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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



April 26, 2023

Company name: TAKAOKA TOKO CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6617  
 URL: <https://www.tktk.co.jp/>  
 Representative: Takashi Ichinose, President and Representative Director  
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 Scheduled date of annual general meeting of shareholders: June 29, 2023  
 Scheduled date of commencing dividend payments: June 30, 2023  
 Scheduled date of filing annual securities report: June 29, 2023  
 Availability of supplementary explanatory materials on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for analysts)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	97,752	6.3	4,847	4.8	4,704	12.8	2,919	(11.0)
March 31, 2022	91,936	(0.0)	4,625	36.8	4,172	22.6	3,279	132.8

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥3,773 million [(1.4)%]

Fiscal year ended March 31, 2022: ¥3,827 million [103.3%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	180.78	—	5.5	4.6	5.0
March 31, 2022	203.17	—	6.5	4.1	5.0

(Reference) Share of profit (loss) of entities accounted for using equity method

Fiscal year ended March 31, 2023: ¥(369) million

Fiscal year ended March 31, 2022: ¥(626) million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	106,322	58,460	50.6	3,329.49
As of March 31, 2022	100,242	55,558	51.3	3,187.31

(Reference) Equity: As of March 31, 2023: ¥53,785 million

As of March 31, 2022: ¥51,453 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	2,245	(1,923)	(2,202)	10,659
March 31, 2022	4,140	(1,460)	(5,781)	12,448

## 2. Dividends

	Annual dividends					Total dividends (Annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	—	25.00	—	25.00	50.00	810	24.6	1.6
Fiscal year ended March 31, 2023	—	30.00	—	25.00	55.00	891	30.4	1.7
Fiscal year ending March 31, 2024 (Forecast)	—	25.00	—	25.00	50.00		23.8	

(Note) Breakdown of the 2nd quarter-end dividends for the fiscal year ended March 31, 2023:

Ordinary dividends: 25.00 yen; 10th anniversary commemorative dividends: 5.00 yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	100,000	2.3	4,500	(7.2)	4,600	(2.2)	3,400	16.4	210.51

**\* Notes:**

- (1) Changes in significant subsidiaries during the period under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation):  
Newly included: – ( ), Excluded: – ( )
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement  
1) Changes in accounting policies due to the revision of accounting standards: None  
2) Changes in accounting policies other than 1) above: None  
3) Changes in accounting estimates: None  
4) Retrospective restatement: None
- (3) Total number of shares issued (common shares)  
1) Total number of shares issued at the end of the period (including treasury shares):  
March 31, 2023: 16,276,305 shares  
March 31, 2022: 16,276,305 shares  
2) Total number of treasury shares at the end of the period:  
March 31, 2023: 122,164 shares  
March 31, 2022: 133,125 shares  
3) Average number of shares outstanding during the period:  
Fiscal year ended March 31, 2023: 16,151,104 shares  
Fiscal year ended March 31, 2022: 16,141,214 shares  
(Note) The Company has introduced the Board Benefit Trust (BBT), a performance-linked stock compensation plan for directors and other officers, and the number of treasury shares includes the Company's shares held by the trust.

**(Reference) Overview of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	71,290	4.9	3,518	1.4	3,816	2.3	2,488	29.8
March 31, 2022	67,972	1.6	3,469	2.9	3,728	2.6	1,917	(22.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2023	154.07	–
March 31, 2022	118.80	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	90,440	48,077	53.2	2,976.16
As of March 31, 2022	86,566	46,436	53.6	2,876.54

(Reference) Equity: As of March 31, 2023: ¥48,077 million

As of March 31, 2022: ¥46,436 million

\* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements contained in this material are based on the information currently available to the Company and certain assumptions deemed reasonable, and the Company does not guarantee the achievement of these projections. In addition, actual financial results, etc. may differ significantly due to various factors. For preconditions for the financial results forecast and precautions for using the financial results forecast, please see “1. Overview of Operating Results, etc. (4) Future Outlook” on page 5 of the attachments.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

October 1, 2022 marked the tenth 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.).

To commemorate this anniversary, we held the "2022 TAKAOKA TOKO 10th Anniversary Solutions Fair –Aiming to Be a Comprehensive Energy Business Provider–" from December 6 to 7, 2022. We are sincerely grateful to the many visitors who attended the fair and made it such a success.

In this milestone year, we have designated the next decade as a period of rapid progress, as we achieve our 2030 VISION and lead GX (Green Transformation) as a comprehensive energy business provider.

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 August 27, September 8, 2021, and October 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.

As announced on October 29, 2021, we will continue to engage in company-wide reforms to prevent any recurrence from the four perspectives of quality management system (QMS), human resource development, communication, and awareness and culture, and strive to restore customer trust.

To further promote these measures, we established a Management Reformation Task Force, which is under the direct control of our President, with a secretariat consisting of nine mid-level employees, in April 2022. We are working hard to identify issues in the aspects of awareness and culture and formulate a Transformation Action Plan to become a company that is "strong in safety and quality" and is "customer-oriented and always up to the challenge."

Regarding the overall situation for the Group, the business environment is changing significantly and becoming increasingly severe in the electric power industry, which is our largest customer. Global fuel prices and market prices for electricity have risen rapidly due to the situation in Ukraine and the depreciation of the Japanese yen, while instabilities in electricity supply and demand have become apparent. In addition, the electric power industry has faced growing demands to achieve carbon neutrality and strengthen disaster prevention and resilience within local communities. Against this background, companies in the industry are working to improve productivity and thoroughly reduce business costs. Meanwhile, the Japanese government has declared its intention to make Japan carbon neutral by 2050 as part of its efforts to realize a decarbonized society. In Japan, this has encouraged the further spread of distributed energy-related equipment, including renewable energy, and there are signs of nascent demand for fast chargers for electric vehicles.

In April 2021, the Group formulated its 2030 VISION and Medium-term Management Plan 2023. Based on the three pillar policies of deepening and transforming our core businesses, transforming the structure of our business foundations, and taking on challenges to cultivate the future vision for 2030, we have started pursuing an ambidextrous management style that strives to simultaneously transform existing businesses and develop new businesses.

As part of our initiatives to become a comprehensive energy business provider, the aim set forth in our 2030 VISION, we revised our organization on June 29, 2022, and established the GX Solution Business Division.

The GX Solution Business Division integrates previously separate GX-related businesses to achieve, through overall optimization, the flexible provision of services and solutions in a single organizational framework, thereby contributing to GX of the overall economic and social system to achieve a carbon neutral society.

Specifically, we have integrated the Energy Solution Business Division, the Business Innovation Division, the Electric Vehicle Infrastructure Promotion Project, and the PPP/PFI Promotion Project to promote synergies and offer optimal proposals to meet diverse customer needs.

We have made changes to the business segments that we disclose from the second quarter of fiscal 2022 to reflect this organizational revision. We have changed the name of “Energy Solution” to “GX Solution” and included our information equipment business in the new segment in addition to the GX Solution business as mentioned above. Following this change, we now disclose performance data under five business segments: Electric Equipment, Metering, GX Solution, Applied Optics Inspection System, and Other Businesses.

In addition, we must have human resources capable of promoting an ambidextrous management style to achieve 2030 VISION in the face of the rapidly changing business environment. For this reason, we believe it necessary to develop both human resources who can hone and deepen the existing businesses and those who can create added value and earn profits in new domains, and we have to do so in a more systematic, effective and efficient, and agile manner. To this end, we have decided to establish the Human Resource Development Center effective on June 29, 2023, as an organization to promote “boosting employees’ desire to grow” and “developing top-notch talents in the industry,” with the aim to enhance and effectively utilize human capital for increased corporate value, and we are preparing for the opening.

As for operating results for the fiscal year ended March 31, 2023 (the “fiscal year under review”), net sales totaled 97,752 million yen (up 6.3 % year on year) mainly due to increases in sales across the entire Metering Business segment and sales of 3D inspection systems, disconnecting switches, and power distribution equipment, despite a decline in the number of overseas construction projects. We achieved this result by arranging advance procurement, searching for substitutes and parts available in the market, and optimizing selling prices. All of these efforts were made to minimize a strong adverse impact of lost sales opportunities caused by longer delivery lead time of semiconductors and other parts used for certain products and the rise in raw material prices.

On the profit front, higher net sales in the businesses noted above, as well as factors such as improved profitability in existing businesses due to DX, cost reductions from procurement reforms, and the effect of greater productivity from the refinement of kaizen activities resulted in an increase in profit measures, with operating profit totaling 4,847 million yen (up 4.8% year on year) and ordinary profit rising to 4,704 million yen (up 12.8% year on year). However, profit attributable to owners of parent declined to 2,919 million yen (down 11.0% year on year) due to the large amount of extraordinary income posted in the previous fiscal year.

The operating results for each business segment are detailed below.

In the Electric Equipment business segment, despite an increase in disconnecting switches and power distribution equipment, net sales for the segment as a whole decreased to 56,944 million yen (down 1.2% year on year) due to a decline in plant projects for electric power companies and a decline in overseas construction projects. Segment profit also decreased to 5,214 million yen (down 17.9% year on year).

In the Metering Business segment, net sales for the segment as a whole rose to 27,953 million yen (up 15.3% year on year) due to an increase in instrument transformers and smart meters, despite a decrease in inspections. Segment profit also increased to 2,337 million yen (up 35.8% year on year).

In the GX Solution Business segment, sales volume remained nearly at the same level as the previous fiscal year due to the impact of longer delivery lead time for the parts procurement, though partly supported by many inquiries we received about fast chargers for electric vehicles. Despite the above factor, net sales for the segment as a whole increased to 7,711 million yen (up 12.7% year on year) due to an increase in the system infrastructure solutions and energy management system (EMS) businesses, and segment losses also narrowed to 207 million yen (compared to a loss of 284 million yen in the previous fiscal year). Segment results for the previous fiscal year have been reclassified based on the new segments after organizational revision, for the purpose of comparison.

In the Applied Optics Inspection System Business segment, sales of 3D inspection systems rose in line with increased demand for semiconductors. As a result, net sales for the segment as a whole increased to 4,150 million yen (up 94.0 % year on year) and segment profit also increased significantly to 1,496 million yen (up 210.4 % year on year).

In Other Businesses segment, a decline in real estate leasing revenue resulted in a decline in net sales for the segment as a whole to 992 million yen (down 5.0 % year on year) and a contraction in segment profit to 667 million yen (down 5.8 % year on year).

## (2) Overview of Financial Position for the Fiscal Year under Review

### Summary of assets, liabilities, and net assets

Total assets at the end of the fiscal year under review increased by 6,080 million yen compared to the end of the previous fiscal year to 106,322 million yen. This was primarily due to an increase in trade receivables and inventories, despite a decrease in cash and deposits.

Liabilities increased by 3,178 million yen from the end of the previous fiscal year to 47,862 million yen. This was primarily due to increases in trade payables, accounts payable - other, and accrued expenses, despite decreases in short-term borrowings and long-term borrowings.

Net assets increased by 2,902 million yen from the end of the previous fiscal year to 58,460 million yen. This was primarily due to an increase in retained earnings owing to the recording of profit attributable to owners of parent, despite a decrease resulting from the payment of dividends.

## (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (“net cash”) at the end of the fiscal year under review amounted to 10,659 million yen (compared to 12,448 million yen at the end of the previous fiscal year).

Net cash provided by operating activities amounted to 2,245 million yen (4,140 million yen provided for the previous fiscal year). The main factors for the increase are the recordings of profit before income taxes of 4,411 million yen and depreciation of 2,346 million yen, and an increase in trade payables of 2,279 million yen, while the main factors for the decrease are an increase in trade receivables of 4,033 million yen and an increase in inventories of 4,124 million yen.

Net cash used in investing activities amounted to 1,923 million yen (1,460 million yen used for the previous fiscal year). This was primarily due to the purchase of property, plant and equipment and intangible assets of 2,094 million yen.

Net cash used in financing activities amounted to 2,202 million yen (compared to 5,781 million yen used for the previous fiscal year). This was primarily due to repayments of borrowings of 1,310 million yen and dividends paid of 891 million yen.

### (Reference) Trends in Cash Flow Indicators

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Equity ratio (%)	48.1	47.3	48.7	51.3	50.6
Equity ratio based on market value (%)	21.4	15.2	25.2	23.8	35.7
Interest-bearing debt to cash flows ratio (%)	210.9	490.4	135.5	111.1	146.5
Interest coverage ratio (times)	81.5	25.3	108.3	68.7	71.7

Equity ratio: Equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payment

- (Notes)
1. Each indicator is calculated based on figures on a consolidated basis.
  2. Market capitalization is calculated based on the number of shares issued excluding treasury shares.
  3. Operating cash flow is used for cash flows.
  4. Interest-bearing debt includes all liabilities on the consolidated balance sheets for which interest is paid.

#### (4) Future Outlook

As for the future outlook, we expect the impact of soaring resource prices and the procurement risks of related parts affected by the shortage of semiconductors to remain uncertain, and the overall situation for the Group continues to be challenging. However, with a positive sign of the expected normalization of socioeconomic activities following the downgrade of COVID-19 classification, we will continue to accelerate our efforts in the three pillar policies of our 2030 VISION and Medium-term Management Plan 2023, strive to enhance our corporate value, and focus on our efforts to accomplish the Business Plan 2023, which marks the final year of the Medium-term Management Plan 2023.

For the consolidated financial results forecast for the fiscal year ending March 31, 2024, we expect net sales of 100,000 million yen, operating profit of 4,500 million yen, ordinary profit of 4,600 million yen, and profit attributable to owners of parent of 3,400 million yen.

## 2. Basic Policy on Selection of Accounting Standards

The Group adopts a policy to prepare its consolidated financial statements in accordance with the Japanese GAAP for the time being, taking into account the time-series and cross-sectional comparability of the consolidated financial statements.

Meanwhile, regarding the adoption of the International Financial Reporting Standards (IFRS), we intend to address the matter appropriately, factoring in various conditions in Japan and overseas.



### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	12,448	10,659
Notes receivable - trade	381	470
Electronically recorded monetary claims - operating	1,705	2,016
Accounts receivable - trade	19,680	22,312
Contract assets	2,216	3,241
Merchandise and finished goods	2,092	2,508
Work in process	13,288	15,419
Raw materials and supplies	5,718	7,304
Other	1,473	1,851
Allowance for doubtful accounts	(4)	(4)
<b>Total current assets</b>	<b>59,001</b>	<b>65,780</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,750	33,010
Accumulated depreciation	(21,296)	(21,998)
Buildings and structures, net	11,453	11,012
Machinery, equipment and vehicles	21,709	22,035
Accumulated depreciation	(19,446)	(19,850)
Machinery, equipment and vehicles, net	2,263	2,184
Tools, furniture and fixtures	11,373	11,547
Accumulated depreciation	(10,725)	(10,822)
Tools, furniture and fixtures, net	647	725
Land	20,490	20,490
Construction in progress	227	330
<b>Total property, plant and equipment</b>	<b>35,082</b>	<b>34,742</b>
Intangible assets		
Other	1,877	1,971
<b>Total intangible assets</b>	<b>1,877</b>	<b>1,971</b>
Investments and other assets		
Investment securities	1,983	1,614
Long-term loans receivable	135	36
Retirement benefit asset	942	746
Deferred tax assets	372	598
Other	859	832
Allowance for doubtful accounts	(13)	-
<b>Total investments and other assets</b>	<b>4,281</b>	<b>3,828</b>
<b>Total non-current assets</b>	<b>41,241</b>	<b>40,542</b>
<b>Total assets</b>	<b>100,242</b>	<b>106,322</b>

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,698	15,992
Electronically recorded obligations - operating	68	65
Short-term borrowings	2,400	1,990
Income taxes payable	333	1,125
Contract liabilities	2,704	2,346
Provision for bonuses	2,246	2,067
Other	3,678	5,428
Total current liabilities	25,129	29,015
Non-current liabilities		
Long-term borrowings	2,200	1,300
Deferred tax liabilities	1,330	1,175
Provision for repairs	1,291	1,302
Provision for environmental measures	198	171
Provision for product warranties	749	1,314
Provision for share awards for directors (and other officers)	111	122
Retirement benefit liability	12,861	12,710
Other	810	750
Total non-current liabilities	19,554	18,847
Total liabilities	44,683	47,862
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	7,408	7,408
Retained earnings	36,035	38,063
Treasury shares	(216)	(195)
Total shareholders' equity	51,226	53,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161	185
Deferred gains or losses on hedges	42	35
Foreign currency translation adjustment	168	397
Remeasurements of defined benefit plans	(146)	(108)
Total accumulated other comprehensive income	226	509
Non-controlling interests	4,105	4,675
Total net assets	55,558	58,460
Total liabilities and net assets	100,242	106,322

(2) Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	91,936	97,752
Cost of sales	71,364	76,202
Gross profit	20,571	21,550
Selling, general and administrative expenses	15,946	16,702
Operating profit	4,625	4,847
Non-operating income		
Interest income	2	2
Dividend income	33	33
Foreign exchange gains	65	93
Rental income from facilities	77	72
Sold power	60	53
Other	61	89
Total non-operating income	300	344
Non-operating expenses		
Interest expenses	50	29
Sold power expenses	26	28
Share of loss of entities accounted for using equity method	626	369
Other	49	61
Total non-operating expenses	753	487
Ordinary profit	4,172	4,704
Extraordinary income		
Gain on sale of non-current assets	0	8
Gain on sale of investment securities	1	34
Gain on extinguishment of tie-in shares	227	–
Compensation income for damage	616	–
Gain on revision of retirement benefit plan	124	–
Total extraordinary income	970	42
Extraordinary losses		
Loss on abandonment of non-current assets	45	38
Office relocation expenses	42	11
Loss on valuation of investment securities	–	1
Loss on valuation of shares of subsidiaries	16	–
Loss on valuation of investments in capital of subsidiaries and associates	–	26
Compensation expenses	–	257
Total extraordinary losses	105	335
Profit before income taxes	5,038	4,411
Income taxes - current	773	1,343
Income taxes - deferred	242	(407)
Total income taxes	1,016	935
Profit	4,021	3,476
Profit attributable to non-controlling interests	742	556
Profit attributable to owners of parent	3,279	2,919

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	4,021	3,476
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	23
Deferred gains or losses on hedges	12	(0)
Foreign currency translation adjustment	47	24
Remeasurements of defined benefit plans, net of tax	(273)	37
Share of other comprehensive income of entities accounted for using equity method	24	211
Total other comprehensive income	(194)	296
Comprehensive income	3,827	3,773
Comprehensive income attributable to:		
Owners of parent	3,073	3,203
Non-controlling interests	754	570

## (3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	7,408	33,566	(229)	48,744
Changes during period					
Dividends of surplus			(810)		(810)
Profit attributable to owners of parent			3,279		3,279
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				14	14
Accumulated profit on sales of treasury stock		0			0
Net changes in items other than shareholders' equity					
Total changes during period	–	0	2,468	13	2,482
Balance at end of period	8,000	7,408	36,035	(216)	51,226

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	166	30	107	127	432	3,350	52,528
Changes during period							
Dividends of surplus							(810)
Profit attributable to owners of parent							3,279
Purchase of treasury shares							(0)
Disposal of treasury shares							14
Accumulated profit on sales of treasury stock							0
Net changes in items other than shareholders' equity	(5)	12	60	(273)	(206)	754	548
Total changes during period	(5)	12	60	(273)	(206)	754	3,030
Balance at end of period	161	42	168	(146)	226	4,105	55,558

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	7,408	36,035	(216)	51,226
Changes during period					
Dividends of surplus			(891)		(891)
Profit attributable to owners of parent			2,919		2,919
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				21	21
Accumulated profit on sales of treasury stock					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,027	20	2,048
Balance at end of period	8,000	7,408	38,063	(195)	53,275

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	161	42	168	(146)	226	4,105	55,558
Changes during period							
Dividends of surplus							(891)
Profit attributable to owners of parent							2,919
Purchase of treasury shares							(1)
Disposal of treasury shares							21
Accumulated profit on sales of treasury stock							–
Net changes in items other than shareholders' equity	23	(7)	229	37	283	570	853
Total changes during period	23	(7)	229	37	283	570	2,902
Balance at end of period	185	35	397	(108)	509	4,675	58,460

## (4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,038	4,411
Depreciation	2,351	2,346
Loss on abandonment of non-current assets	45	38
Loss on valuation of shares of subsidiaries	16	–
Loss (gain) on sale of non-current assets	(0)	(8)
Loss (gain) on valuation of investment securities	–	1
Loss (gain) on sale of investment securities	(1)	(34)
Loss (gain) on extinguishment of tie-in shares	(227)	–
Compensation for damage income	(616)	–
Increase (decrease) in allowance for doubtful accounts	9	(13)
Interest and dividend income	(35)	(35)
Interest expenses	50	29
Compensation expenses	–	257
Foreign exchange losses (gains)	(68)	(95)
Share of loss (profit) of entities accounted for using equity method	626	369
Decrease (increase) in trade receivables	(1,812)	(4,033)
Decrease (increase) in inventories	(1,067)	(4,124)
Increase (decrease) in trade payables	582	2,279
Increase (decrease) in accrued consumption taxes	(438)	252
Increase (decrease) in contract liabilities	463	(358)
Increase (decrease) in provision for bonuses	247	(178)
Increase (decrease) in provision for product warranties	(178)	564
Increase (decrease) in provision for repairs	57	10
Increase (decrease) in provision for environmental measures	(27)	(27)
Increase (decrease) in provision for share awards for directors (and other officers)	27	10
Increase (decrease) in retirement benefit liability	103	(97)
Decrease (increase) in retirement benefit asset	(146)	196
Other, net	(168)	955
Subtotal	4,830	2,718
Interest and dividends received	114	116
Interest paid	(60)	(31)
Compensation for damage received	616	–
Income taxes refund (paid)	(1,360)	(557)
Net cash provided by (used in) operating activities	4,140	2,245
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(1,419)	(2,094)
Proceeds from sale of property, plant and equipment and intangible assets	0	8
Purchase of investment securities	(5)	(19)
Proceeds from sale of investment securities	2	217
Loan advances	(65)	(132)
Proceeds from collection of loans receivable	27	162
Other, net	(1)	(64)
Net cash provided by (used in) investing activities	(1,460)	(1,923)

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,490)	(410)
Repayments of long-term borrowings	(2,472)	(900)
Dividends paid	(810)	(891)
Other, net	(9)	(1)
Net cash provided by (used in) financing activities	(5,781)	(2,202)
Effect of exchange rate change on cash and cash equivalents	68	91
Net increase (decrease) in cash and cash equivalents	(3,033)	(1,789)
Cash and cash equivalents at beginning of period	15,122	12,448
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	359	–
Cash and cash equivalents at end of period	12,448	10,659



### (3) Notes to Consolidated Financial Statements

(Going concern assumption)

Not applicable.

(Segment information)

#### 1 Overview of Reportable Segments

##### (1) Method of Determining Reportable Segments

The Company's reportable segments are components of the Company for which separate financial statements are available and which are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company has established business divisions by product and service, and each division formulates comprehensive strategies and develops business activities for the products and services it handles.

Accordingly, the Company is composed of products/service segments based on each business, and thus designates the following four businesses as reportable segments: "Electric Equipment Business," "Metering Business," "GX Solution Business," and "Applied Optics Inspection System Business."

##### (2) Type of Products and Services Belonging to Each Reportable Segment

In the Electric Equipment Business segment, the Company manufactures, sells, and installs equipment for power receiving, transforming and distribution, and monitoring and control system.

In the Metering Business segment, the Company manufactures and sells transformers and various types of meters and undertakes replacement of expired meters, etc.

In the GX Solution Business segment, the Company manufactures and sells energy metering and control equipment, fast chargers for electric vehicles, embedded software, and thin client systems. The Company also engages in smart grid business and PPP/PFI business.

In the Applied Optics Inspection System Business segment, the Company manufactures and sells 3D inspection systems, etc.

##### (3) Matters Concerning Changes in Reporting Segments, Etc.

Due to the organizational revision, since the second quarter of fiscal 2022, the "Smart Grid Business" and "PPP/PFI Business" previously belonged to "Other Businesses" have been merged into "Energy Solution Business," which is then renamed to "GX Solution Business." At the same time, the new business relating expenses previously included in the "corporate expenses" are classified as the expenses under "GX Solution Business."

Furthermore, MintWave Co., Ltd., a consolidated subsidiary previously operated under the "Information System and Applied Optics Inspection System Business" is now managed under "GX Solution Business." The name of the "Information System and Applied Optics Inspection System Business" has been changed to "Applied Optics Inspection System Business."

The segment information for the previous consolidated fiscal year is presented based on the classification method after the change.

#### 2 Calculation of Net Sales, Profit or Loss, and Other Items by Reportable Segment

The accounting methods used for the reported business segments are the same as those used in the preparation of the consolidated financial statements. Segment profit or loss is based on operating profit or loss. Intersegment net sales and transfers are based on prevailing market prices.

### 3 Information on Net Sales, Profit or Loss, and Other Items by Reportable Segment

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment					Other	Total
	Electric Equipment Business	Metering Business	GX Solution Business	Applied Optics Inspection System Business	Total		
Net sales							
Net sales to outside customers	57,664	24,247	6,840	2,139	90,891	1,044	91,936
Inter-segment net sales or transfers	1,595	4,794	1,047	–	7,437	479	7,916
Total	59,260	29,041	7,887	2,139	98,328	1,524	99,853
Segment profit (loss)	6,355	1,721	(284)	482	8,274	708	8,983
Other items:							
Depreciation	833	444	53	43	1,375	275	1,650

(Notes) 1. The “Other” includes a real estate leasing business.

2. Depreciation includes amortization of long-term prepaid expenses.

3. Segment assets, segment liabilities, increase or decrease of property, plant and equipment and intangible assets are omitted because the Company does not allocate them to reportable segments.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment					Other	Total
	Electric Equipment Business	Metering Business	GX Solution Business	Applied Optics Inspection System Business	Total		
Net sales							
Net sales to outside customers	56,944	27,953	7,711	4,150	96,760	992	97,752
Inter-segment net sales or transfers	1,461	4,711	1,108	–	7,281	502	7,783
Total	58,405	32,664	8,819	4,150	104,041	1,494	105,536
Segment profit (loss)	5,214	2,337	(207)	1,496	8,841	667	9,508
Other items:							
Depreciation	852	626	72	51	1,603	267	1,871

(Notes) 1. The “Other” includes a real estate leasing business.

2. Depreciation includes amortization of long-term prepaid expenses.

3. Segment assets, segment liabilities, increase or decrease of property, plant and equipment and intangible assets are omitted because the Company does not allocate them to reportable segments.

4. Differences between reportable segments total and amounts in financial statements and main details  
(Description of adjustments)

(Million yen)

Net sales	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Reportable segments total	98,328	104,041
Net sales classified as “Other”	1,524	1,494
Elimination of intersegment transactions	(7,916)	(7,783)
Net sales in the consolidated financial statements	91,936	97,752

(Million yen)

Profit	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Total segment profit of reportable segments	8,274	8,841
Segment profit of “Other”	708	667
Elimination of intersegment transactions	39	36
Corporate expenses (Note)	(4,412)	(4,686)
Other adjustments	14	(11)
Operating profit in the consolidated financial statements	4,625	4,847

(Note) Corporate expenses mainly represent general and administrative expenses not attributable to any reportable segments.

(Million yen)

Other items	Reportable segment total		Other		Adjustments		Amounts in the consolidated financial statements	
	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023	Fiscal 2022	Fiscal 2023
Depreciation	1,375	1,603	275	267	700	475	2,351	2,346

(Notes) 1. Adjustments mainly represent general and administrative expenses not attributable to any reportable segments.

2. Depreciation includes amortization of long-term prepaid expenses.

(Related party information)

Related party transaction

1. Transaction between the Company and its related party

The Company’s parent company and major shareholders (limited to corporates), etc.

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Attribution	Name	Location	Capital (Million yen)	Description of Business	Equity ownership (%)	Relationship with related party	Description of transaction	Transaction amount (Million yen)	Account	Year-end balance (Million yen)
Other affiliate company	TEPCO Power Grid, Incorporated	Chiyoda-ku, Tokyo	80,000	General electricity transmission and distribution	Direct 35.2	Business transaction Concurrent directors and officers	Sale of electric equipment and meters, etc.	27,613	Accounts receivable - trade	4,492

(Notes) 1. The transaction amount represents net of consumption tax, but the year-end balance includes consumption tax.

2. Transaction terms and policy for determining transaction terms and others

They are determined based on the price negotiation after considering market price and other conditions.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Attribution	Name	Location	Capital (Million Yen)	Description of business	Equity ownership (%)	Relationship with the related party	Description of transaction	Transaction amount (Million yen)	Account	Year-end balance (Million yen)
Other affiliate company	TEPCO Power Grid, Incorporated	Chiyoda-ku, Tokyo	80,000	General electricity transmission and distribution	Direct 35.2	Business transaction Concurrent directors and officers	Sale of electric equipment and meters, etc.	27,600	Accounts receivable - trade	4,581

- (Notes) 1. The transaction amount represents net of consumption tax, but the year-end balance includes consumption tax.  
2. Transaction terms and policy for determining transaction terms and others  
They are determined based on the price negotiation after considering market price and other conditions.

2. Transaction between the Company's consolidated subsidiaries and its related party  
The Company's parent company and major shareholders (limited to corporates), etc.

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Attribution	Name	Location	Capital (Million yen)	Description of Business	Equity ownership (%)	Relationship with the related party	Description of transaction	Transaction amount (Million yen)	Account	Year-end balance (Million yen)
Other affiliate company	TEPCO Power Grid, Incorporated	Chiyoda-ku, Tokyo	80,000	General electricity transmission and distribution	Direct 35.2	Business transaction Concurrent directors and officers	Sale of meters, etc.	10,150	Accounts receivable - trade	1,810

- (Notes) 1. The transaction amount represents net of consumption tax, but the year-end balance includes consumption tax.  
2. Transaction terms and policy for determining transaction terms and others  
They are determined based on the price negotiation after considering market price and other conditions.

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Attribution	Name	Location	Capital (Million yen)	Description of Business	Equity ownership (%)	Relationship with the related party	Description of transaction	Transaction amount (Million yen)	Account	Year-end balance (Million yen)
Other affiliate company	TEPCO Power Grid, Incorporated	Chiyoda-ku, Tokyo	80,000	General electricity transmission and distribution	Direct 35.2	Business transaction Concurrent directors and officers	Sale of meters, etc.	11,220	Accounts receivable - trade	2,280

- (Notes) 1. The transaction amount represents net of consumption tax, but the year-end balance includes consumption tax.  
2. Transaction terms and policy for determining transaction terms and others  
They are determined based on the price negotiation after considering market price and other conditions.

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share (yen)	3,187.31	3,329.49
Basic earnings per share (yen)	203.17	180.78

(Notes) 1. Diluted earnings per share is not stated as there are no shares with a dilutive effect.

2. The basis for calculation of net assets per share is as follows.

(Million yen, unless otherwise stated)

	As of March 31, 2022	As of March 31, 2023
Total net assets	55,558	58,460
Deduction from net assets	4,105	4,675
[of which non-controlling interest]	[4,105]	[4,675]
Net assets applicable to common stock at end of period	51,453	53,785
Number of common shares at end of period used for calculation of net assets per share (Thousand shares)	16,143	16,154

3. The basis for calculation of basic earnings per share is as follows.

(Million yen, unless otherwise stated)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit attributable to owners of parent	3,279	2,919
Amount not attributable to common shareholders	–	–
Profit attributable to owners of parents relating to common shares	3,279	2,919
Average number of common shares outstanding during the period (Thousand shares)	16,141	16,151

(Significant subsequent events)

Not applicable.