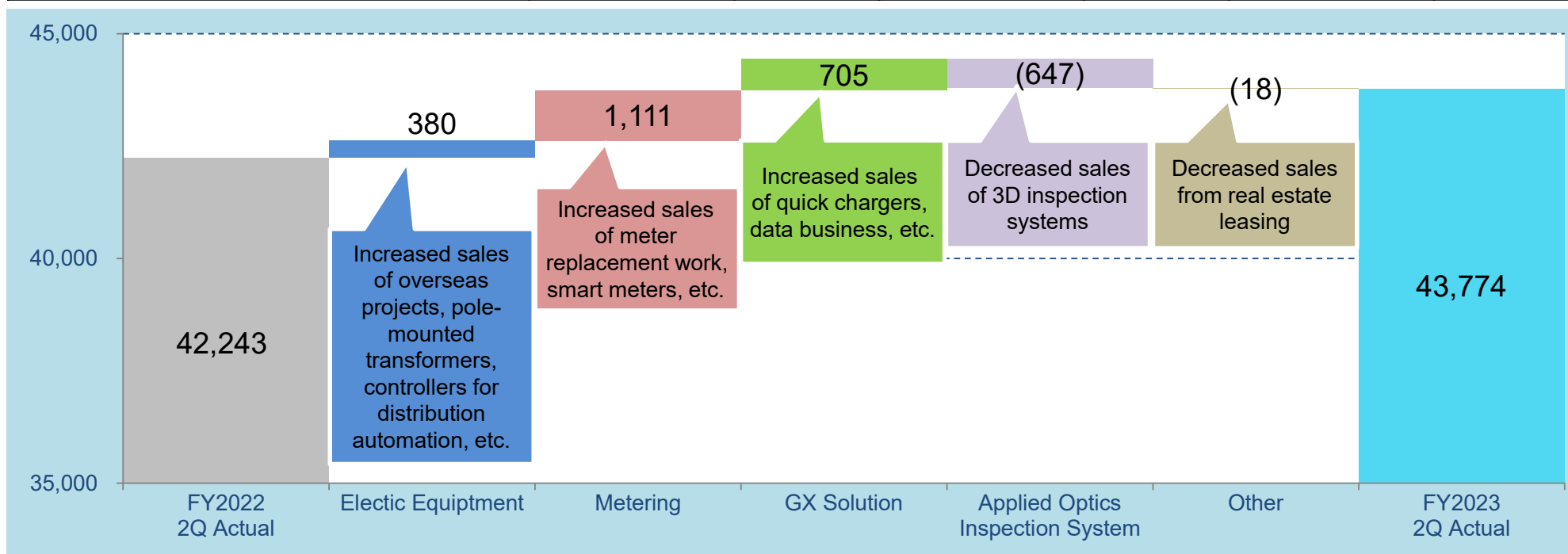


TAKAOKA TOKO CO., LTD.

[Net sales by segment]

(In millions of yen)

Segment	FY2023 2Q		FY2022 2Q		YoY	
	Amount (A)	Ratio	Amount (B)	Ratio	Change (A)–(B)	Percent change
Electric Equipment Business	24,863	56.8%	24,482	58.0%	380	1.6%
Metering Business	13,954	31.9%	12,842	30.4%	1,111	8.7%
GX Solution Business	3,166	7.2%	2,460	5.8%	705	28.7%
Applied Optics Inspection System Business	1,302	3.0%	1,950	4.6%	(647)	(33.2%)
Other (real estate leasing)	488	1.1%	506	1.2%	(18)	(3.6%)
Net sales by segment: Total	43,774	–	42,243	–	1,531	3.6%



# 1. FY2023 Second Quarter Business Results: Income <YoY Analysis>

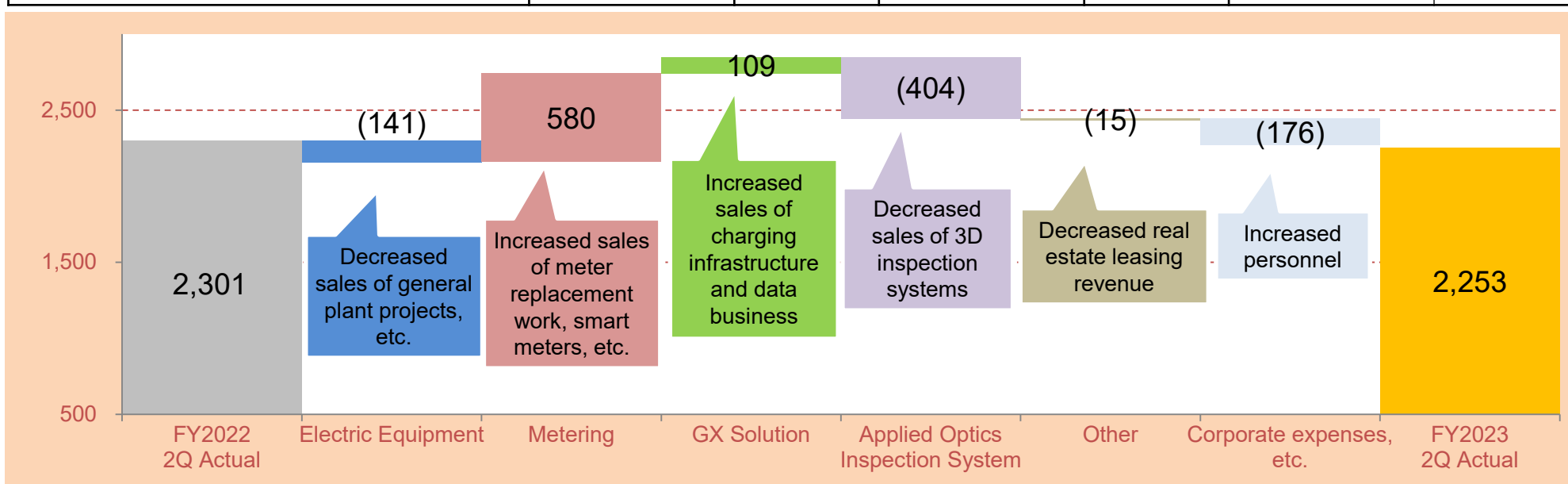


TAKAOKA TOKO CO., LTD.

[Income by segment]

(In millions of yen)

Segment	FY2023 2Q		FY2022 2Q		YoY	
	Amount (A)	Profit margin	Amount (B)	Profit margin	Change (A)-(B)	Percent change
Electric Equipment Business	2,358	9.5%	2,499	10.2%	(141)	(5.6%)
Metering Business	1,880	13.5%	1,300	10.1%	580	44.6%
GX Solution Business	(339)	(10.7%)	(447)	(18.2%)	109	—
Applied Optics Inspection System Business	357	27.4%	762	39.1%	(404)	(53.1%)
Other (real estate leasing)	329	67.4%	345	68.2%	(15)	(4.6%)
Income by segment: Total	4,587	10.5%	4,459	10.6%	127	2.8%
Corporate expenses, etc. (incl. consolidated adjustments)	(2,334)	—	(2,158)	—	(176)	—
Operating income	2,253	5.1%	2,301	5.4%	(48)	(2.1)%



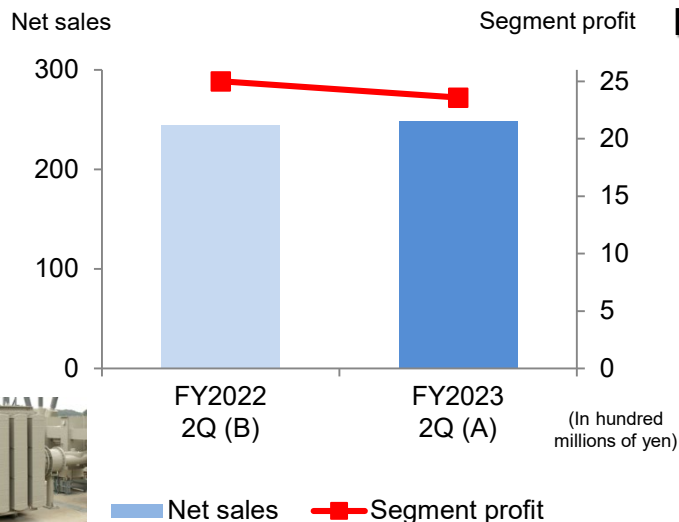


# 2. Performance of Business Segments

## <YoY Analysis>



TAKAOKA TOKO CO.,LTD.



### Electric Equipment Business Segment

(In millions of yen)

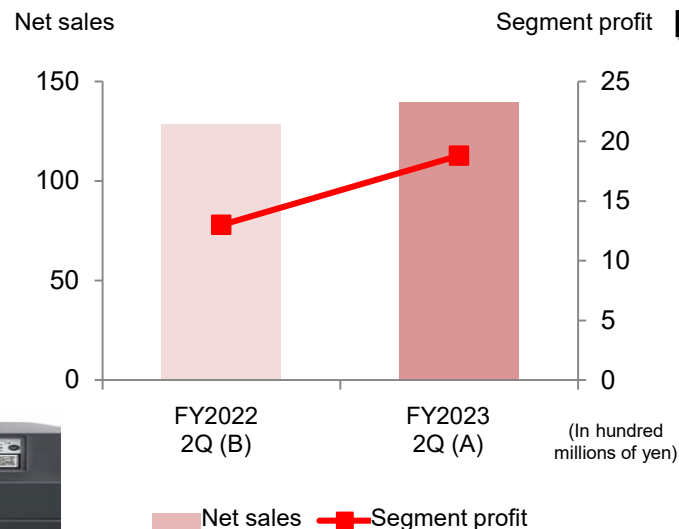
	FY2023 2Q Actual (A)	FY2022 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	24,863	24,482	380	1.6%
Segment profit	2,358	2,499	(141)	(5.6%)

**Net sales**  
 [Reason behind increase] Molded transformers, overseas projects, pole-mounted transformers, controllers for distribution automation  
 [Reason behind decrease] General plant projects, switches

**Profit**  
 [Reason behind increase] Increased sales of molded transformers, overseas projects, pole-mounted transformers, controllers for distribution automation  
 [Reason behind decrease] Decreased sales of general plant projects, switches



Eco-friendly palm fatty acid ester-immersed transformer



### Metering Business Segment

(In millions of yen)

	FY2023 2Q Actual (A)	FY2022 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	13,954	12,842	1,111	8.7%
Segment profit	1,880	1,300	580	44.6%

**Net sales**  
 [Reason behind increase] Electric meter replacement work, smart meters, instrument transformers  
 [Reason behind decrease] -

**Profit**  
 [Reason behind increase] Increased sales of electric meter replacement work, smart meters, instrument transformers  
 [Reason behind decrease] -



Smart meter

# 2. Performance of Business Segments <YoY Analysis>



TAKAOKA TOKO CO.,LTD.

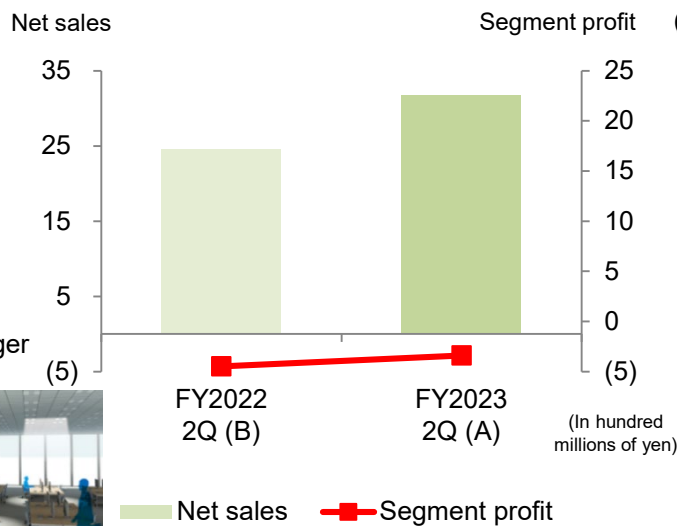
## GX Solution Business Segment

(In millions of yen)

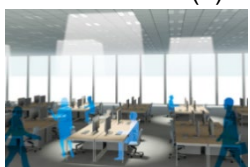
	FY2023 2Q Actual (A)	FY2022 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	3,166	2,460	705	28.7%
Segment profit	(339)	(447)	109	–

**Net sales**  
 [Reason behind increase] Quick chargers, data business-related products, information systems  
 [Reason behind decrease] NEDO demonstration-related business

**Profit**  
 [Reason behind increase] Increased sales of quick chargers and data business-related products  
 [Reason behind decrease] -



Quick charger



Energy-saving control system for lighting and air conditioning

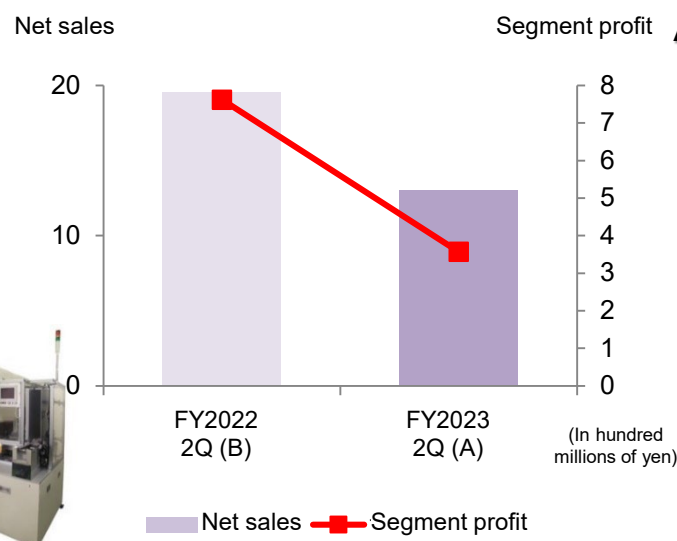
## Applied Optics Inspection System Business Segment

(In millions of yen)

	FY2023 2Q Actual (A)	FY2022 2Q Actual (B)	Increase (A) – (B)	YoY (%)
Net sales	1,302	1,950	(647)	(33.2%)
Segment profit	357	762	(404)	(53.1%)

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

**Profit**  
 [Reason behind increase] -  
 [Reason behind decrease] Decreased sales of 3D inspection systems



Applied Optics Inspection System

### 3. Impact of Prolonged Lead Time of Parts Procurement, Soaring Material Prices, and Exchange Rates

#### 1. Impact of prolonged lead time of parts procurement and soaring material prices

##### Prolonged lead time of parts procurements

- While some parts such as various substrates and switches are still being impacted by prolonged procurement lead times, the overall situation is trending towards improvement.
- The possibility of greater impact than initially anticipated for the fiscal year is expected to be low.

##### Soaring material prices

- The prices of key materials such as insulating oil and copper wire continue to remain high, partly due to the effect of yen depreciation.
- Purchased items are seeing continued price hikes due to inflation and sharply rising energy costs.
- The initial plan anticipated a profit decrease of **1.4 billion yen** from FY2022 results due to soaring prices of materials such as insulating oil, copper wire, and electromagnetic steel sheets, as well as electricity rates and transportation costs. The possibility of greater impact than initially anticipated for the fiscal year is expected to be low.

#### 2. Impact of exchange rate fluctuations

- Net sales: The impact is minor for first half results and the fiscal year as contracts are mostly denominated in yen.
- Profits: Due to the depreciation of the yen, the impact on the first half from items procured from overseas is around 140 million yen.

# 4. First Half Investment Performance (Capital Investments, Research & Development)



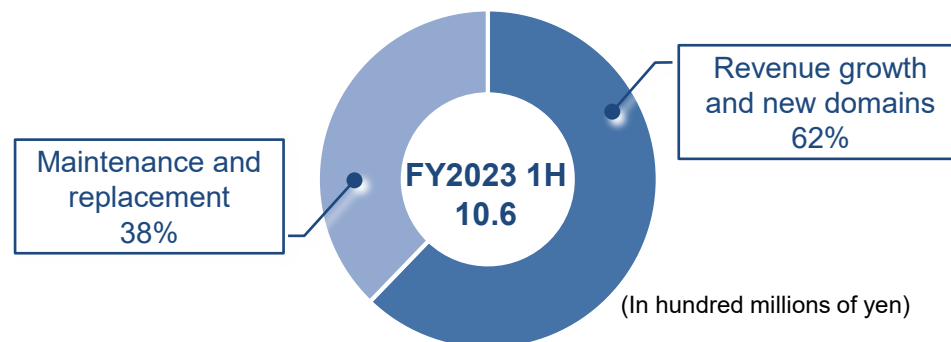
TAKAOKA TOKO CO., LTD.

## Capital investments

(In hundred millions yen)

	FY2023 Plan	FY2023 1H Actual (A)	FY2022 1H Actual (B)	Increase (A-B)
Revenue growth and new domains	22.3	6.6	3.3	3.3
Maintenance and replacement	12.4	4.0	3.0	1.0
Total	34.7	10.6	6.3	4.3

Type	Details
Revenue growth and new domains	<ul style="list-style-type: none"> <li>Automated manufacturing lines for pole-mounted transformers</li> <li>Verification of stability with multiple VSGs and synchronous generators</li> </ul>
Maintenance and replacement	<ul style="list-style-type: none"> <li>Updating of testing equipment for trace PCB devices</li> <li>Updating of manufacturing equipment for pole-mounted transformers</li> </ul>

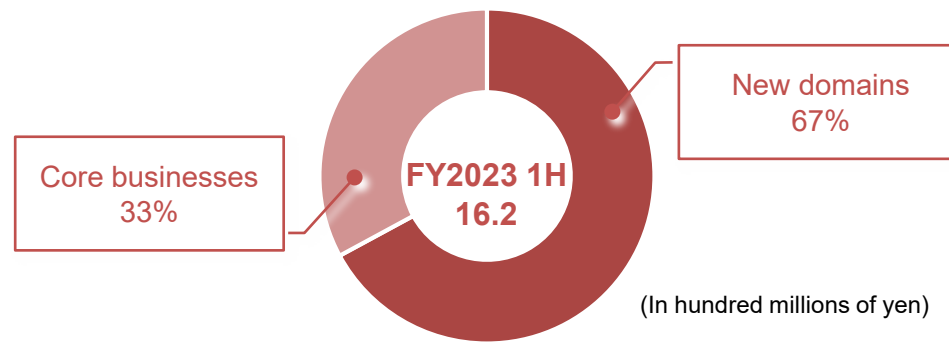


## Research & Development

(In hundred millions yen)

	FY2023 Plan	FY2023 1H Actual (A)	FY2022 1H Actual (B)	Increase (A-B)
New domains	14.3	10.9	9.7	1.1
Core businesses	27.0	5.3	5.1	0.3
Total	41.2	16.2	14.8	1.4

Type	Details
New domains	<ul style="list-style-type: none"> <li>Development of next-generation smart meters</li> <li>Development of power distribution systems for overseas</li> </ul>
Core businesses	<ul style="list-style-type: none"> <li>Model change for switches</li> <li>Model change for switching equipment</li> </ul>



# 5. FY2023 Business Forecast



TAKAOKA TOKO CO., LTD.

The performance forecast for FY2023 remains unchanged at this point from the disclosure made on April 26, 2023. While sales related to smart meters and the overall Metering Business are relatively strong, there are uncertainties such as the future impact on operating results from the "Incidents of Impropriety Regarding Certain Instrument Transformer Products" announced on May 16, 2023.

(In millions of yen)

	<b>FY2023 Forecast (A)</b>	FY2022 Actual (B)	Increase (A)–(B)	YoY
<b>Net sales*</b>	<b>100,000</b>	97,752	<b>2,248</b>	<b>2.3%</b>
<b>Operating income</b>	<b>4,500</b>	4,847	<b>(347)</b>	<b>(7.7%)</b>
<b>Ordinary income</b>	<b>4,600</b>	4,704	<b>(104)</b>	<b>(2.3%)</b>
<b>Profit attributable to owners of parent</b>	<b>3,400</b>	2,919	<b>481</b>	<b>16.5%</b>
*Of which, net sales related to TEPCO Power Grid	<b>40,063</b>	38,820	1,243	3.2%
Net sales composition of TEPCO Power Grid	<b>40.1%</b>	39.7%	0.4%	—
Orders received	<b>96,183</b>	109,359	(13,176)	(13.7%)

# 6. FY2023 Action to Implement Management that is Conscious of Cost of Capital and Stock Price

- In accordance with requests from the Tokyo Stock Exchange, we are currently analyzing the current situation and considering response measures.
  - Analyze current situation by decomposing ROE into elements of profitability, capital efficiency, and financial soundness
  - Consider specific measures as part of the formulation process for the next medium-term management plan and review of 2030 VISION
  - Plan to announce PBR improvement plan as part of next medium-term management plan to be released next April
  - Disclosed “promotion of dialogue with shareholders and disclosure” requested by the TSE in the integrated report published in September
- We recognize that strengthening IR activities is also an important element to swiftly and clearly communicate our sustainable growth story to all stakeholders, and will take action accordingly.

PBR, ROE, and PER range for FY2020–2022		PBR	=	ROE	×	PER
		0.5–0.7 times		2.9–6.4%		7.3–18.1 times
Category	PBR Factor Decomposition for FY2022	Current understanding and example of responses				
Profitability	Return on sales 2.99%	◆ Important indicators for improving PBR Existing core businesses ⇒ • Accelerate kaizen & DX • Structural reforms such as selection/concentration and supply chain reforms • Reduce defective product expenses by strengthening quality control New businesses ⇒ • Realize take-off strategy while maintaining profitability				
Capital Efficiency	Total assets turnover 0.92	◆ Equivalent or higher level compared to industry peers ◆ Reducing inventory through ROIC management				
Financial Soundness	Financial leverage 1.98 times	◆ Generally sound level				

Indicators for FY2020–2022

Share price, PBR, and PER are the values at the end of March 2023.

	Share price	Dividend yield	Payout ratio	PBR	PER	ROE	ROE factor decomposition		
							Return on sales	Total assets turnover	Financial leverage
FY2020	1,579 yen	3.2%	57.2%	0.52 times	18.1 times	2.9%	1.53%	0.91	2.05 times
FY2021	1,479 yen	3.4%	24.6%	0.46 times	7.3 times	6.4%	3.57%	0.92	1.95 times
FY2022	2,351 yen	2.3%	30.5%	0.71 times	13.0 times	5.4%	2.99%	0.92	1.98 times

# 7. FY2023 Second Quarter Initiatives

## EV Infrastructure Business Initiatives



Takaoka Toko is working to continuously reduce environmental impact across all corporate activities, as well as to provide products and services that reduce environmental impact, towards achieving carbon neutrality by 2050.

### Topic 1

Our new model **“Medium-Capacity Quick Charger for Electric Vehicles HFR1-15B11”** released in October 2022 **received an Encouragement Award from the Japan Electrical Construction Association** in the product competition at the JECA FAIR 2023 (71st Electrical Construction Equipment and Materials Fair), Japan’s largest comprehensive electrical equipment exhibition.



### Topic 2

We have implemented wrap advertisements for the **“Medium-Capacity Quick Charger for Electric Vehicles HFR1-15B11”** at two power distribution ground facilities near Shimbashi Station in Minato Ward.

Advertisement display period:  
April 18, 2023 – end of March 2025 (planned)



# 7. FY2023 Second Quarter Initiatives



TAKAOKA TOKO CO., LTD.

## EV Infrastructure Business Initiatives

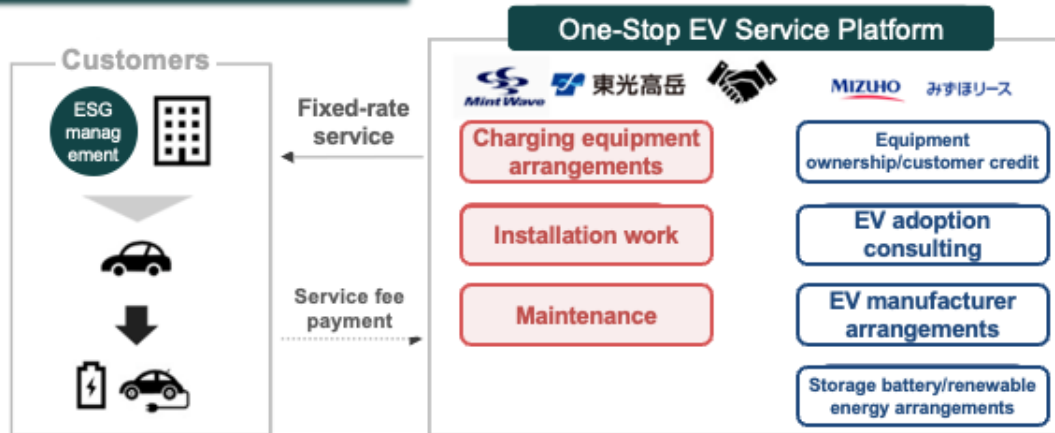


### Topic 3

## Basic agreement signed with Mizuho Leasing for establishing a “One-Stop EV Service”

Takaoka Toko Co., Ltd., MintWave Co., Ltd., and Mizuho Leasing Company, Limited have signed a basic agreement to establish a **“One-Stop EV Service”** that offers **integrated services from proposing electric vehicle and charging infrastructure adoption to maintenance services with no initial costs.** The three companies have started collaborating to provide charging infrastructure-related services and will discuss service details, aiming to **launch the service in April 2024.**

### Scheme and roles of each company



### Quick charger lineup



120kW

50/30kW

15kW

24/7 nationwide maintenance service in Japan

Amid accelerating policies promoting EV infrastructure adoption such as the Japanese government’s Green Growth Strategy and expanded subsidies, as Japan’s top share manufacturer of quick chargers for EVs, we will contribute to realizing an EV society by providing new products and services that meet diversifying charging needs.



# 7. FY2023 Second Quarter Initiatives



## Overseas Business Initiatives

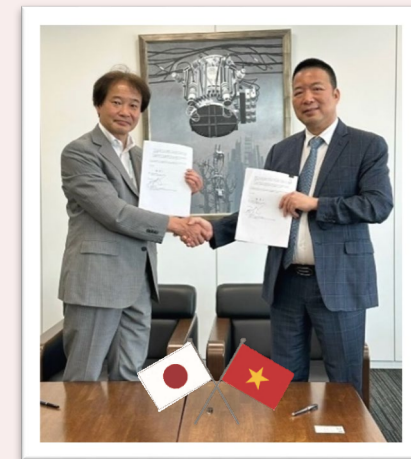
To achieve **10% or more of net sales from overseas business by 2030**, we promote “out-in” and “out-out” sales development by establishing new overseas production bases and expanding existing ones, as well as deepening and expanding our EPC business.

### Topic 1 Technology partnership agreement signed with Vietnam’s HANAKA-PTM for high voltage transformers

We view Vietnam as an important market. **In 2019, we invested in ATS, which holds the top share in Vietnam for SCADA solutions that monitor and control power grids.**

To further strengthen our overseas competitiveness, **on May 30, 2023, we signed a technology partnership agreement with Vietnam’s HANAKA 220-500kV POWER TRANSFORMER MANUFACTURING JOINT STOCK COMPANY (HANAKA-PTM) for high voltage transformers.**

Through this technology partnership, we will provide HANAKA-PTM with Takaoka Toko’s high voltage transformer manufacturing technologies, **contributing to infrastructure development in Vietnam and stable power supply through localization and high-quality manufacturing using Japanese technologies for critical infrastructure equipment. Looking ahead, by exporting high-quality, affordable transformers globally, we will increase our overseas sales ratio and strive to achieve our management goals.**



Left: Takashi Ichinose;  
Right: Mr. Man Ngoc Anh of HANAKA-PTM

# 7. FY2023 Second Quarter Initiatives



## Overseas Business Initiatives

### Topic 2

## Expanding Overseas EPC Business

Takaoka Engineering, a group company of Takaoka Toko, is expanding through three approaches: expanding core power generation and substation plant business, developing peripheral businesses like water supply and sewerage infrastructure, and capturing growth fields such as renewable energy. In the first half of FY2023, projects were completed in three countries, and a new order was received in one additional country, accumulating achievements as an EPC contractor and contributing to stable power supply globally.

### Major completed projects

- Republic of Uganda  
Transmission system protection enhancement project
- Tuvalu/Republic of Kiribati  
Diesel power plant renovation project

### Major new order

- Republic of Vanuatu  
Hydroelectric power plant facilities improvement plan



Sarakata River Small Hydroelectric Power Facility on Santo Island, Vanuatu – Artist's Impression

- Countries where projects were recently completed
- Countries where projects were completed in the past

# 7. FY2023 Second Quarter Initiatives

## Smart Meter Business

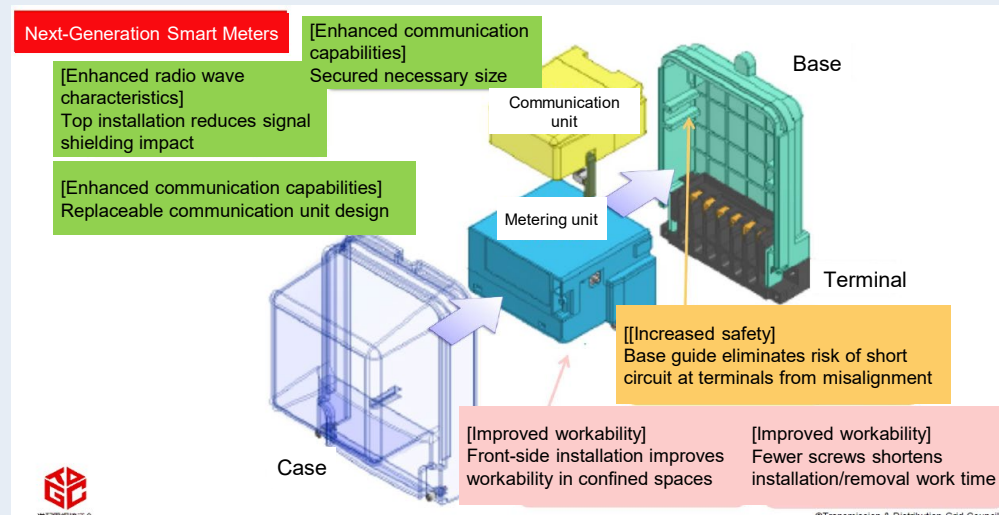
### Topic 1 FY2023 1H results of Toshiba Toko Meter Systems

- In FY2023, the supply-demand situation has generally eased for electronic components including semiconductors, and there has been no production impact from component shortages like last fiscal year. Net sales increased YoY (up 10%) in the first half due to factors such as increased volume of smart meters for electric utilities, active equipment investment for solar power generation facilities (PPA business) and EV charging infrastructure aimed at decarbonization, and strong sales of smart meters in the industrial sector.
- The continued weak yen since the beginning of the fiscal year has led to soaring material costs. However, we managed to minimize the impact on profits by executing forward exchange contracts in February to March this year and revising some sales prices. Operating income increased YoY (up 45%) as a result.

### Topic 2 Development status of next-generation electric smart meters

- Design and development for the introduction of next-generation electric smart meters from FY2025 is progressing smoothly. We are also applying cost reduction measures obtained in the process to current smart meters to reduce costs.
- Specifications for the next-generation electric smart meters have been unified across 10 electric utilities, with enhancements in communication capabilities, improved radio wave characteristics, and increased safety and workability compared to current products.

Source:  
Transmission & Distribution Grid Council – Specifications for Next-Generation Smart Meters  
[https://www.tdgc.jp/information/2022/06/02\\_1000.html](https://www.tdgc.jp/information/2022/06/02_1000.html)



# 7. FY2023 Second Quarter Initiatives



TAKAOKA TOKO CO.,LTD.

## DX (Company-Wide KAIZEN × Digital) initiatives

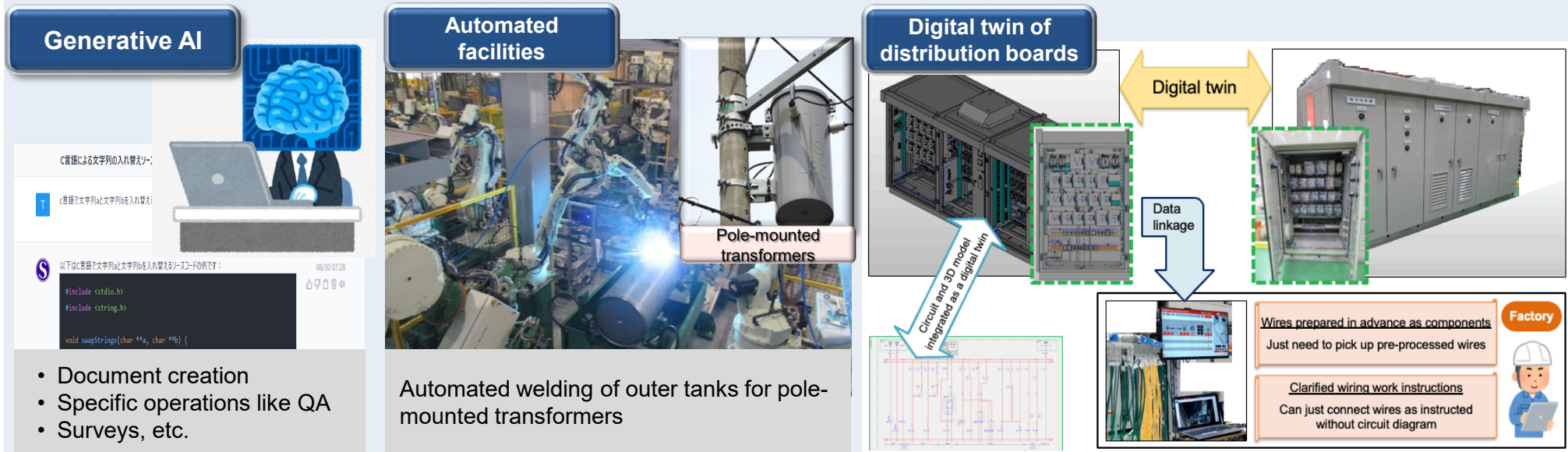


In September 2021, Takaoka Toko formulated and announced the “Takaoka Toko Digital Transformation Strategy (TKTK-DX)” and is now working on automation and digitalization leveraging cutting-edge digital technologies and data.

\*Selected as a “DX Certified Business Operator” designated by the Ministry of Economy, Trade and Industry in January 2022

So far, we have achieved outcomes through reforms leveraging digital technologies, such as **automating operations** with RPA, creating **digital twins** of distribution boards, and **automated design**, as well as **expanding automated facilities**, automating testing equipment, and digitizing test reports for smart factory implementation.

Going forward, we will further accelerate DX through initiatives such as **applying generative AI** and smart factory implementation to strengthen our competitiveness.

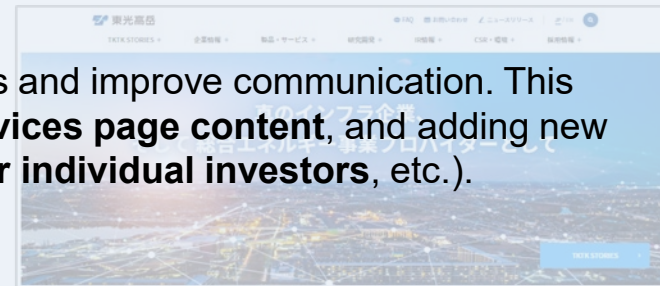


## Initiatives to Improve Stakeholder Engagement

### Topic 1

### Renewal of corporate website

We have revamped our corporate website to increase appeal to stakeholders and improve communication. This includes adding **videos titled “TKTK Stories,” expanding products & services page content**, and adding new content (**Strengths of Takaoka Toko, Takaoka Toko at a glance, pages for individual investors, etc.**).



### Topic 2

### Publishing Integrated Report 2023

This report organizes information related to the Takaoka Toko Group’s CSR activities and corporate value creation in an easy-to-understand manner. Its purpose is to enable deeper communication with all stakeholders, including shareholders and investors. In addition to updating existing content, we have expanded disclosed information and added the following initiatives this fiscal year:

- **Interview with the General Manager of the newly established Human Resource Development Center**, as part of our initiatives to become a “Comprehensive Energy Business Provider” as set out in 2030 VISION
- **Discussion meeting with Independent Outside Directors** to further strengthen governance
- Status of dialogue with shareholders and **response to TCFD recommendations**
- Newly formulated human rights policy
- **Cover art from Paralymp Art, an initiative we officially support as a partner** towards realizing a sustainable society



Cover: From Paralymp Art



Interview with the General Manager of the Human Resource Development Center



Discussion meeting with Independent Outside Directors



## 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.



株式会社 東光高岳  
TAKAOKA TOKO CO., LTD.