

Company Name: TAKAOKA TOKO CO., LTD.
 Name of representative PRESIDENT (Representative Director):
 Takashi Ichinose (Cord: 6617 First Section of the Tokyo Stock Exchange)
 Contact: DIRECTOR, MANAGING EXECUTIVE OFFICER
 GENERAL MANAGER, Corporate Planning Department
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Notification of Improper Cases Related to Quality Control

On August 23, TAKAOKA TOKO CO., LTD. was found to have conducted partial discharge tests, which are one of the acceptance tests based on the compliant JEC standard *3 (tests to be conducted when shipped to customers), in the Cubicle-type Gas-Insulated Switchgear (C-GIS)*1 and Gas-Insulated Switchgear (GIS)*2 manufactured at our Oyama Plant, in a manner differing from the standards, and had inappropriate descriptions in the test results. We will inform you of the facts that we are currently aware of and future response policies as follows.

We deeply apologize for causing great inconvenience and concern to our customers and related parties.

- ※1 C-GIS: Cubicle-type Gas Insulated Switchgear
- ※2 GIS: Gas Insulated Switchgear
- ※3 Standards defined by the Japanese Electrotechnical Committee of the Institute of Electrical Engineers of Japan.

1.Target products

Product name	Type	Applicable standards ※1	Year of manufacture	Quantity
72/84kV Cubicle-type Gas Insulated Switchgear (C-GIS)	70CGR-G1 70CGR-G2	JEC-2350-1994 JEC-2350-2005	2000 ~2021	462 Box *3
36kV, 72/84kV Gas Insulated Switchgear (GIS)	※2	JEC-2350-1994	1997 ~2021	697 Line
120 kV, 168kV Gas Insulated Switchgear (GIS)			1994 ~2021	85 Line

※1 Applicable standards for products are indicated on delivery specifications, test results, equipment nameplates, etc.

※2 GIS is a complex device composed of several devices, such as a circuit breaker, disconnect switch, and ground switch. Therefore, there is no overall model type.

※3 Current estimates that can be ascertained (number of boxes, number of circuits = number of units)

2. Overview of improper test

In the acceptance tests of our C-GIS and GIS, we performed partial discharge tests, which should have been done in accordance with JEC-2350, with voltage-applied patterns that differ from the standards. In addition, the test report described that it was carried out using a normal voltage applied pattern, and the result was described as "Good."

3. Policy for future actions

We have begun reporting the status to customers who have already delivered the subject product of this case, and will continue to proceed promptly. For products to be shipped after the discovery of this incident, partial discharge tests will be conducted appropriately before shipment.

With regard to the safety, function, and performance of the target product, we have confirmed the soundness of the product as follows: the partial discharge test in the type test at the development stage confirms the long-term insulation performance; the lightning impulse withstand voltage test and the commercial frequency withstand voltage test confirm the insulation performance in the acceptance test; and the partial discharge test confirms that it does not occur at the highest condition of the voltage application pattern of the standard. In addition, no accidents have been confirmed to have resulted from this incident. We will continue to conduct technical surveys to promptly explain to customers who have delivered the target product.

Also we will investigate the cause of the occurrence of the accident and develop measures to prevent the occurrence of the accident in parallel, and we plan to announce it again as soon as it is compiled.

At this time, there are no revisions to the consolidated earnings forecast for the fiscal year under review due to this matter. In the future, we will announce it as soon as possible if it is expected to have an impact.