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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



April 28, 2026

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 26, 2026
 Scheduled date of commencing dividend payments: June 29, 2026
 Scheduled date of filing annual securities report: June 25, 2026
 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, 2026 (April 1, 2025 - March 31, 2026)

(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, 2026	112,093	5.1	9,763	60.2	10,084	60.0	6,602	72.7
March 31, 2025	106,624	(0.7)	6,094	(26.1)	6,302	(21.4)	3,824	(18.1)

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥8,585 million [107.5%]

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

	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, 2026	411.33	–	10.2	8.6	8.7
March 31, 2025	238.37	–	6.4	5.5	5.7

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

Fiscal year ended March 31, 2026: ¥121 million

Fiscal year ended March 31, 2025: ¥46 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	120,316	73,753	56.5	4,231.66
As of March 31, 2025	113,652	66,456	53.6	3,798.71

(Reference) Equity: As of March 31, 2026: ¥67,926 million

As of March 31, 2025: ¥60,967 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, 2026	10,780	(5,053)	(2,597)	16,564
March 31, 2025	5,039	(3,747)	(3,349)	13,432

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, 2025	—	25.00	—	25.00	50.00	810	21.0	1.3
Fiscal year ended March 31, 2026	—	37.00	—	83.00	120.00	1,945	29.2	3.0
Fiscal year ending March 31, 2027 (Forecast)	—	67.00	—	67.00	134.00		21.5	

(Note) The Company resolved to change its dividend policy (an increase in the payout ratio target to 40%) at a meeting of the Board of Directors held on April 28, 2026, and this change will be applied starting from the dividend forecast for the fiscal year ending March 31, 2027. (For details, please refer to the timely disclosure materials announced today simultaneously with these financial results.)

As certain non-recurring factors, including gains on sale of non-current assets, are expected to cause significant fluctuations in profit in calculating the dividend forecast for the fiscal year ending March 31, 2027, these factors have been excluded, in light of their effects, from the basis of the dividend calculation.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	115,000	2.6	10,000	2.4	10,100	0.2	10,000	51.5	623.00

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, 2026: 16,276,305 shares
 As of March 31, 2025: 16,276,305 shares
 2) Total number of treasury shares at the end of the period:
 As of March 31, 2026: 224,431 shares
 As of March 31, 2025: 226,760 shares
 3) Average number of shares outstanding during the period:
 Fiscal year ended March 31, 2026: 16,051,328 shares
 Fiscal year ended March 31, 2025: 16,042,657 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, 2026 (April 1, 2025 - March 31, 2026)****(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, 2026	79,626	6.4	6,318	91.8	8,119	91.2	6,371	103.9
March 31, 2025	74,810	(3.5)	3,295	(39.2)	4,247	(25.2)	3,124	12.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	396.97	–
March 31, 2025	194.76	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	98,558	57,693	58.5	3,594.19
As of March 31, 2025	94,330	52,141	55.3	3,248.81

(Reference) Equity: As of March 31, 2026: ¥57,693 million
 As of March 31, 2025: ¥52,141 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 Company achieved record operating profit and ordinary profit for the fiscal year ended March 31, 2026. The Company also resolved to submit a proposal to the General Meeting of Shareholders to be held at the end of June this year to pay a year-end dividend of 83 yen per share for the fiscal year ended March 31, 2026 (an increase of 25 yen per share from the previously announced forecast). The Company further resolved to raise its dividend payout ratio target from 30% to 40% starting from the fiscal year ending March 31, 2027.

The Japanese economy is continuously on a gradual recovery trend against the backdrop of improvements in the employment and income environment, the impact of various policies, and strong inbound demand. However, uncertainty remains in the external environment, including the U.S. trade policy, fluctuations in financial capital markets, and the normalization of interest rates by the Bank of Japan. In particular, against the backdrop of heightened tensions in the Middle East, uncertainty in crude oil supply and transportation and rising geopolitical risks have increased the risk of soaring energy prices and disruptions to petroleum product supply, leaving the outlook continuously unclear.

The business environment surrounding the Group is also changing significantly. The electric power industry, which is our largest customer base, is experiencing soaring fuel prices due to geopolitical risks and intensifying competition in the retail business. Structural changes in the electric power business are also advancing, including efforts to realize carbon neutrality, stabilize electricity supply and demand, strengthen disaster prevention functions and resilience within local communities, and adapt to the “revenue cap system,” a new system for consignment charges.

In addition, with the rapid adoption of generative AI, data centers (DCs), which consume large amounts of electricity, have been newly established, and the construction of semiconductor factories has accelerated domestically and internationally, causing electricity demand to shift from a declining to an increasing trend. Furthermore, aging of power transmission and distribution facilities developed during the period of high economic growth is progressing. Meanwhile, following the Japanese government’s “declaration of carbon neutrality by 2050” as part of its efforts to realize a decarbonized society, the expansion of renewable energy adoption and diversification of energy sources are advancing, and investment in energy storage, centered on grid-scale battery storage, and the development of EV charging infrastructure are also progressing. We view this as a significant business opportunity, as demand for the Group’s core business products and GX solutions is expanding.

Under these circumstances, in the first year of the Medium-term Management Plan 2027, the Group placed the SQC First Reform at the core of management and worked to build a foundation for medium- to long-term value creation through the restoration and strengthening of core businesses, the rebuilding of a growth story, and the strengthening of a management base.

Regarding the SQC First Reform, while working to rebuild a corporate culture that places safety, quality, and compliance as the highest priorities across the entire Group, we established the “TAKAOKA TOKO Group New Management Philosophy (Purpose, Vision, and Credo)” as a new compass and worked to instill it among all employees. We also advanced the 36 action plans that have been announced, managed progress through monthly monitoring by the executive side and regular reports to the Board of Directors, and continuously worked to assess the degree of awareness penetration through employee awareness surveys and other means, thereby strengthening our governance and compliance frameworks.

In terms of the restoration and strengthening of core businesses, we commenced fundamental improvements in technology, quality, and business structure, centered on large transformers and gas-insulated switchgear that constitute extra-high-voltage substation equipment plants. In light of the expectation that demand will continue at a high level, we also formulated a plan for the reorganization of the Oyama Division, including the construction

of new buildings, with a view to ensuring SQC First and expanding production capacity through factory DX and automation. We are also advancing the digitalization of checklists and automation of equipment in the manufacturing and inspection processes of various products. Against the backdrop of these efforts and a firm demand environment, our core businesses secured stable earnings.

Regarding the rebuilding of a growth story, the Group positioned second-generation smart meter-related business, EV infrastructure business, and semiconductor inspection business as priority businesses and actively allocated resources to these areas. In the second-generation smart meter-related business, our consolidated subsidiary Toshiba Toko Meter Systems has established a high-quality and stable product supply system compatible with the nationwide unification of smart meter specifications through the development of manufacturing lines with a 100% automation rate. Furthermore, at the Smart Meter Assembly & Delivery Center (SMAC) newly established in the Hasuda Area, we commenced operations to perform final assembly of second-generation smart meters and pairing between communication and metering units for some electric power companies. Through these efforts, we have established a system that covers the entire supply chain from smart meter manufacturing to logistics, installation work, and data utilization. In the EV infrastructure business, we accelerated the rollout of the “SERA” brand and advanced the development of the next-generation ultra-fast charger “SERA-400 (400kW)” to expand our product lineup. We also worked to provide one-stop EV charging infrastructure services through collaboration with our consolidated subsidiary, MintWave, which handles construction and maintenance system, and by promoting the business selling services. In the semiconductor inspection business, against the backdrop of expanding semiconductor demand driven by the spread of generative AI, we advanced efforts to develop new products compatible with the evolution of leading-edge semiconductors and bring them to market early, while also working to expand our customer base domestically and internationally.

In terms of the strengthening of a management base, we worked to strengthen Group governance, expand investment in human capital, promote DX, and strengthen the financial base. In terms of human capital, we advanced the securing and development of human resources to support growth, and worked to build an organization that fosters challenge and co-creation through the introduction of a new personnel system. In terms of DX, we promoted productivity improvement and operational sophistication based on a DX roadmap covering factories, desk work, sales and design, and data utilization. In terms of finance, we formulated an investment plan totaling 47.0 billion yen, significantly exceeding the previous Medium-term Management Plan, to ensure SQC, advance factory DX, and build the foundation for priority businesses, and are advancing efforts to improve capital efficiency.

The Group will continue to pursue sustainable growth and enhanced corporate value through improved profitability in core businesses and expansion in growth areas, while maintaining SQC First as its foundation and appropriately reflecting progress in business performance and changes in the business environment, toward the achievement of the Medium-term Management Plan 2027.

Despite decreases in sales for the Metering Business and the Applied Optics Inspection System Business, net sales for the fiscal year under review totaled 112,093 million yen (up 5.1% year on year), due to an increase in extra-high-voltage substation equipment plant projects of the Electric Equipment Business and an increase in the PPP/PFI business of the GX Solution Business, among other factors.

On the profit front, operating profit increased to 9,763 million yen (up 60.2% year on year), ordinary profit increased to 10,084 million yen (up 60.0% year on year), and profit attributable to owners of parent increased to 6,602 million yen (up 72.7% year on year), due to an increase in net sales.

The operating results for each business segment are detailed below.

In the Electric Equipment Business segment, net sales for the segment as a whole increased to 63,864 million yen (up 6.7% year on year) due to an increase in extra-high-voltage substation equipment plant projects. Segment profit also increased to 9,595 million yen (up 54.5% year on year).

In the Metering Business segment, although new sales were recorded from the commencement of the SMAC business, sales decreased for metering construction work and Toko Electric (Suzhou) Co., Ltd., resulting in net

sales for the segment as a whole remaining at the same level as the previous fiscal year at 33,212 million yen (down 0.1% year on year). Segment profit, however, increased to 4,591 million yen (up 4.9% year on year) due to a decrease in research and development expenses and other factors.

In the GX Solution Business segment, net sales for the segment as a whole increased to 12,370 million yen (up 17.2% year on year) due to an increase in sales of the PPP/PFI business. The segment turned profitable, recording segment profit of 493 million yen (compared to segment loss of 206 million yen in the same period of 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 1,666 million yen (down 15.8% year on year), with segment profit decreasing to 97 million yen (down 59.0% year on year).

In the Other Businesses segment, net sales for the segment as a whole increased to 979 million yen (up 0.1% year on year). Segment profit, however, decreased to 622 million yen (down 1.7% 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 6,664 million yen compared to the end of the previous fiscal year to 120,316 million yen. This was primarily due to increases in securities, machinery, equipment and vehicles, buildings and structures, retirement benefit asset, and inventories.

Liabilities decreased by 632 million yen compared to the end of the previous fiscal year to 46,563 million yen. This was primarily due to decreases in contract liabilities, retirement benefit liability, notes and accounts payable - trade, short-term borrowings, and long-term borrowings, despite increases in income taxes payable and provision for bonuses.

Net assets increased by 7,296 million yen compared to the end of the previous fiscal year to 73,753 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 16,564 million yen (compared to 13,432 million yen at the end of the previous fiscal year).

Net cash provided by operating activities amounted to 10,780 million yen (5,039 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 10,227 million yen, depreciation of 3,111 million yen, and a decrease in trade receivables of 1,860 million yen, despite the cash outflow from a decrease in contract liabilities of 1,393 million yen and an increase in retirement benefit asset of 1,204 million yen.

Net cash used in investing activities amounted to 5,053 million yen (3,747 million yen used for the previous fiscal year). This was primarily due to the purchase of property, plant and equipment and intangible assets of 6,036 million yen.

Net cash used in financing activities amounted to 2,597 million yen (3,349 million yen used for the previous fiscal year). This was primarily due to dividends paid of 1,005 million yen and repayments of long-term borrowings of 1,000 million yen.

(Reference) Trends in Cash Flow Indicators

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2026
Equity ratio (%)	51.3	50.6	49.9	53.6	56.5
Equity ratio based on market value (%)	23.8	35.7	35.4	29.6	63.2
Interest-bearing debt to cash flows ratio (%)	111.1	146.5	93.3	73.6	22.3
Interest coverage ratio (times)	68.7	71.7	249.3	99.3	165.7

Equity ratio: $\text{Equity} / \text{Total assets}$

Equity ratio based on market value: $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flows ratio: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payment}$

(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

Regarding the financial results forecast, the Company expects the following developments in the business environment for the Electric Equipment Business and Metering Business segments.

<Electric Equipment Business Segment>

In the extra-high-voltage substation equipment field, we expect an increase in both sales and profit in fiscal year ending March 31, 2027, against the backdrop of growing demand for updates to power networks and expanding investment in energy infrastructure. In addition to facility renewal investment by electric power companies, a business foundation that enables stable sales is being established, supported by expanding demand in the social infrastructure field, including substation equipment for battery storage facilities.

<Metering Business Segment>

In the smart meter field, although there was a temporary decrease in shipments relative to plan during fiscal year ended March 31, 2026 as electric power companies sequentially began introducing second-generation smart meters, we expect a recovery in sales from fiscal year ending March 31, 2027 onward. In addition to building a new stable revenue base through the full-scale operation of the SMAC business and strengthening cost competitiveness through the renewal of production lines at Toshiba Toko Meter Systems, we will aim to expand our market share in second-generation smart meters across all electric power companies. In the instrument transformer field, we also expect improved profitability through profit-oriented sales activities and the effects of cost improvements.

Against the backdrop of these developments in the business environment, for the consolidated financial results forecast for the fiscal year ending March 31, 2027, we expect net sales of 115,000 million yen, operating profit of 10,000 million yen, ordinary profit of 10,100 million yen, and profit attributable to owners of parent of 10,000 million yen.

Please note that the financial results forecast above is based on information currently available and certain assumptions deemed reasonable at this time. Actual results may differ from the forecast due to factors such as the impact of the situation in the Middle East, and fluctuations in raw material prices, exchange rates, and other factors.

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

The Company recognizes the return of profits to shareholders as one of its highest priorities.

For the fiscal year ended March 31, 2026, after comprehensively taking into account business performance progress and financial conditions, the Board of Directors has resolved to propose a year-end dividend of 83.00 yen per share at the Annual General Meeting of Shareholders scheduled to be held in June 2026.

In calculating the year-end dividend, the impact of non-recurring factors on profit and loss has been excluded from the basis of the dividend calculation.

Furthermore, the Board of Directors resolved at its meeting held on April 28, 2026 to review the dividend policy with the aim of further promoting improvements in capital efficiency and sustainable growth and returning the fruits of such growth to shareholders. Specifically, the target payout ratio will be raised from 30% to 40% starting from the fiscal year ending March 31, 2027.

Based on this, the forecast for annual dividends for the fiscal year ending March 31, 2027 is 134.00 yen per share (interim dividend of 67.00 yen and year-end dividend of 67.00 yen).

In calculating the dividend forecast, non-recurring factors such as gains on sales of non-current assets have been taken into account and excluded from the basis of the dividend calculation.

For details of the review of the dividend policy and the dividend forecast for the fiscal year ending March 31, 2027, please refer to “Notice Concerning the Revision of Dividend Policy (Increase in Target Payout Ratio)” announced today.

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, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	13,432	13,564
Notes receivable - trade	170	45
Electronically recorded monetary claims - operating	2,008	1,824
Accounts receivable - trade	23,355	22,541
Contract assets	2,540	1,819
Securities	–	3,000
Merchandise and finished goods	2,823	3,037
Work in process	16,287	16,757
Raw materials and supplies	8,082	8,548
Other	1,785	1,977
Allowance for doubtful accounts	(231)	(10)
Total current assets	70,255	73,106
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,522	35,398
Accumulated depreciation	(23,325)	(23,802)
Buildings and structures, net	10,197	11,595
Machinery, equipment and vehicles	23,082	25,172
Accumulated depreciation	(20,633)	(20,969)
Machinery, equipment and vehicles, net	2,448	4,203
Tools, furniture and fixtures	12,411	13,280
Accumulated depreciation	(11,349)	(11,771)
Tools, furniture and fixtures, net	1,062	1,509
Land	20,488	19,935
Leased assets	–	12
Accumulated depreciation	–	(2)
Leased assets, net	–	10
Construction in progress	1,812	1,188
Total property, plant and equipment	36,009	38,442
Intangible assets		
Other	1,984	2,061
Total intangible assets	1,984	2,061
Investments and other assets		
Investment securities	1,359	1,700
Long-term loans receivable	98	–
Retirement benefit asset	1,722	2,926
Deferred tax assets	1,351	1,245
Other	870	832
Total investments and other assets	5,402	6,705
Total non-current assets	43,396	47,210
Total assets	113,652	120,316

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,371	12,550
Electronically recorded obligations - operating	91	69
Short-term borrowings	1,910	1,190
Lease liabilities	-	2
Income taxes payable	650	2,463
Contract liabilities	3,788	2,395
Provision for bonuses	2,081	3,114
Other	5,131	6,214
Total current liabilities	27,025	28,000
Non-current liabilities		
Long-term borrowings	1,800	1,200
Lease liabilities	-	8
Deferred tax liabilities	1,514	1,929
Provision for repairs	1,401	1,424
Provision for environmental measures	76	-
Provision for product warranties	2,602	2,131
Provision for share awards for directors (and other officers)	162	193
Retirement benefit liability	11,831	10,862
Other	781	812
Total non-current liabilities	20,170	18,563
Total liabilities	47,195	46,563
Net assets		
Shareholders' equity		
Share capital	8,000	8,000
Capital surplus	7,408	7,409
Retained earnings	44,771	50,368
Treasury shares	(430)	(426)
Total shareholders' equity	59,749	65,352
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	362	543
Deferred gains or losses on hedges	9	57
Foreign currency translation adjustment	523	536
Remeasurements of defined benefit plans	322	1,436
Total accumulated other comprehensive income	1,217	2,573
Non-controlling interests	5,488	5,827
Total net assets	66,456	73,753
Total liabilities and net assets	113,652	120,316

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

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	106,624	112,093
Cost of sales	81,859	83,464
Gross profit	24,765	28,629
Selling, general and administrative expenses	18,670	18,866
Operating profit	6,094	9,763
Non-operating income		
Interest income	4	1
Dividend income	48	157
Share of profit of entities accounted for using equity method	46	121
Foreign exchange gains	31	–
Rental income from facilities	77	82
Sold power	57	44
Insurance claim income	2	8
Reversal of provision for environmental measures	–	67
Other	53	48
Total non-operating income	320	531
Non-operating expenses		
Interest expenses	46	62
Foreign exchange losses	–	15
Sold power expenses	26	21
Donations	16	11
Compensation expenses for damage	–	76
Other	23	23
Total non-operating expenses	112	210
Ordinary profit	6,302	10,084
Extraordinary income		
Gain on sale of non-current assets	5	320
Gain on sale of investment securities	66	–
Gain on sale of shares of subsidiaries and associates	24	–
Total extraordinary income	97	320
Extraordinary losses		
Loss on abandonment of non-current assets	59	134
Office relocation expenses	–	5
Loss on sales of investments in capital of subsidiaries and associates	22	–
Earthquake-resistant construction expense	139	37
Loss on valuation of golf club membership	0	–
Total extraordinary losses	221	178
Profit before income taxes	6,177	10,227
Income taxes - current	1,731	3,104
Income taxes - deferred	166	(106)
Total income taxes	1,897	2,998
Profit	4,280	7,228
Profit attributable to non-controlling interests	456	626
Profit attributable to owners of parent	3,824	6,602

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	4,280	7,228
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	180
Deferred gains or losses on hedges	(20)	48
Foreign currency translation adjustment	55	25
Remeasurements of defined benefit plans, net of tax	(178)	1,113
Share of other comprehensive income of entities accounted for using equity method	29	(11)
Total other comprehensive income	(143)	1,356
Comprehensive income	4,137	8,585
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,666	7,957
Comprehensive income attributable to non-controlling interests	470	627

(3) Consolidated Statements of Changes in Equity

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
Accumulated profit on sales of treasury stock					–
Change in ownership interest of parent due to transactions with non-controlling interests					–
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
Accumulated profit on sales of treasury stock							–
Change in ownership interest of parent due to transactions with non-controlling interests							–
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

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,000	7,408	44,771	(430)	59,749
Changes during period					
Dividends of surplus			(1,005)		(1,005)
Profit attributable to owners of parent			6,602		6,602
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				5	5
Accumulated profit on sales of treasury stock		0			0
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net changes in items other than shareholders' equity					
Total changes during period	–	1	5,597	4	5,603
Balance at end of period	8,000	7,409	50,368	(426)	65,352

	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	362	9	523	322	1,217	5,488	66,456
Changes during period							
Dividends of surplus							(1,005)
Profit attributable to owners of parent							6,602
Purchase of treasury shares							(1)
Disposal of treasury shares							5
Accumulated profit on sales of treasury stock							0
Change in ownership interest of parent due to transactions with non-controlling interests							1
Net changes in items other than shareholders' equity	180	48	13	1,113	1,355	338	1,693
Total changes during period	180	48	13	1,113	1,355	338	7,296
Balance at end of period	543	57	536	1,436	2,573	5,827	73,753

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	6,177	10,227
Depreciation	2,564	3,111
Loss on abandonment of non-current assets	59	134
Loss (gain) on sale of non-current assets	(5)	(320)
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	185	(220)
Interest and dividend income	(52)	(158)
Interest expenses	46	62
Foreign exchange losses (gains)	(4)	(7)
Share of loss (profit) of entities accounted for using equity method	(46)	(121)
Decrease (increase) in trade receivables	1,719	1,860
Decrease (increase) in inventories	401	(1,141)
Increase (decrease) in trade payables	(2,103)	(850)
Increase (decrease) in accrued consumption taxes	50	91
Increase (decrease) in contract liabilities	778	(1,393)
Increase (decrease) in provision for bonuses	(592)	1,032
Increase (decrease) in provision for loss on construction contracts	(0)	–
Increase (decrease) in provision for product warranties	511	(471)
Increase (decrease) in provision for repairs	61	23
Increase (decrease) in provision for environmental measures	(17)	(76)
Increase (decrease) in provision for share awards for directors (and other officers)	6	31
Increase (decrease) in retirement benefit liability	(707)	665
Decrease (increase) in retirement benefit asset	16	(1,204)
Other, net	(249)	495
Subtotal	8,729	11,769
Interest and dividends received	102	192
Interest paid	(50)	(65)
Income taxes refund (paid)	(3,543)	(1,116)
Expenditure related to subsidiary support	(197)	–
Net cash provided by (used in) operating activities	5,039	10,780
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	(4,006)	(6,036)
Proceeds from sale of property, plant and equipment and intangible assets	10	875
Proceeds from sale of investment securities	68	0
Proceeds from collection of loans receivable	102	107
Other, net	0	(0)
Net cash provided by (used in) investing activities	(3,747)	(5,053)

(Million yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(330)	(320)
Repayments of long-term borrowings	(1,500)	(1,000)
Dividends paid	(972)	(1,005)
Purchase of investments in capital of subsidiaries without change in scope of consolidation	–	(11)
Dividends paid to non-controlling interests	(570)	(276)
Other, net	23	15
Net cash provided by (used in) financing activities	(3,349)	(2,597)
Effect of exchange rate change on cash and cash equivalents	15	2
Net increase (decrease) in cash and cash equivalents	(2,042)	3,131
Cash and cash equivalents at beginning of period	15,475	13,432
Cash and cash equivalents at end of period	13,432	16,564

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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, 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.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	63,864	33,212	12,370	1,666	111,114	979	112,093
Inter-segment net sales or transfers	1,550	5,196	1,537	–	8,284	524	8,808
Total	65,415	38,409	13,907	1,666	119,398	1,503	120,902
Segment profit	9,595	4,591	493	97	14,778	622	15,400
Other items: Depreciation	901	1,332	75	70	2,380	285	2,665

(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, 2025	For the fiscal year ended March 31, 2026
Reportable segments total	113,722	119,398
Net sales classified as “Other”	1,500	1,503
Elimination of intersegment transactions	(8,597)	(8,808)
Net sales in the consolidated financial statements	106,624	112,093

(Million yen)

Profit	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Total segment profit of reportable segments	10,620	14,778
Segment profit of “Other”	633	622
Elimination of intersegment transactions	66	(1)
Corporate expenses (Note)	(5,255)	(5,639)
Other adjustments	28	2
Operating profit in the consolidated financial statements	6,094	9,763

(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 2025	Fiscal 2026	Fiscal 2025	Fiscal 2026	Fiscal 2025	Fiscal 2026	Fiscal 2025	Fiscal 2026
Depreciation	1,826	2,380	259	285	478	446	2,564	3,111

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

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.	30,430	Accounts receivable - trade	6,326

(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, 2026 (from April 1, 2025 to March 31, 2026)

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.	30,653	Accounts receivable - trade	5,604

- (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, 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.

For the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

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.	13,208	Accounts receivable - trade	1,619

- (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, 2025	For the fiscal year ended March 31, 2026
Net assets per share (yen)	3,798.71	4,231.66
Basic earnings per share (yen)	238.37	411.33

(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, 2025	As of March 31, 2026
Total net assets	66,456	73,753
Deduction from net assets	5,488	5,827
[of which non-controlling interest]	[5,488]	[5,827]
Net assets applicable to common stock at end of period	60,967	67,926
Number of common shares at end of period used for calculation of net assets per share (Thousand shares)	16,049	16,051

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, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent	3,824	6,602
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parents relating to common shares	3,824	6,602
Average number of common shares outstanding during the period (Thousand shares)	16,042	16,051

(Significant subsequent events)

1. Disposal of fixed assets and extraordinary gains (gains on sale of fixed assets and reversal of provision for repairs)

At the meeting of its Board of Directors held on April 28, 2026, the Company resolved to dispose of certain fixed assets owned by the Company, and expects to record extraordinary gains in the fiscal year ending March 31, 2027 and the fiscal year ending March 31, 2028.

(1) Reason for the transfer

TAKAOKA TOKO Group has established a cash allocation policy with the objective of achieving, in a well-balanced manner, both enhancement of corporate value through growth investments and improvement of capital efficiency together with expansion of shareholder returns. Under this policy, as a result of re-evaluating the efficiency of the management resources owned by the Group, the Group has decided to sell certain real estate assets identified as assets for transfer, as such assets offer limited business synergy and profitability below the cost of capital (WACC).

The proceeds from the sale will be allocated to cover the shortfall arising from the need for upfront investments that are expected to exceed operating cash flow in the near term, due to SQC investments and growth investments indicated in the Medium-term Management Plan 2027 (including factory DX and capacity expansion in core businesses, foundation building for priority businesses, and R&D toward the realization of the SERA Company). In addition, from the perspectives of improving capital efficiency and expanding shareholder returns, a portion of the proceeds will also be allocated to share repurchases.

(2) Details of assets to be transferred

Assets name and location	Gain on transfer	Current status
Rental building Land: 2,339.53 m ² , Building: 20,250.03 m ² Location: Higashi Gotanda 2-choume, Shinagawa-ku, Tokyo	Approx. 10.7 billion yen	Rental real estate

Notes:

1. With respect to the assets subject to this disposal, the Company plans to conclude a real estate interest sales agreement with the buyer and transfer ownership interests in stages.
2. The transfer price and book value are not disclosed due to confidentiality obligations with the transferee.
3. The gain on transfer represents an approximate amount calculated by deducting the book value and estimated expenses related to the transfer from the transfer price.

(3) Overview of the transferee

The transferee is a domestic operating company; however, disclosure is withheld at the transferee's request. There are no capital or personnel relationships between the Company and the transferee, and the transferee does not fall under the Company's related parties.

(4) Schedule of the transfer

(i) Date of Board resolution:	April 28, 2026
(ii) Date of execution of sales agreement:	April 28, 2026
(iii) First property delivery date:	June 5, 2026 (scheduled)
(iv) Second property delivery date:	June 11, 2027 (scheduled)

(5) Impact on financial results and future outlook

As a result of this matter, the Company expects to record extraordinary gains in the following two fiscal years:

- The fiscal year ending March 31, 2027, in which the first delivery is to be made;
- and the fiscal year ending March 31, 2028, in which the second delivery is to be made, including extraordinary gains of approximately 10.7 billion yen from gains on sale of fixed assets and approximately 1.3 billion yen from reversal of repair allowance.

2. Resolution on matters related to the acquisition of treasury shares and the resolution on matters related to the cancellation of treasury shares (Acquisition of treasury shares based on the provisions of the Articles of Incorporation pursuant to Article 165, paragraph (2) of the Companies Act, and cancellation of treasury shares pursuant to Article 178 of the Companies Act)

At the meeting of its Board of Directors held on April 28, 2026, the Company resolved matters relating to the acquisition of treasury shares pursuant to Article 156 of the Companies Act as applied mutatis mutandis pursuant to Article 165, paragraph (3) of the same Act, and also resolved matters relating to the cancellation of treasury shares pursuant to Article 178 of the Companies Act, as described below.

(1) Reason for the acquisition of treasury shares

The Company will acquire treasury shares for the purpose of enhancing shareholder returns and improving capital efficiency.

(2) Details of acquisition

(i)	Class of shares to be acquired	Common shares
(ii)	Method of acquisition	Market purchase
(iii)	Total number of shares to be acquired	Up to 1,300,000 shares (8.10% of the total number of issued shares excluding treasury shares)
(iv)	Total acquisition cost	Up to 5.0 billion yen
(v)	Acquisition period	May 1, 2026 to September 30, 2026

(3) Details of cancellation

(i)	Class of shares to be cancelled	Common shares
(ii)	Total number of shares to be cancelled	All treasury shares acquired pursuant to (2) above
(iii)	Scheduled date of cancellation	To be determined.

(Reference) Status of treasury shares as of March 31, 2026

Total number of issued shares (excluding treasury shares)	16,051,874 shares
Number of treasury shares	224,431 shares