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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



April 25, 2025

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 27, 2025

Scheduled date of commencing dividend payments: June 30, 2025

Scheduled date of filing annual securities report: June 27, 2025

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, 2025 (April 1, 2024 - March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	106,624	(0.7)	6,094	(26.1)	6,302	(21.4)	3,824	(18.1)
March 31, 2024	107,378	9.8	8,247	70.1	8,017	70.4	4,668	59.9

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥4,137 million [(35.8)%]

Fiscal year ended March 31, 2024: ¥6,447 million [70.9%]

	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, 2025	238.37	—	6.4	5.5	5.7
March 31, 2024	290.29	—	8.3	7.2	7.7

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

Fiscal year ended March 31, 2025: ¥46 million

Fiscal year ended March 31, 2024: ¥(476) million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	113,430	66,456	53.7	3,798.71
As of March 31, 2024	116,627	63,839	49.9	3,631.96

(Reference) Equity: As of March 31, 2025: ¥60,967 million

As of March 31, 2024: ¥58,250 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, 2025	5,039	(3,747)	(3,349)	13,432
March 31, 2024	5,938	(2,308)	1,181	15,475

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, 2024	—	25.00	—	35.00	60.00	972	20.7	1.7
Fiscal year ended March 31, 2025	—	25.00	—	25.00	50.00	810	21.0	1.3
Fiscal year ending March 31, 2026 (Forecast)	—	37.00	—	37.00	74.00		30.5	

(Note) The Company resolved to change its dividend policy at a meeting of the Board of Directors held on April 25, 2025. This change will be applied starting from the dividend forecast for the fiscal year ending March 31, 2026. For details, refer to the “Notice Concerning Change in Dividend Policy” announced today.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026)

(% 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	108,000	1.3	6,200	1.7	6,300	(0.0)	3,900	2.0	243.00

Notes:

(1) Significant changes in the scope of consolidation during the period under review: None

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):

As of March 31, 2025: 16,276,305 shares

As of March 31, 2024: 16,276,305 shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2025: 226,760 shares

As of March 31, 2024: 238,066 shares

3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2025: 16,042,657 shares

Fiscal year ended March 31, 2024: 16,081,567 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, 2025 (April 1, 2024 - March 31, 2025)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	74,810	(3.5)	3,295	(39.2)	4,247	(25.2)	3,124	12.3
March 31, 2024	77,542	8.8	5,420	54.1	5,675	48.7	2,781	11.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	194.76	–
March 31, 2024	172.96	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	94,108	52,141	55.4	3,248.81
As of March 31, 2024	97,213	49,995	51.4	3,117.25

(Reference) Equity: As of March 31, 2025: ¥52,141 million

As of March 31, 2024: ¥49,995 million

* These consolidated financial results reports 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 4 of the attachments.

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1. Overview of Operating Results, etc.

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

The Group would like to once again express its deepest apologies for the great concerns and inconveniences caused to its customers, shareholders, and other stakeholders due to the discovery and announcement of repeated incidents of impropriety since 2021 (in the fiscal year ended March 31, 2025, the Company announced “Incidents of Impropriety regarding Certain Instrument Transformer Products” on May 14, 2024 and “Results of Total Quality Inspection” on September 19, 2024).

In response to the series of incidents of impropriety announced so far, the Company has thoroughly identified the true causes, including the background, and has considered recurrence prevention measures. At the same time, the Company formulated reform measures to restore the Company to a position where safety, quality, and compliance (“SQC”) are the highest priorities (“the SQC first reform;” announced on October 28, 2024), based on recommendations in the respective reports (interim, supplementary, and final reports) received from the investigation and verification committee. The Company has started to take action for the following four reforms:

- Reform (1) Foster a culture of thinking and acting “SQC first” in an integrated manner from management to work sites
- Reform (2) Advance on-site capabilities and create “people and organizations” to support these
- Reform (3) Secure “SQC first” in the structure and environment
- Reform (4) Concentrate resources (people, money, technology) through business structure reforms

Based on reflections on and lessons learned from the series of incidents of impropriety, we have begun executing the “SQC first reform,” formulated and announced in October 2024, to restore the Company as a company for which safety, quality, and compliance are its highest priorities (“SQC first”). On this occasion of re-launching as the new TAKAOKA TOKO under SQC first, we have established the “TAKAOKA TOKO Group Management Philosophy” (Purpose, Vision, and Credo) as a new compass and code of conduct. We will continue efforts to instill this new management philosophy as a guiding principle for our entire group’s revival and growth.

Purpose (our reasons for existence) —What are we? What do we exist for?—

To continue to support the energy of people and society through certainty of technology and co-creation for a future brimming with smiles

Vision (our desirable future) —What are our goals ten years from now?—

To become a “SERA company” that designs the energy networks of tomorrow!

*SERA: Seamless Energy Relations & Activation

(Seamlessly connecting and dynamically activating energy to create a more vibrant and sustainable future)

A presence that contributes to the realization of a sustainable society by opening up a seamless energy future

Credo (our beliefs and values) —What beliefs and values do we hold dear?—

- Do the right things right
- Communication + Change × Challenge
- A tremendous sense of ownership
- Look at the three “*gens* (actuals)” × Look outside × Look ahead
- Pursue the essence

Further, the Company has formulated the Medium-term Management Plan 2027, which is positioned as the period to lay the foundation for “Restoration and Growth as the Revitalized SQC First TAKAOKA TOKO.” Holding (1) SQC first reform, (2) restoration and strengthening of core businesses, (3) rebuilding of a growth story, and (4) strengthening of a management base, as basic policies, the Company will achieve both revitalization and growth simultaneously by regaining the trust of stakeholders and focusing resources on re-establishing the foundation of our core business in electric equipment and metering, as well as on smart meter-

related businesses and EV infrastructure businesses that are expected to grow further.

For details, please refer to “Establishment of the new TAKAOKA TOKO Group Management Philosophy and Formulation of Medium-term Management Plan 2027” announced on April 25, 2025.

Despite increases in sales for the Metering Business and the GX Solution Business, net sales for the fiscal year under review totaled 106,624 million yen (down 0.7% year on year), mainly due to declines in the Electric Equipment Business and the Applied Optics Inspection System Business.

On the profit front, operating profit decreased to 6,094 million yen (down 26.1% year on year), ordinary profit decreased to 6,302 million (down 21.4% year on year), and profit attributable to owners of parent decreased to 3,824 million (down 18.1% year on year), mainly due to an increase in R&D expenses.

The impact of the series of incidents of impropriety on business performance includes decreases in net sales of approximately 3.4 billion yen and operating profit of approximately 2.5 billion yen mainly due to a decrease in orders caused by the suspension of bid participation imposed by some customers and increases in costs for handling delivered products and legal fees.

The operating results for each business segment are detailed below.

In the Electric Equipment Business segment, net sales for the segment as a whole decreased to 59,878 million yen (down 3.6% year on year) due to the decline in overseas construction projects and power distribution equipment despite increases in sales for general plant projects and extra-high-voltage power receiving and transforming equipment, including disconnectors. Segment profit decreased to 6,210 million yen (down 11.0% year on year).

In the Metering Business segment, net sales for the segment as a whole rose to 33,234 million yen (up 8.6% year on year) due to increases in sales for smart meters and replacement of expired meters. Segment profit, however, decreased to 4,378 million yen (down 6.0% year on year) due to an increase in R&D expenses.

In the GX Solution Business segment, net sales for the segment as a whole increased to 10,553 million yen (up 2.1% year on year) due to an increase in the sales volume of EV chargers. The segment, however, reported a loss due to an increase in R&D expenses, with a segment loss of 206 million yen (compared to segment profit of 313 million yen in the previous fiscal year).

In the Applied Optics Inspection System Business segment, sales of 3D inspection system decreased due to partially continued investment restraint in the semiconductor industry. As a result, net sales for the segment as a whole decreased to 1,979 million yen (down 40.9% year on year) and segment profit also decreased to 238 million yen (down 69.2% year on year).

In the Other Businesses segment, net sales for the segment as a whole increased to 978 million yen (up 0.3% year on year). Segment profit, however, decreased to 633 million (down 2.3% 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 decreased by 2,975 million yen compared to the end of the previous fiscal year to 113,652 million yen. This was primarily due to decreases in cash and deposits, contract assets, and trade receivables.

Liabilities decreased by 5,592 million yen compared to the end of the previous fiscal year to 47,195 million yen. This was primarily due to decreases in notes and accounts payable - trade, short-term borrowings, long-term borrowings, and income taxes payable, despite an increase in contract liabilities.

Net assets increased by 2,617 million yen compared to the end of the previous fiscal year to 66,456 million yen. This was primarily due to an increase in retained earnings owing to the recording of profit attributable to owners of parent.

(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 13,432 million yen

(compared to 15,475 million yen at the end of the previous fiscal year).

Net cash provided by operating activities amounted to 5,039 million yen (5,938 million yen provided for the previous fiscal year). This was primarily due to the cash inflow from the recording of profit before income taxes of 6,177 million yen, depreciation of 2,564 million yen, and a decrease in trade receivables of 1,719 million yen, despite the cash outflow from income taxes paid of 3,543 million yen and a decrease in trade payables of 2,103 million yen.

Net cash used in investing activities amounted to 3,747 million yen (2,308 million yen used for the previous fiscal year). This was primarily due to the purchase of property, plant and equipment and intangible assets of 4,006 million yen.

Net cash used in financing activities amounted to 3,349 million yen (compared to 1,181 million yen provided for the previous fiscal year). This was primarily due to repayments of long-term borrowings of 1,500 million yen, dividends paid of 972 million yen, and dividends paid to non-controlling interests of 570 million yen.

(Reference) Trends in Cash Flow Indicators

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Equity ratio (%)	48.7	51.3	50.6	49.9	53.6
Equity ratio based on market value (%)	25.2	23.8	35.7	35.4	29.6
Interest-bearing debt to cash flows ratio (%)	135.5	111.1	146.5	93.3	73.6
Interest coverage ratio (times)	108.3	68.7	71.7	249.3	99.3

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

The suspension of bid participation for power distribution equipment (pole-mounted switches, control equipment for power distribution automation, etc.), which had been imposed due to the series of incidents of impropriety and had a large impact in the fiscal year ended March 31, 2025, has been lifted. Meanwhile, the financial results forecast for the fiscal year ending March 31, 2026 factors in the impact of lost opportunities to receive orders before the lifting of the suspension of bid participation for certain products of power transforming equipment (extra-high-voltage transformers etc.), which need a longer lead time of over one year between order receipt and delivery.

Net sales for the fiscal year ending March 31, 2026 are expected to increase slightly, while profit at each stage is expected to remain largely unchanged from the fiscal year ended March 31, 2025. The forecast also takes into account trends in the investment plans of the Tokyo Electric Power Company Group, our largest customer that accounts for approximately 40% of the Company's consolidated net sales, and factors in the estimated impact on the expected volume of orders for the items the Company delivers.

For the consolidated financial results forecast for the fiscal year ending March 31, 2026, we expect net sales of 108,000 million yen, operating profit of 6,200 million yen, ordinary profit of 6,300 million yen, and profit attributable to owners of parent of 3,900 million yen.

Basic policy for profit distribution and dividends for the fiscal year under review and the following fiscal year

Previously the Company believed that the fundamental requirement for meeting the shareholders'

expectations was to pay dividends to them in a stable manner. While striving to ensure a stable management base by strengthening our financial position, the Company strived to ensure continuous and stable dividend payments twice a year: an interim dividend and a year-end dividend.

Meanwhile, in our goal to achieve further improvements of capital efficiency and sustainable growth as a company listed on the Prime Market, we decided to review our dividend policy with the aim of returning the fruits of such growth to our shareholders.

The previous policy of steady dividends will be replaced by a performance-linked dividend policy with an aim of a payout ratio of 30%.

Based on this change to a performance-linked dividend policy, the forecast for annual dividends for the fiscal year ending March 31, 2026 is 74.00 yen per share, while the initial forecast for basic earnings per share is 243.00 yen.

For details of the change in dividend policy, please refer to “Notice Concerning Change in Dividend Policy” announced on April 25, 2025.

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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	15,475	13,432
Notes receivable - trade	519	170
Electronically recorded monetary claims - operating	1,976	2,030
Accounts receivable - trade	23,439	23,333
Contract assets	3,790	2,318
Merchandise and finished goods	2,475	2,823
Work in process	17,434	16,287
Raw materials and supplies	7,668	8,082
Other	1,952	1,785
Allowance for doubtful accounts	(46)	(231)
Total current assets	74,687	70,033
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,099	33,522
Accumulated depreciation	(22,667)	(23,325)
Buildings and structures, net	10,432	10,197
Machinery, equipment and vehicles	22,765	23,082
Accumulated depreciation	(20,353)	(20,633)
Machinery, equipment and vehicles, net	2,412	2,448
Tools, furniture and fixtures	11,865	12,411
Accumulated depreciation	(10,971)	(11,349)
Tools, furniture and fixtures, net	894	1,062
Land	20,490	20,488
Construction in progress	378	1,812
Total property, plant and equipment	34,607	36,009
Intangible assets		
Other	1,943	1,984
Total intangible assets	1,943	1,984
Investments and other assets		
Investment securities	1,372	1,359
Long-term loans receivable	110	98
Retirement benefit asset	1,739	1,722
Deferred tax assets	1,298	1,351
Other	868	870
Allowance for doubtful accounts	(0)	—
Total investments and other assets	5,389	5,402
Total non-current assets	41,940	43,396
Total assets	116,627	113,430

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,451	13,371
Electronically recorded obligations - operating	84	91
Short-term borrowings	2,740	1,910
Income taxes payable	2,323	650
Contract liabilities	3,010	3,566
Provision for bonuses	2,674	2,081
Provision for loss on construction contracts	0	—
Other	5,599	5,131
Total current liabilities	31,884	26,803
Non-current liabilities		
Long-term borrowings	2,800	1,800
Deferred tax liabilities	1,385	1,514
Provision for repairs	1,340	1,401
Provision for environmental measures	93	76
Provision for product warranties	2,090	2,602
Provision for share awards for directors (and other officers)	156	162
Retirement benefit liability	12,285	11,831
Other	751	781
Total non-current liabilities	20,903	20,170
Total liabilities	52,788	46,974
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	7,408	7,408
Retained earnings	41,920	44,771
Treasury shares	(454)	(430)
Total shareholders' equity	56,874	59,749
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	391	362
Deferred gains or losses on hedges	30	9
Foreign currency translation adjustment	452	523
Remeasurements of defined benefit plans	501	322
Total accumulated other comprehensive income	1,375	1,217
Non-controlling interests	5,588	5,488
Total net assets	63,839	66,456
Total liabilities and net assets	116,627	113,430

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

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	107,378	106,624
Cost of sales	80,961	81,159
Gross profit	26,416	25,465
Selling, general and administrative expenses	18,169	19,370
Operating profit	8,247	6,094
Non-operating income		
Interest income	5	4
Dividend income	25	48
Share of profit of entities accounted for using equity method	—	46
Foreign exchange gains	68	31
Rental income from facilities	73	77
Sold power	35	57
Insurance claim income	34	2
Compensation received	42	—
Other	53	53
Total non-operating income	339	320
Non-operating expenses		
Interest expenses	31	46
Sold power expenses	34	26
Share of loss of entities accounted for using equity method	476	—
Donations	11	16
Other	14	23
Total non-operating expenses	569	112
Ordinary profit	8,017	6,302
Extraordinary income		
Gain on sale of non-current assets	4	5
Gain on sale of investment securities	—	66
Gain on sale of businesses	110	—
Gain on sale of shares of subsidiaries and associates	—	24
Total extraordinary income	114	97
Extraordinary losses		
Loss on abandonment of non-current assets	22	59
Impairment losses	174	—
Office relocation expenses	15	—
Loss on valuation of investment securities	67	—
Loss on liquidation of subsidiaries	258	—
Loss on sales of investments in capital of subsidiaries and associates	—	22
Earthquake-resistant construction expense	—	139
Loss on valuation of golf club membership	—	0
Total extraordinary losses	539	221
Profit before income taxes	7,592	6,177
Income taxes - current	2,854	1,731
Income taxes - deferred	(846)	166
Total income taxes	2,008	1,897
Profit	5,584	4,280
Profit attributable to non-controlling interests	915	456
Profit attributable to owners of parent	4,668	3,824

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	5,584	4,280
Other comprehensive income		
Valuation difference on available-for-sale securities	205	(28)
Deferred gains or losses on hedges	(12)	(20)
Foreign currency translation adjustment	21	55
Remeasurements of defined benefit plans, net of tax	610	(178)
Share of other comprehensive income of entities accounted for using equity method	38	29
Total other comprehensive income	863	(143)
Comprehensive income	6,447	4,137
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,534	3,666
Comprehensive income attributable to non-controlling interests	913	470

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	7,408	38,063	(195)	53,275
Changes during period					
Dividends of surplus			(810)		(810)
Profit attributable to owners of parent			4,668		4,668
Purchase of treasury shares				(272)	(272)
Disposal of treasury shares				13	13
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,857	(258)	3,599
Balance at end of period	8,000	7,408	41,920	(454)	56,874

	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	185	35	397	(108)	509	4,675	58,460
Changes during period							
Dividends of surplus							(810)
Profit attributable to owners of parent							4,668
Purchase of treasury shares							(272)
Disposal of treasury shares							13
Net changes in items other than shareholders' equity	205	(5)	55	610	866	913	1,779
Total changes during period	205	(5)	55	610	866	913	5,378
Balance at end of period	391	30	452	501	1,375	5,588	63,839

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	7,408	41,920	(454)	56,874
Changes during period					
Dividends of surplus			(972)		(972)
Profit attributable to owners of parent			3,824		3,824
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				25	25
Net changes in items other than shareholders' equity					
Total changes during period	—	—	2,851	23	2,875
Balance at end of period	8,000	7,408	44,771	(430)	59,749

	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	391	30	452	501	1,375	5,588	63,839
Changes during period							
Dividends of surplus							(972)
Profit attributable to owners of parent							3,824
Purchase of treasury shares							(1)
Disposal of treasury shares							25
Net changes in items other than shareholders' equity	(28)	(20)	70	(178)	(157)	(100)	(257)
Total changes during period	(28)	(20)	70	(178)	(157)	(100)	2,617
Balance at end of period	362	9	523	322	1,217	5,488	66,456

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	7,592	6,177
Depreciation	2,431	2,564
Impairment losses	174	—
Loss on liquidation of subsidiaries	258	—
Gain on transfer of business	(110)	—
Loss on abandonment of non-current assets	22	59
Loss (gain) on sale of non-current assets	(4)	(5)
Loss (gain) on valuation of investment securities	67	—
Loss (gain) on sale of shares of subsidiaries and associates	—	(24)
Loss (gain) on sales of investments in capital of subsidiaries and associates	—	22
Loss (gain) on sale of investment securities	—	(66)
Increase (decrease) in allowance for doubtful accounts	42	185
Interest and dividend income	(30)	(52)
Interest expenses	31	46
Foreign exchange losses (gains)	(7)	(4)
Share of loss (profit) of entities accounted for using equity method	476	(46)
Decrease (increase) in trade receivables	(1,663)	1,941
Decrease (increase) in inventories	(2,424)	401
Increase (decrease) in trade payables	(534)	(2,103)
Increase (decrease) in accrued consumption taxes	136	50
Increase (decrease) in contract liabilities	664	556
Increase (decrease) in provision for bonuses	607	(592)
Increase (decrease) in provision for loss on construction contracts	0	(0)
Increase (decrease) in provision for product warranties	775	511
Increase (decrease) in provision for repairs	38	61
Increase (decrease) in provision for environmental measures	(77)	(17)
Increase (decrease) in provision for share awards for directors (and other officers)	33	6
Increase (decrease) in retirement benefit liability	456	(707)
Decrease (increase) in retirement benefit asset	(992)	16
Other, net	(373)	(249)
Subtotal	7,592	8,729
Interest and dividends received	59	102
Interest paid	(23)	(50)
Income taxes refund (paid)	(1,689)	(3,543)
Expenditure related to subsidiary support	—	(197)
Net cash provided by (used in) operating activities	5,938	5,039
Cash flows from investing activities		
Proceeds from sale of shares of subsidiaries and associates	—	30
Proceeds from sales of investments in capital of subsidiaries and associates	—	45
Purchase of property, plant and equipment and intangible assets	(2,367)	(4,006)
Proceeds from sale of property, plant and equipment and intangible assets	7	10
Proceeds from sale of investment securities	—	68
Loan advances	(237)	—
Proceeds from collection of loans receivable	91	102
Proceeds from sale of businesses	196	—
Other, net	—	0
Net cash provided by (used in) investing activities	(2,308)	(3,747)

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	150	(330)
Proceeds from long-term borrowings	3,000	–
Repayments of long-term borrowings	(900)	(1,500)
Dividends paid	(810)	(972)
Dividends paid to non-controlling interests	–	(570)
Other, net	(258)	23
Net cash provided by (used in) financing activities	1,181	(3,349)
Effect of exchange rate change on cash and cash equivalents	4	15
Net increase (decrease) in cash and cash equivalents	4,815	(2,042)
Cash and cash equivalents at beginning of period	10,659	15,475
Cash and cash equivalents at end of period	15,475	13,432

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation method)

(Consolidated statements of income)

“Donations,” which was included in “Other” under “Non-operating expenses” in the fiscal year ended March 31, 2024, is presented separately from the fiscal year ended March 31, 2025 as the amount became material. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended March 31, 2024 have been reclassified.

As a result, 26 million yen of “Other” under “Non-operating expenses” on the consolidated statement of income for the fiscal year ended March 31, 2024, has been reclassified as “Donations” of 11 million yen and “Other” of 14 million yen.

(Segment information, etc.)

(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 product and 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, as well as monitoring and control system and control equipment.

In the Metering Business segment, the Company manufactures and sells 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.

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, 2024 (from April 1, 2023 to March 31, 2024)

(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	62,120	30,601	10,334	3,346	106,403	975	107,378
Inter-segment net sales or transfers	1,638	5,409	1,382	—	8,429	498	8,927
Total	63,758	36,010	11,717	3,346	114,833	1,473	116,306
Segment profit	6,978	4,659	313	775	12,727	648	13,375
Other items:							
Depreciation	856	678	87	60	1,682	262	1,945

- (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, 2025 (from April 1, 2024 to March 31, 2025)

(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	59,878	33,234	10,553	1,979	105,646	978	106,624
Inter-segment net sales or transfers	1,380	5,188	1,507	—	8,075	521	8,597
Total	61,258	38,422	12,061	1,979	113,722	1,500	115,222
Segment profit (loss)	6,210	4,378	(206)	238	10,620	633	11,254
Other items:							
Depreciation	867	811	61	86	1,826	259	2,086

- (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, 2024	For the fiscal year ended March 31, 2025
Reportable segments total	114,833	113,722
Net sales classified as “Other”	1,473	1,500
Elimination of intersegment transactions	(8,927)	(8,597)
Net sales in the consolidated financial statements	107,378	106,624

(Million yen)

Profit	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Total segment profit of reportable segments	12,727	10,620
Segment profit of “Other”	648	633
Elimination of intersegment transactions	24	66
Corporate expenses (Note)	(5,149)	(5,255)
Other adjustments	(3)	28
Operating profit in the consolidated financial statements	8,247	6,094

(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 2024	Fiscal 2025	Fiscal 2024	Fiscal 2025	Fiscal 2024	Fiscal 2025	Fiscal 2024	Fiscal 2025
Depreciation	1,682	1,826	262	259	486	478	2,431	2,564

(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, 2024 (from April 1, 2023 to March 31, 2024)

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.	33,014	Accounts receivable - trade	5,601

(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, 2025 (from April 1, 2024 to March 31, 2025)

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.	30,430	Accounts receivable - trade	6,405

- (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, 2024 (from April 1, 2023 to March 31, 2024)

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.	12,646	Accounts receivable - trade	1,737

- (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, 2025 (from April 1, 2024 to March 31, 2025)

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.	14,541	Accounts receivable - trade	1,697

- (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, 2024	For the fiscal year ended March 31, 2025
Net assets per share (yen)	3,631.96	3,798.71
Basic earnings per share (yen)	290.29	238.37

(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, 2024	As of March 31, 2025
Total net assets	63,839	66,456
Deduction from net assets	5,588	5,488
[of which non-controlling interest]	[5,588]	[5,488]
Net assets applicable to common stock at end of period	58,250	60,967
Number of common shares at end of period used for calculation of net assets per share (Thousand shares)	16,038	16,049

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, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent	4,668	3,824
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parents relating to common shares	4,668	3,824
Average number of common shares outstanding during the period (Thousand shares)	16,081	16,042

(Significant subsequent events)

Not applicable.