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Driving Force behind Value Creation

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TAKAOKA TOKO CO., LTD.
Integrated Report 2025

Explanation of Cover

This fiscal year's cover design is inspired by the concept of a “SERA Company,” which is what we aim to be, and reflects our vision of designing the energy networks of tomorrow.

Editorial Policy

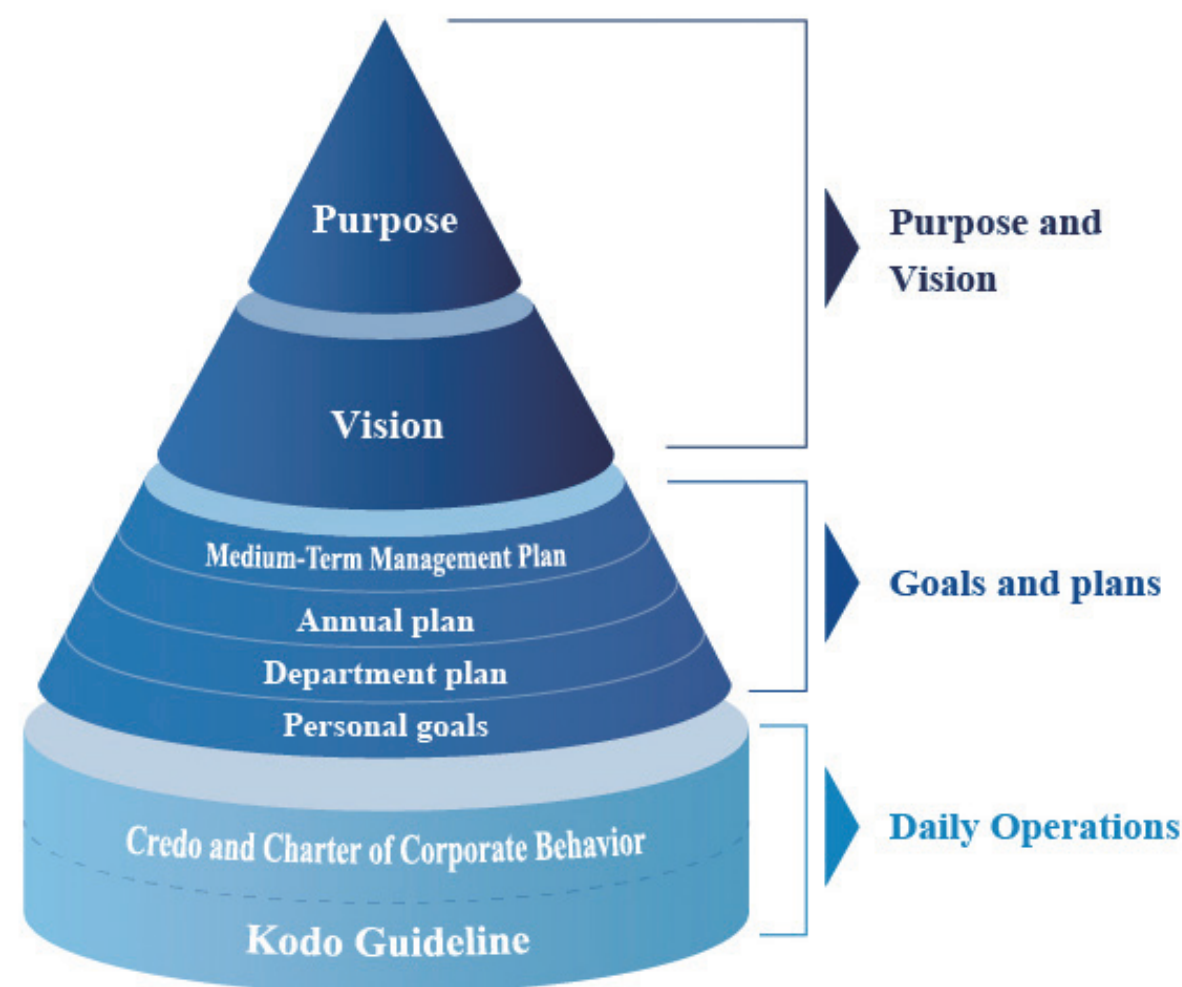
Our purpose is to organize information related to the TAKAOKA TOKO Group's CSR activities and corporate value creation in an easy-to-understand manner, and to facilitate further communication with all stakeholders, including shareholders and investors. In the editing process, we refer to the International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework, the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation, and the Global Reporting Initiative (GRI)'s Sustainability Reporting Guidelines and Standards.
[Published] September 2025

Consideration for Readers

In order to deliver information to people in various positions, we tried to create this report with universal design in mind. Regarding the use of colors, we have made considerations for readability while keeping color vision barrier-free in mind. In addition, the universal design (UD) font is used for text, and the font size for leads, headings, and body text is set to 12.5Q or higher to ensure readability.

TAKAOKA TOKO Group's New Management Philosophy

As we make our fresh start as a new TAKAOKA TOKO that puts SQC (Safety, Quality, Compliance) first, we have established the TAKAOKA TOKO Group's New Management Philosophy, comprised of three elements—Purpose, Vision, and Credo—which serve as a source of inspiration for all employees of the Group.



Workplace and personal goals and plans are concrete expressions of our Purpose and Vision. The Credo and the Kodo Charter serve as guiding principles for executing these plans. Daily Kodo inspired by the Credo and the Kodo Charter leads to tangible results, bringing us closer to our envisioned future step by step. Each task we undertake contributes to someone's smile—and to our own future.

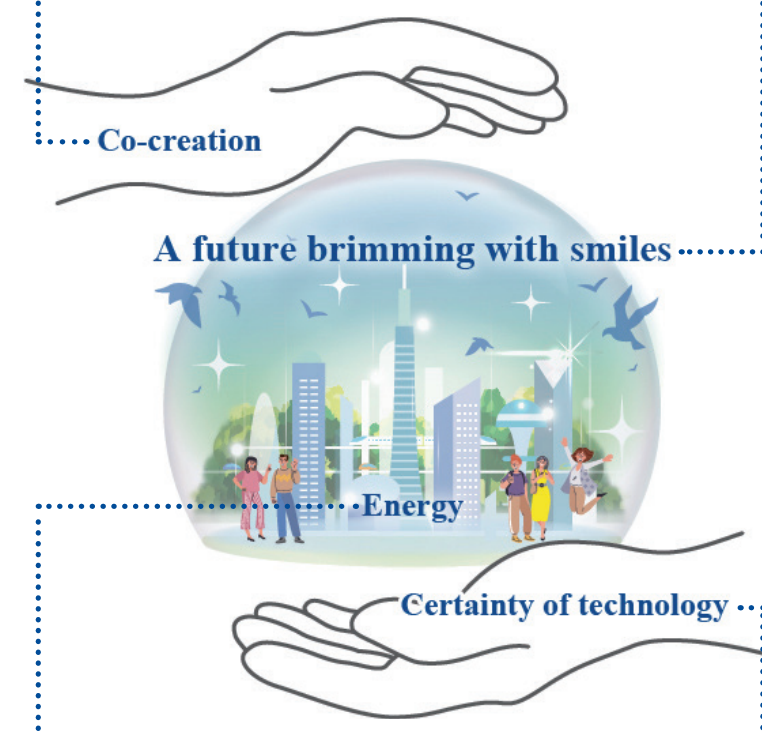
*Within the Group, we express “行動 (action)” as “考動 (Kodo (thoughts and actions)) (thinking and acting independently).”



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

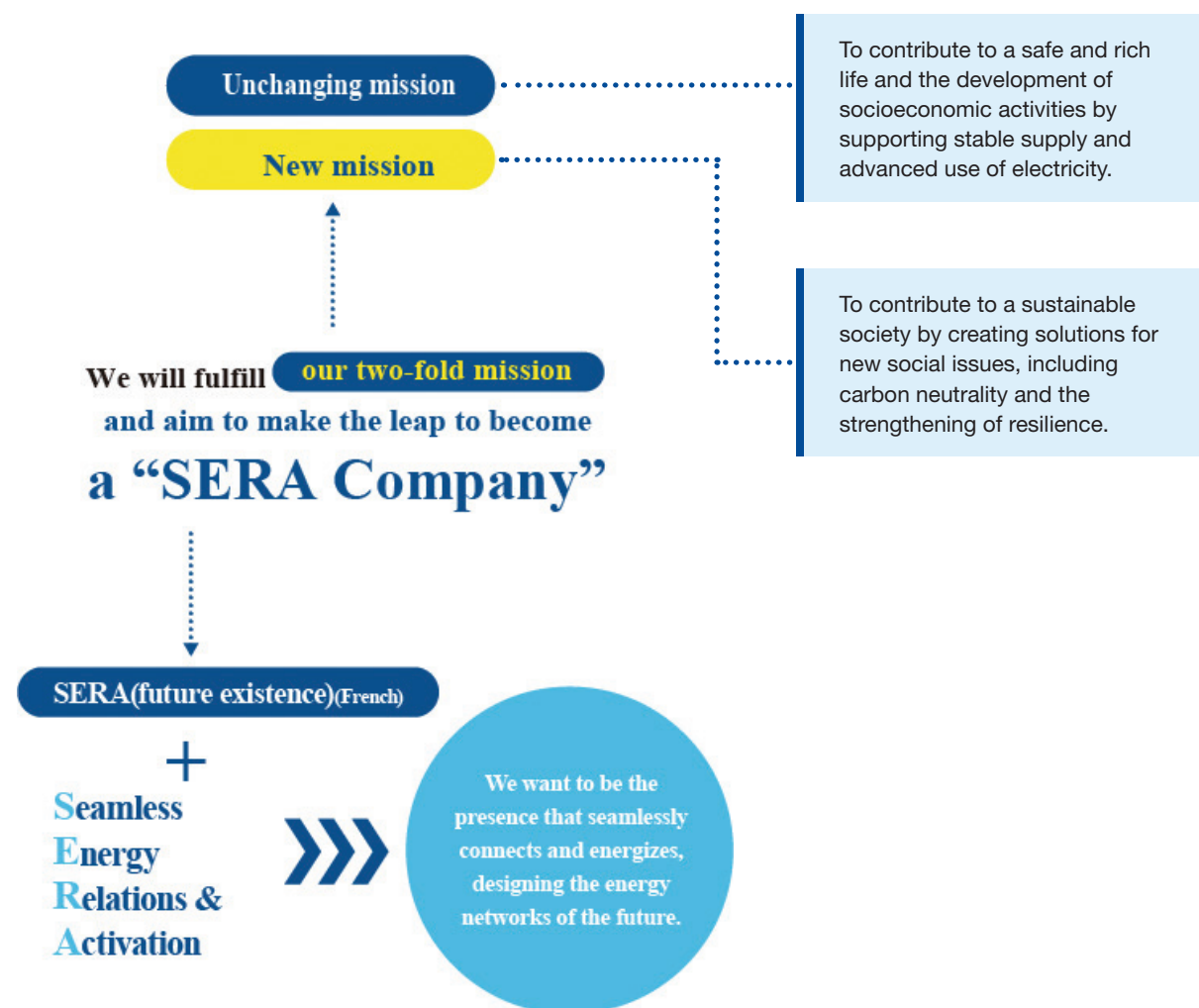
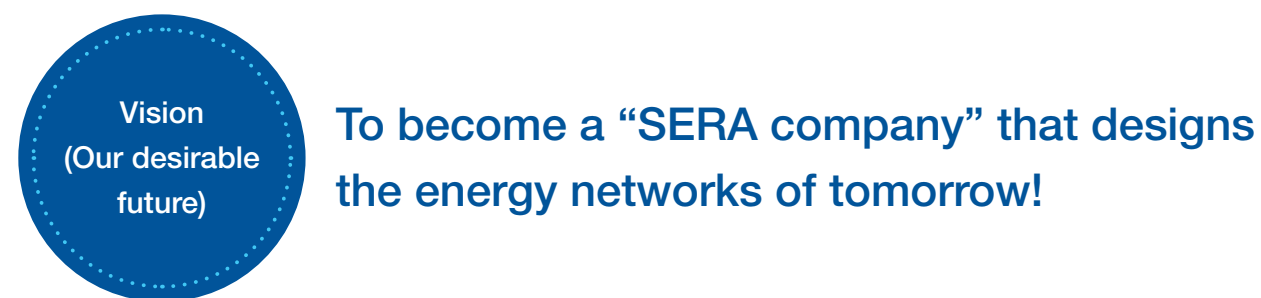
Co-creation refers to co-creation with customers, co-creation with business partners, and co-creation among employees. Together with our customers and business partners, we strive to create new value and make our utmost efforts to resolve social issues.

Our goal is to continue to support, secure, and comfortable life styles and the sustainable development of society, and to create a bright future brimming with smiles. To this end, we will continue to build trust and be a trusted company.



The word “energy” represents not only power and other forms of energy that support the social infrastructure, but also energy as the power of every individual's life. It embodies our desire to support not only a safe and rich society, but also people's vitality.

We have contributed to the development of electric power infrastructure in Japan, which is considered to be of the highest quality in the world, with the technological capabilities we have developed. We will continue to deepen and evolve our technology persistently and honestly with fortitude and worksite-driven originally and ingenuity.



By combining the development and evolution of our capability to develop and provide equipment and solutions that comprehensively support electric power networks with the latest data and digital technologies, we will serve as a seamless hub that brings together the energy networks of the future, the lives of people, and a sustainable society.

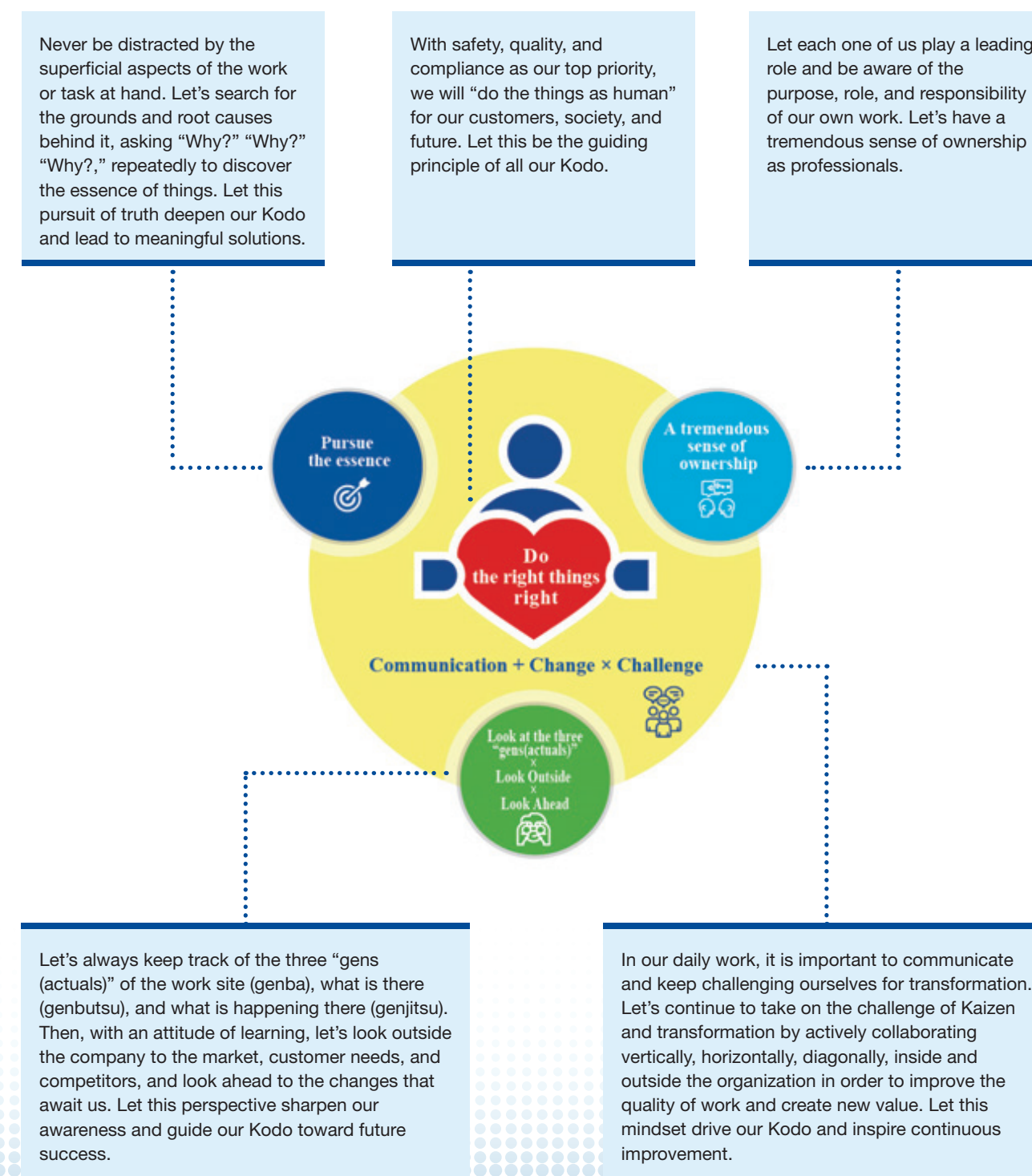
Activities to Disseminate the New Management Philosophy

Holding a Management Philosophy Briefing Session

As a first step towards the revitalization and growth of the TAKAOKA TOKO Group, the management team provided explanations and exchanged opinions in March 2025 on the background and details of the formulation of the Management Philosophy.



- 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



Introduction

Message from the President

Establishing the Groundwork for Rebuilding and Growing as the New TAKAOKA TOKO with SQC First as Its Foundation

Takashi Ichinose

President and Representative Director

I would like to once again offer my sincere apologies for the significant concern and inconvenience caused to our stakeholders by the inappropriate incidents that came to light in and after 2021 (see page 27).

In September 2024, the review of all our products was completed, and during this process, deep-rooted issues in our corporate culture and organizational structure were revealed. We announced the SQC First Reform in October of the same year, based on a reflection by the entire company, including the management team, on the reason for the Company's existence. We declared a shift to a corporate culture that places top priority on Safety, Quality, and Compliance. Furthermore, on April 25, 2025, we announced our Medium-term Management Plan 2027, which was delayed by one year due to the impact of the inappropriate incidents, as well as our new compass, the TAKAOKA TOKO Group's Management Philosophy (Purpose, Vision, and Credo). In this way, we have begun our journey toward rebuilding and growing as the "New TAKAOKA TOKO with SQC First as Its Foundation."

Initiatives for the "SQC First Reform Action Plan"

[Details from P27](#)

Although we completed the comprehensive quality review of all our products, we are still in the process of providing explanations and follow-up support to customers who have been inconvenienced. As some of the affected products were made in the 1980s, I was made keenly aware of how long-standing and deeply rooted the Company's issues are.

We continued to search for the root cause of why these issues had not been discovered and corrected. In January 2024, an Investigation and Verification Committee composed of independent external experts was established, and we received a final report and recommendations for preventing recurrence in September of the same year. The SQC First Reform was born from facing these issues head-on.

Aiming to become a company that places top priority on safety, quality, and compliance, we formulated four pillars of reform and action plans based on a root cause analysis and recommendations.

Reform (1) Foster a Culture of Thinking and Acting "SQC First" in an Integrated Manner from Management to Work Sites

- Close the distance between management/headquarters and work sites, and build a trusting relationship with each other (Meeting face to face, engaging in dialogue, responding to problems)
- At the same time, foster and entrench a culture of thinking and acting "SQC first" in an integrated manner from management/headquarters to work sites

Reform (2) Advance On-site Capabilities and Create People and Organizations to Support These

- Advance on-site capabilities of each organization and work site to a higher level where employees can educate themselves and promote problem finding and Kaizen
- Strengthen measures to secure, foster, and evaluate human resources and Kaizen activities for making people and organizations to facilitate the advancement

Reform (3) Secure "SQC First" in the Structure and Environment

- Improve (Kaizen) the structures, such as the quality management system (QMS) and internal control system, and enhance quality management and risk preventions, detection, and response
- Accelerate factory DX initiatives, such as digitizing documents, visualizing production status, and digitizing and automating manufacturing and inspection lines.

Reform (4) Concentrate Resources (People, Money, Technology) Through Business Structure Reforms

- Promote structure reforms, such as business selection, concentration, and alliances, and concentrate resources (people, money, technology) to the business aiming to ensure quality and growth

The SQC First Reform is the Group's top priority. There were common root causes behind the inappropriate incidents: management's failure to share awareness of safety, quality, and compliance as top priorities with work sites, and the distance and lack of trust between management and work sites. All executives and employees are now working together to implement action plans and monitor progress. Determined to ensure that such inappropriate incidents never occur again, we are working to build the foundation for restoring trust and confidence.

Establishment and Background of the TAKAOKA TOKO Group's New Management Philosophy

Based on the belief that a new compass and code of conduct that could serve as a source of inspiration for all executives and employees was needed as a first step in the SQC First Reform, we established the TAKAOKA TOKO Group's New Management Philosophy. This philosophy embodies our strong desire to fulfill our responsibility of supporting social infrastructure, and to be a presence that supports the vitality of society and people.

As a first step to establishing this Management Philosophy, we believed it necessary to unite the beliefs of the management team. Therefore, the management team held a total of 12 discussions. As a result, we adopted the following purpose, vision, and credo as a starting point for daily work across the Company and a compass for thoughts and actions.

Purpose (our reasons for existence)

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

In discussing the reason for the Company’s existence, the image that emerged was one in which, over the course of our century-long history, since the days of our predecessor companies, we have provided “reliable technology” that plays a part in supporting Japan’s power networks. Compared to the rest of the world, Japan’s power supply has an overwhelmingly high technological level, with few power outages and quick restoration.

“Co-creation” also includes co-creation with cooperative companies, business partners, and all stakeholders who support social infrastructure, as well as with employees across departments. Our technological capabilities can contribute to the realization of a sustainable and prosperous society through the power to connect people’s co-creation. This purpose reflects our fundamental mission.

Vision (our desirable future)

“Evolving into a “SERA company” that designs energy networks of tomorrow”

The name SERA is derived from the French word meaning “to be” or “will be” in the future. It is also an acronym for Seamless, Energy, Relations & Activation.

SERA embodies our hope to “connect energy seamlessly and be a presence that energizes and revitalizes society,” and presents the image of a company that supports the next generation’s energy society.

Despite having the top cumulative sales volume of quick chargers for EVs in Japan, we are still not well known. Therefore, in May 2024, we adopted the brand name “SERA.” I later realized that the Group’s business, including its electric equipment, metering equipment, and all other products and services, seamlessly connect electric energy with “something” to help revitalize society. That is where I got the idea to adopt the vision of becoming a SERA company.

The SERA brand movie is available on the Company’s website, so please have a look (Japanese only).
https://www.tktk.co.jp/ev-quickcharger/assets/img/top/video_promotion.mp4

Credo (our beliefs and values)

“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”

These five guidelines clarify what is important in daily operations and serve as the basis for each employee’s thoughts and actions.

In response to the series of inappropriate incidents, we have set out “Do the right things right” as the first fundamental principle for all thoughts and actions. “Communication + Change × Challenge!” clearly shows that communication with people is the major premise behind work, and that we should always be aware of issues and take on the challenge of improving our work. “Look at the three “gens (actuals)” within “Look at the three actuals × Look outside × Look ahead” refers to the actual place, what actually exists in that place, and the reality of what is actually happening in that place. It is necessary to look at these actuals carefully and grasp the facts, while understanding changes in the external environment and looking toward the future. Only in doing so will we be able to truly “pursue the essence.”

By integrating this new Management Philosophy into our corporate culture, the Group aims to become a stronger and more trustworthy company.

Medium-term Management Plan 2027 (Fiscal 2025 to Fiscal 2027)

First, I will explain our review of fiscal 2024 and the performance forecast for fiscal 2025.

Overview of Fiscal 2024 Results

Consolidated net sales decreased by 0.7% year on year to 106.6 billion yen. In addition, operating profit fell by 26.1% year on year to 6.1 billion yen, ordinary profit decreased by 21.4% year on year to 6.3 billion yen, and profit fell by 18.1% year on year to 3.82 billion yen. As a result, both sales and profits decreased.

Net sales decreased by 0.7 billion yen year on year. This was mainly due to decreased sales of power distribution equipment (small transformers, switches, and control equipment for power distribution automation) in the Electric Equipment Business and 3D inspection systems in the Applied Optics Inspection System Business, despite increased sales in the overall Metering Business, including smart meters, transformers, and metering work, as well as in the GX Solutions Business, including EV charging infrastructure and EMS-related products.

On the profit front, operating profit decreased by 2.2 billion yen year on year. This was mainly due to profit fluctuations caused by the above sales fluctuations, and an increase in R&D expenditure for the future.

As for the impact of the series of inappropriate incidents, net sales and operating profit were negatively impacted by decreases of 3.4 billion yen and 2.5 billion yen, respectively, due to factors such as a decrease in orders resulting from the suspension of bidding participation by some of our major customers.

Consolidated Performance Forecast for Fiscal 2025

The Company expects net sales to increase by 1.3% year on year to 108.0 billion yen, operating profit to increase by 1.7% year on year to 6.2 billion yen, ordinary profit to remain unchanged at 6.3 billion yen, and profit to increase 2.0% year on year to 3.9 billion yen. Accordingly, the performance is expected to remain almost unchanged.

Although the suspension of bidding participation due to the inappropriate incidents has been lifted, it is expected that the impact will remain for some products, such as large transformers for which the period from order reception to delivery exceeds one year. In addition, taking into consideration the trends in investment plans of our largest customer, which accounts for approximately 40% of the Group’s sales, we have factored in the expected impact of a decrease in orders placed with the Group.

In order to achieve our performance forecast and realize further improvements, we will steadily work to reduce costs, negotiate selling prices to secure appropriate profit margins, carefully examine expenses and investments, and curb failure costs.

Medium-term Management Plan for Fiscal 2027 Details from P.26

We are currently working to rebuild our corporate value under the slogan “Rebuilding and Growing as the New TAKAOKA TOKO with SQC First as Its Foundation.”

We have positioned the Medium-term Management Plan 2027 as a period for building the foundation for this rebuilding and growing, and will continue to make steady progress toward achieving our 2030 Management Targets of consolidated net sales of 150.0 billion yen and operating profit of 15.0 billion yen (operating profit margin of 10%).

The Medium-term Management Plan 2027 aims to rebuild the company and achieve sustainable growth, centered on the following four basic policies.

Basic Policy (1) “SQC First Reform”: As stated in the action plan (see page 8), we will steadily implement each action plan in line with the four reforms, including reducing the distance between management and work sites to realize TAKAOKA TOKO One Team.

Basic Policy (2) “Revitalization and Strengthening of Core Businesses”: Specifically, we will promote the restructuring of business processes and the optimization of business operations across the Group in order to enhance the competitiveness of core businesses.

Basic Policy (3) “Rebuilding Our Growth Strategy”: We will identify and strengthen growth businesses to achieve sustainable growth.

Basic Policy (4) “Strengthening the Management Foundation”: In support of basic policies (1) through (3), we will further strengthen our sustainability initiatives and aim to improve corporate value while fulfilling our social responsibilities.

Our financial targets for fiscal 2027 are consolidated net sales of 120.0 billion yen, operating profit of 9.0 billion yen, and profit of 5.5 billion yen. We also aim to improve capital efficiency by achieving ROE and ROIC of 8% or more.

Under the Medium-term Management Plan 2027, all members of the management team, including myself, will move in the same direction while working toward the same aspirations. In this report, we share our perspectives on financial strategy and capital efficiency in the “CFO Message” and on governance and corporate value improvement in the “Message from the Independent Outside Directors,” demonstrating unity and transparency in management.

Challenges and Growth Paths toward 2030 (Important Measures)

To achieve the 2030 Management Targets, the Medium-term Management Plan 2027 will lay the foundation for V-shaped growth, centered on two stories: (1) Revitalization and Strengthening of Core Businesses, and (2) Rebuilding Our Growth Strategy.

Growth Path Story (1) “Revitalization and Strengthening of Core Businesses”

Looking at the market environment, the external environment has drastically changed before and after the COVID-19 pandemic. As a result, domestic demand for electric power has shifted from a previous forecast of decline to an expansion trend. Factors contributing to this include a rush to build new AI data centers and semiconductor factories, as well as the expansion of electrification and electric heating solutions. Additionally, power network infrastructure and power reception and substation equipment in factories and buildings—many of which were constructed during Japan’s period of high economic growth—are reaching the stage for renewal. We also anticipate the further expansion of large-scale renewable energy projects, including offshore wind farms and mega-solar installations. Furthermore, needs for products and services are expected to change, such as demand for environmentally friendly equipment to achieve carbon neutrality, and this will create new markets.

Given these circumstances, the Electric Equipment Business and Metering Business, which are the Group’s core businesses, are facing major business opportunities. I will provide a detailed explanation of the initiatives and outlooks for both of these businesses.

Core Business: Electric Equipment Business

In the extra-high voltage substation field, we are promoting partnerships with other companies for large transformers and switchgear, aiming to complement our technologies and improve reliability in order to meet robust demand.

In terms of environmental measures, we are promoting decarbonization by expanding the market for gas-less switchgear and large transformers that use palm fatty acid ester oil. We aim to provide value throughout the entire lifecycle by enhancing maintenance and diagnosis with advanced sensing technology.

In the power distribution field, we are drastically restructuring our manufacturing system for small transformers and power distribution switches. In preparation for stable demand from electric power companies under the revenue cap system, we will consolidate the Manufacturing Department to optimize the allocation of equipment and human resources, while also reducing costs and improving quality and productivity. The current plan is to rebuild new manufacturing lines by fiscal 2028, while at the same time promoting automation through the use of DX and encouraging the multi-skilling of manufacturing personnel, in order to respond to future difficulties in securing human resources and fluctuations in demand.

Core Business: Metering Business

We have positioned second-generation smart meters as a key growth area, and are currently developing next-generation models and establishing 100% automated manufacturing lines at our Group company, Toshiba Toko Meter Systems. We will start manufacturing and shipping in the second half of fiscal 2025, and aim to expand our market share by leveraging the nationwide unification of specifications.

In addition, in line with the introduction of second-generation smart meters, we will be contracted by some electric power companies to carry out the final assembly and pairing work of each unit. Therefore, from January 2026, we will start a new business, the Smart meter assembly & delivery center. Moreover, we will participate in the next-generation AMI business, which undertakes the development and maintenance of communication systems that connect second-generation smart meters with higher-level systems, and establish a supply chain system from upstream to downstream in the meter equipment business.

Regarding transformers, we will expand manufacturing lines for oil and gas transformers, increasing production capacity by 1.2 times. By optimizing factory layout and automating operations through the use of DX, we will simultaneously improve safety, quality, and productivity.

Growth Path Story (2) “Rebuilding Our Growth Strategy”

We will focus on the GX Solution and Applied Optics Inspection System segments, aiming to develop them into businesses that are on a par with our core businesses in the future.

Future Core Business: GX Solution Business

We will develop businesses that contribute to carbon neutrality, including EV infrastructure, second-generation smart meters, PPP/PFI, and EMS.

In Japan, a national plan to build charging infrastructure with 300,000 units is underway, and the market is expected to expand with the introduction of higher output, pay-as-you-go systems, and compatibility with a variety of usage scenarios. We are a leader in this market, offering a lineup of quick chargers ranging from 15 to 150 kW and providing one-stop

services from installation to maintenance. We are developing the SERA brand, and we released the 150 kW “SERA-150” in April 2025. We will also release the “SERA-400” with a total output of 400 kW this autumn. In addition, we will further refine our strength in terms of quality, which is that our failure rate is overwhelmingly lower than that of our competitors, and expand related service businesses such as “aima CHARGE.”

Regarding second-generation smart meters, in addition to the AMI business mentioned earlier, we are promoting PoC for housing support services that utilize electric power data. In the area of PPP (Public Private Partnership)/PFI (Private Finance Initiative), we will update lighting equipment at stadiums and other facilities and advance into large-scale complex projects with merchandise that includes peripheral equipment.

Future Core Business: Applied Optics Inspection System Business

The semiconductor market is expected to reach 150 trillion yen in 2030, and the state-of-the-art package substrate market is expected to grow at an annual rate of 11%. Inspection needs are becoming increasingly sophisticated as a result of technological innovations such as chipletization and hybrid bonding.

In response to this environment, we leveraged our track record in package substrate bump inspection equipment and confocal measurement technology to develop wafer bump inspection equipment for pre-processes in addition to existing equipment for post-processes, and received an order for the first unit in fiscal 2024. We will develop new customers both in Japan and overseas by continuing to launch new chiplet-based products. Moreover, we are promoting technological development in areas such as next-generation equipment, AI utilization, inspection automation, and compliance with international standards.

Financial Strategy and Corporate Value Enhancement [Details on P.37](#)

Aiming for a PBR of over 1.0, we are promoting capital structure optimization and asset utilization. As targets for fiscal 2027, we have set ROE of 8% or more, a net profit margin of 4% or more, total asset turnover of 1.0 times or more, and financial leverage of 2.0 times. We will focus on improving profit margins while promoting growth investments and the reorganization of low-profit businesses.

In terms of shareholder returns, we will introduce performance-linked dividends from fiscal 2025 onward, and aim to provide stable returns with a dividend payout ratio of 30%. We will also consider share buybacks and asset utilization. Furthermore, we will work to deepen dialogue with investors and strengthen engagement by strengthening IR, enhancing the Integrated Report, and providing transparent information.

Strengthening the Management Foundation

We will strengthen sustainability management in order to realize a sustainable society.

In terms of carbon neutrality, we will reduce greenhouse gas emissions from our business activities (Scope 1 + 2) by 46% or more and promote environmentally friendly products and EV infrastructure in the GX Solution Business.

In terms of human capital, we will introduce a role-based personnel system and strengthen talent management. We will also create an environment where diverse human resources can thrive by promoting diversity, work-life management, and various measures aimed at improving engagement.

Under the DX strategy, we aim to improve efficiency and create new value based on six roadmaps, including factory DX, generative AI utilization, and sophisticated data utilization. With regard to factory DX, we will accelerate the automation and robotization of manufacturing and inspection equipment, including the digitization of documents and the visualization of production processes. This fiscal year, we will establish a new “Smart Factory Lab” to consider the application of cutting-edge technologies such as robots and advance our manufacturing sites.

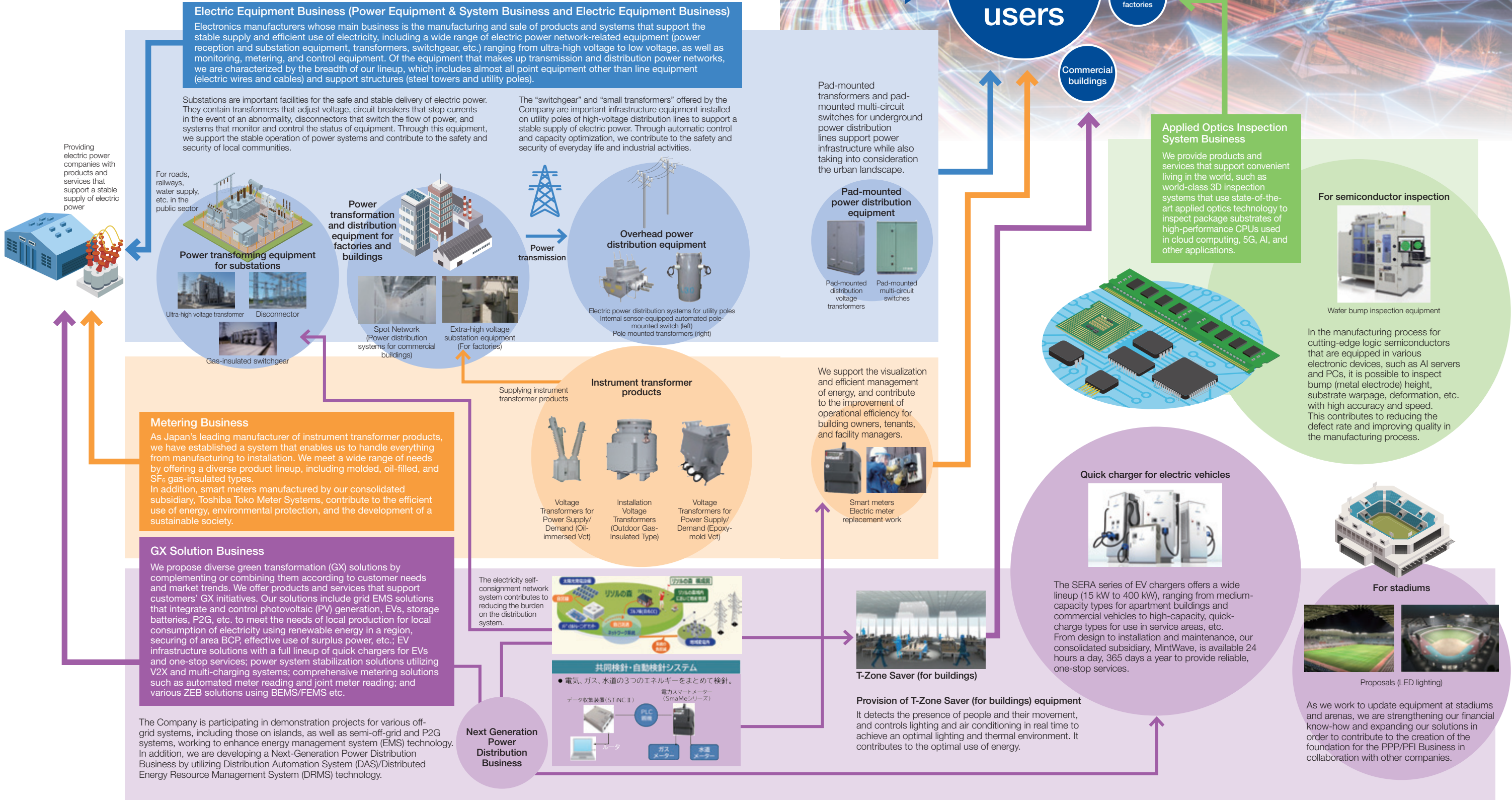
To Our Stakeholders

The core of the Medium-term Management Plan 2027 announced in April 2025 is SQC First, and we are currently promoting an action plan with 39 items. Management and line managers announce their SQC First Kodo, and share them within the Company. The thoughts and actions of everyone, including myself, will be monitored as we strive to foster and entrench a culture of thinking and acting “SQC first.”

We would like to thank everyone for their feedback after the announcement of the SQC First Reform. We will take these opinions seriously and focus on achieving our performance forecast for fiscal 2025, which is the first year of the plan, and paving the way toward our 2030 Management Targets. We believe that this is the first step toward restoring trust. We look forward to hearing your candid feedback going forward.

Contributing to Social Infrastructure

The Company is engaged in four main businesses: (1) Electric Equipment Business (electric power plants + electric power equipment), (2) Metering Business, (3) GX Solution Business, and (4) Applied Optics Inspection System Business. In addition to products and systems for electric power plants, electric power equipment, and the Metering Business (equipment for power receiving, transforming, and distribution, monitoring and control systems, smart meters, and instrument transformer products for electric power companies and general industries) that support the stable supply and advanced use of electricity, we have a wide range of technologies and business domains, including EV infrastructure, EMS (energy management systems), automatic meter readings, smart grid (Next-Generation Power Distribution Business), and overseas engineering, for responding to social issues from now on, such as carbon neutrality and disaster prevention and resilience.



At a Glance

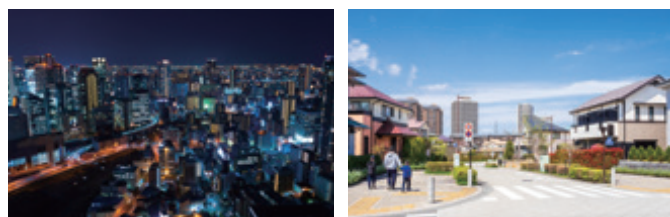
TAKAOKA TOKO Group at a Glance

We have a system that can comprehensively provide products and solutions related to power distribution and usage, from power transmission and transformation to power distribution equipment, metering and measuring equipment, and energy management systems. In addition, we are focusing on initiatives in new fields such as quick chargers for EVs, which are expected to become common with a move toward carbon neutrality, and 3D bump inspection equipment used to inspect minute connection electrode shapes on semiconductor package substrates.

Electric Equipment Business

Sales revenue **59,878** million yen

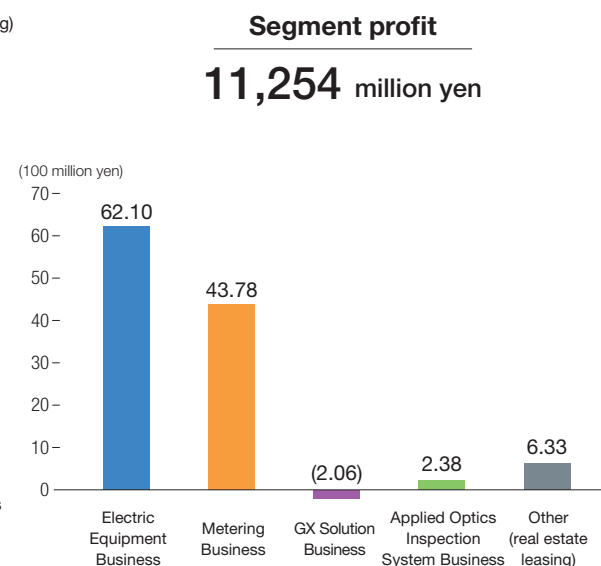
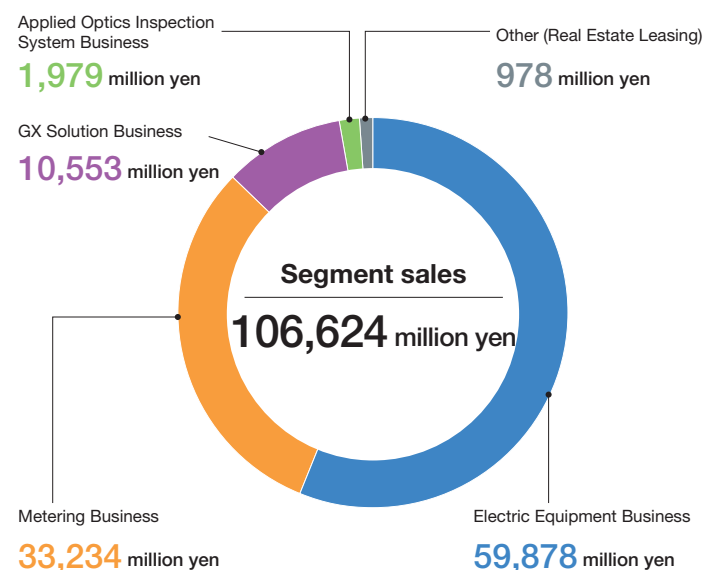
Segment profit **6,210** million yen



Metering Business

Sales revenue **33,234** million yen

Segment profit **4,378** million yen



GX Solution Business

Sales revenue **10,553** million yen

Segment profit **(206)** million yen



Applied Optics Inspection System Business

Sales revenue **1,979** million yen

Segment profit **238** million yen



Other (Real Estate Leasing)

Sales revenue **978** million yen

Segment profit **633** million yen

As of March 2025

Equity Ratio

53.6%

(Group companies, consolidated)



55.3%

(TAKAOKA TOKO, non-consolidated)

In the fiscal year ended March 31, 2025, we continued to maintain a working capital ratio of approximately 50%. Moving forward, we will strive to improve capital efficiency by further shortening the working capital turnover period.

Number of Products

130

(Group companies, consolidated)



96

(TAKAOKA TOKO, non-consolidated)

We provide our customers with products and services through a broad product lineup. Among them, our EV fast charger holds the **top cumulative sales position in Japan at approximately 6,000 units (as of March 2025, based on in-house research)**.

Number of Suppliers

2,092

(Group companies, consolidated)



1,271

(TAKAOKA TOKO, non-consolidated)

Our products include a wide variety of materials and parts, and we place great importance on maintaining a good relationship with each supplier.

Number of Manufacturing Sites



5

(Group companies, consolidated)

3

(TAKAOKA TOKO, non-consolidated)

We have four manufacturing sites in Japan: Oyama Area Office, Hasuda Area Office, Hamamatsu Area Office, and Nagoya Area Office. Our factories and consolidated subsidiaries work closely together in business operations. Our overseas manufacturing sites include one consolidated subsidiary in Suzhou, China. We are working with manufacturing sites in Japan to expand our overseas business.

Number of Sales Sites

20

(Group companies, consolidated)



13

(TAKAOKA TOKO, non-consolidated)

In order for many customers to use our products, we have sales departments at our head office, as well as branch offices and sales offices across Japan, forming a wide-ranging sales network.

Number of R&D Sites

5

(Group companies, consolidated)



3

(TAKAOKA TOKO, non-consolidated)

We conduct research and development in close cooperation between the sales departments and the R&D departments, based on our accumulated measurement, transmission, and control technologies.

Number of Patents Held



260

(Group companies, consolidated)

141

(TAKAOKA TOKO, non-consolidated)

We appropriately apply for patents and protect our know-how according to the characteristics of our business, and make effective use of our intellectual property for our business.

Number of Qualified Personnel (Construction Business Act Related)

959

(Group companies, consolidated)



798

(TAKAOKA TOKO, non-consolidated)

We employ qualified personnel such as certified professional engineers and first-class construction managing engineers, and we are working to ensure safe electrical work and increase orders for plant projects.

*Figures for TAKAOKA TOKO on a non-consolidated basis are as of July 2025.

Female Employee Ratio

14.8%

(Group companies, consolidated)



11.5%

(TAKAOKA TOKO, non-consolidated)

By conducting regular diversity training, we are not only training female managers, but also creating an organization where many employees can play an active role.

Energy Usage



7,549

crude oil equivalent kL

(TAKAOKA TOKO, non-consolidated)

We are working to rationalize and reduce energy use in order to alleviate global warming and energy resource depletion.

GHG Emissions



19,497 t-CO₂

(TAKAOKA TOKO, non-consolidated)

We are working to reduce GHG emissions from energy by actively using renewable energy and introducing green electricity.

Total Amount of Waste (In Japan)



1,790 t

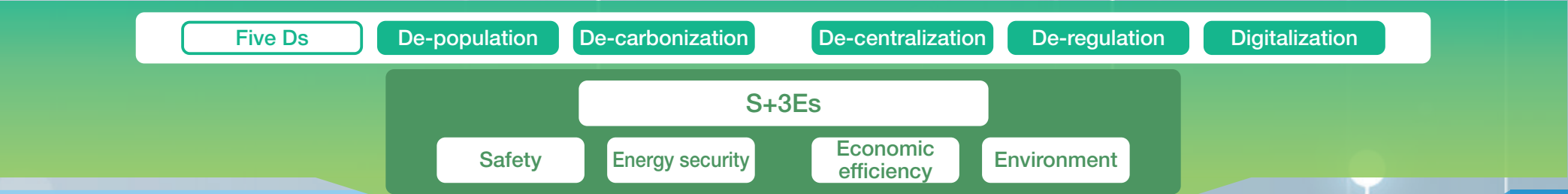
(TAKAOKA TOKO, non-consolidated)

From the viewpoint of effective resource utilization and avoiding the strain on final disposal sites, we are promoting initiatives to reduce overall waste generation by optimizing material usage and reviewing packaging, all while prioritizing resource circulation.

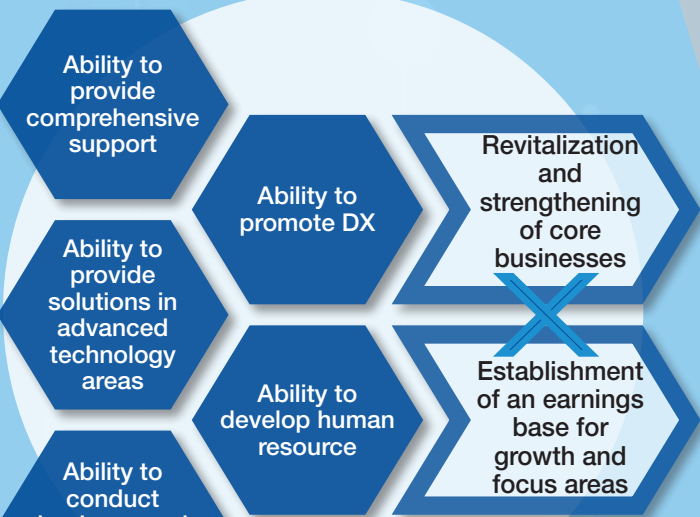
Value Creation Model

Creating Value Through Business

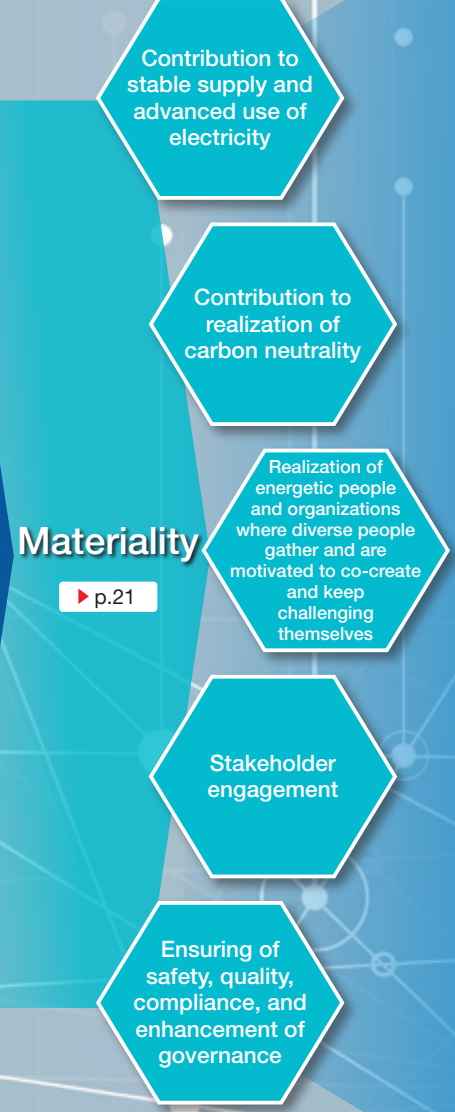
The TAKAOKA TOKO Group will continue to support people and an energy-oriented society based on the Group's Purpose (our reasons for existence): "To continue to support the energy of people and society through certainty of technology and co-creation for a future brimming with smiles."
To achieve its Vision (our desirable future)—"To become a "SERA company" that designs the energy networks of tomorrow!"—the Group will fulfill two missions: its unchanging missions and its new missions. By combining the development and evolution of its capability to develop and provide products and solutions that comprehensively support electric power networks with the latest data and digital technologies, the Group will serve as a seamless hub that brings together the energy networks of tomorrow, the lives of people, and a sustainable society.



Characteristics and Strategies of Our Businesses
Making the Most of Five Strengths to Achieve Reform and Pioneering



Next-generation technology in the power network x Request for increasing sophistication of energy use



Mission Our desirable future
A seamless hub that brings together the energy networks of tomorrow, the lives of people, and a sustainable society

- Unchanging Missions
- Contribute to the stable supply and advanced use of electricity
 - Contribute to lives of safety and affluence
 - Contribute to develop social and economic activities

- New Missions
- Contribute to the realization of carbon neutrality
 - Contribute to enhancing resilience
 - Provide solutions to new social issues

- Effect on Capital
- Stronger business foundations (strengthen cash flow generation)
 - Stronger financial base
 - More valuable human capital

SQC First Reform (Four Reforms)

Strengths We Have Developed

Five Strengths of the TAKAOKA TOKO Group, Developed over Its 100-Year History, and Evolving Further into the Future

The TAKAOKA TOKO Group will continue to support people and an energy-oriented society based on the Group's Purpose (our reasons for existence): "To continue to support the energy of people and society through certainty of technology and co-creation for a future brimming with smiles." Making the most of the five strengths it has developed through its history, the TAKAOKA TOKO Group will contribute to a sustainable society through businesses, including those that respond to demand for advanced and diverse forms of energy use, as it strives for carbon neutrality as a "SERA company" that designs the energy networks of tomorrow. The Group will work to revitalize and strengthen its core businesses so that it can respond to the vigorous demand for electricity, while also aiming to take the lead in establishing an earnings base in new business fields.

Ability to provide comprehensive support for constructing and operating entire power networks

By combining the technologies we have cultivated in power distribution systems, we provide comprehensive support to address customer challenges—ranging from the construction, operation, and digitization of power plants to system analysis that meets the demands of large-scale renewable energy integration.

Ability to provide solutions in advanced technology areas such as next-generation networks

To date, we have participated in demonstration projects on islands, off-grid, semi-off-grid, P2G, etc., and have worked to improve EMS technology. With the anticipated expansion of the autonomous regional energy market, we will advance the Next-Generation Power Distribution Business, utilizing DAS*1 and DERMS*2 technologies. Beyond the Power & Energy Sector, we will also accelerate the refinement of our semiconductor inspection technology, which boasts a top-class position in the High-End Market.

*1 DAS: Distribution Automation System

*2 DERMS: Distributed Energy Resource Management System



Ability to provide systems and solutions on a global scale

TAKAOKA TOKO Group is a company that offers comprehensive support services for power networks, combining the power infrastructure business it specializes in and the GX solutions business it conducts for the effective use of energy. The Company helps build a sustainable society through its business activities adapted to its customers' advanced and diverse use of energy.

Details from P.65

Ability to develop human resource, strengthening individuals and leveraging individual strengths

We develop human resource who works enthusiastically to achieve the goal, passing down accumulated techniques and expertise principally by means of on-the-job training supplemented by off-the-job training programs. Furthermore, we are committed to building a corporate culture that enables diverse people to play an active role, and to developing personnel strategies closely aligned with the management strategy.

Details from P.33

Ability to promote DX combining Kaizen expertise and digital technology

We update our business model and improve productivity and work efficiency through synergy between digital technology and continuously pursued corporate-wide Kaizen activities. Along with these approaches, we make innovations possible by utilizing leading-edge digital technology and data to help solve social challenges such as decarbonization, disaster prevention, and disaster resilience.

TAKAOKA TOKO Group's Materiality

At the TAKAOKA TOKO Group, we revised the Basic Policy on Sustainability (P.56) in April 2025, together with the establishment of our Management Philosophy. Under this Basic Policy, we will implement the TAKAOKA TOKO Group Charter of Corporate Behavior, which was formulated with the aim of achieving sustainable growth in cooperation with society.

Sustainability issues have been examined at a total of six meetings of the Sustainability Committee since January 2025, to realize a sustainable society and continuously improve corporate value in accordance with this Basic Policy. The committee also conducted a contemporary review of the Group's materiality—important issues that we should address as a priority.

Materiality Selection Process

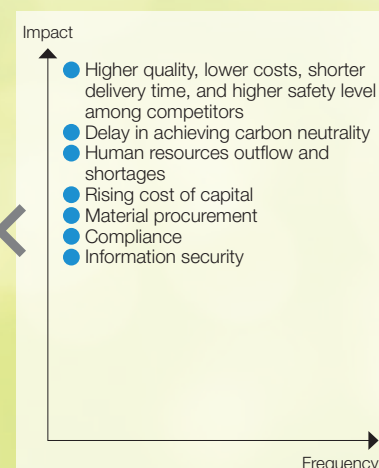
We analyzed the business environment inside and outside the Company, pinpointed the sustainability issues facing the Company in terms of opportunities and risks related to its businesses, evaluated the importance of these issues based on the two axes of stakeholders and TAKAOKA TOKO, and identified five material issues.



Opportunities



Risks



Sustainability issues



Identification of materiality

Materiality	Our goals	
Contribution to stable supply and advanced use of electricity		A state in which we continue to pursue the sophistication and innovation of products and services that support the S+3E (safety + energy security, economic efficiency, and environment) of power networks, contribute to the development of rich and secure lives and social and economic activities for everyone around the world, and are widely recognized as such.
Contribution to realization of carbon neutrality		A state in which we help customers and the world approach carbon neutrality through expanding the spread of renewable energy and promoting electrification, providing products and solutions that contribute to the efficient use of electricity and energy, and developing and supplying products and services with low environmental impact. A state in which a carbon-negative roadmap is developed across the supply chain, including our production activities.
Realization of energetic people and organizations where diverse people gather and are motivated to co-create and keep challenging themselves		A state in which human resources are secured and developed based on business strategies, each employee can enhance their own expertise and undertake reform as an autonomous professional, and in which dynamic people and organizations can maximize on-site capabilities by gathering human resources with diverse abilities, experiences, and values, and by co-creating. As a result, a state in which we achieved a win-win-win to improve customer satisfaction, corporate value, and employee growth and happiness.
Stakeholder engagement		A state in which by communicating with stakeholders (shareholders, customers, business partners, society, and employees) in two directions and making use of them in management, understanding of the Company's initiatives and the value of its existence has been achieved, and the Company has become sound and transparent. In addition, a state in which we have been able to conduct fair and proper transactions, and have built a win-win relationship with our stakeholders, who trust and support us.
Ensuring of safety, quality, compliance, and enhancement of governance		A state in which each and every one of us is raising awareness of safety, quality and compliance, and is practicing "Do the right things right" in their daily work and life with the motto "For customers, for society, for our tomorrow we aim for." In addition to the above, a state in which the governance system has been established to make prompt and appropriate management decisions to realize the company's desired state, and continual improvement (Kaizen) and reinforcement are still being made for the perpetuity of the company.

The Link between Materiality and the Medium-term Management Plan 2027

In line with the formulation of Medium-term Management Plan 2027, we set key goal indicators (KGIs), company-wide targets for fiscal 2027 to resolve the Group's materiality.

We have also established key success factors (KSFs), which are important measures for achieving the KGIs, and key performance indicators (KPIs), which are policy targets. By cascading these targets into divisional and individual targets, we will ensure that all employees engage in their work with an awareness that the achievement of their own targets will lead to the achievement of company-wide targets.

Basic policy of the Medium-term Management Plan P.27				
Materiality	Opportunities: / Risks:	Basic policy of the Medium-term Management Plan	Main KGIs Item (including internal indicators)	FY2027 plan
Contribution to stable supply and advanced use of electricity	Need to replace aging facilities through the revenue cap system Introduction of systems to expand investment in adjustment capabilities and non-fossil value Expanding need for the visualization of electric power information Higher QCDS levels among competitors through DX promotion	1 SQC First Reform	Net sales in core businesses	81.0 billion yen
		2 Revitalization and Strengthening of Core Businesses	Net sales in expanding and growing fields	39.0 billion yen
		3 Rebuilding Our Growth Strategy		
Contribution to realization of carbon neutrality	Increased environmental awareness among users Promotion of distributed generation and regional microgrid (MG) Loss of competitiveness due to delayed response	3 Rebuilding Our Growth Strategy	Net sales of products and services that contribute to carbon neutrality	7.8 billion yen
		4 Strengthening the Management Foundation	R&D activities of products and services that contribute to carbon neutrality	Undisclosed
			Scope 1+2 reduction rate (vs. FY2014)	Undisclosed
Realization of energetic people and organizations where diverse people gather and are motivated to co-create and keep challenging themselves	Revitalization of the organization through high employee engagement Outflow of human resources due to low engagement Intensifying competition to recruit digital human resources	1 SQC First Reform	Ratio of female managers	3% or more
		4 Strengthening the Management Foundation	Ratio of people with disabilities among employees	2.7% or more
			Employee happiness (out of 10)	6.5 points or more
			Kaizen & DX acceleration	Undisclosed
Stakeholder engagement	Lower cost of capital based on the evaluation of our ESG initiatives Rising cost of capital due to stagnant stock price Emergence of human rights issues such as forced labor in the supply chain	2 Revitalization and Strengthening of Core Businesses	Rating of the Integrated Report	Undisclosed
		4 Strengthening the Management Foundation	PBR	1.0 or above
			Implementation of comprehensive supplier evaluation	Undisclosed
Ensuring of safety, quality, compliance, and enhancement of governance	Enhancement of corporate value through disciplined governance Lower awareness of laws and internal rules Increase in cybersecurity risks associated with progress in digitalization	1 SQC First Reform	Degree of implementation of SQC First Reform	Undisclosed
			Number of defects	Undisclosed
			Number of work stoppage accidents	Undisclosed

Positioning of the Medium-term Management Plan 2027

We have designated the period of the Medium-term Management Plan 2027 as a time to lay the foundations for “Rebuilding and Growing as the New TAKAOKA TOKO with SQC First as Its Foundation.”

We will maintain the performance targets of the 2030 VISION announced in April 2021, aiming to achieve consolidated net sales of 150.0 billion yen and operating profit of 15.0 billion yen (operating profit margin of 10%) as our 2030 Management Targets.

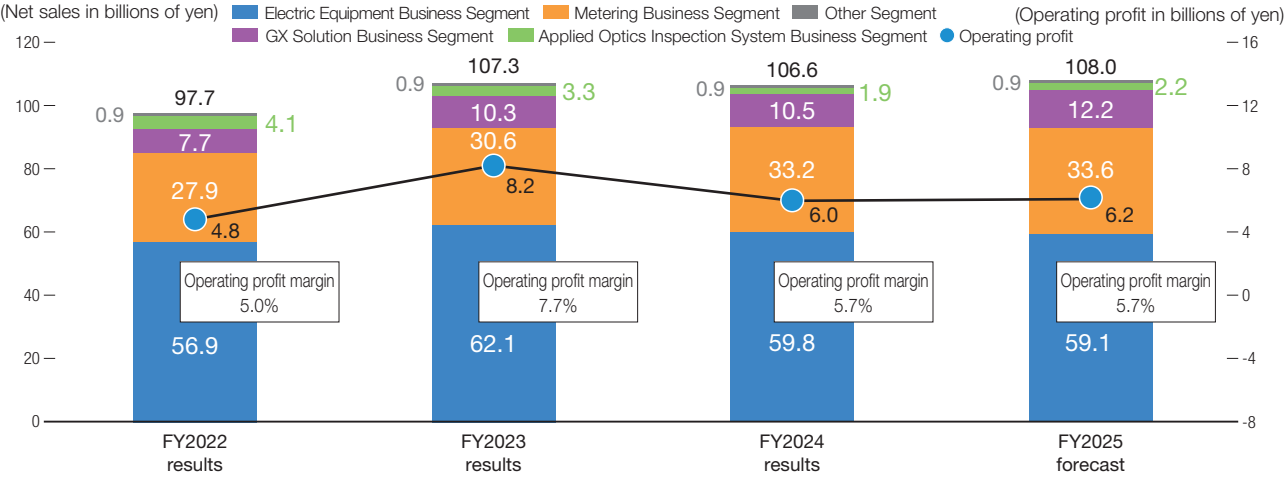
Review of the previous Medium-term Management Plan

During the previous Medium-term Management Plan period (from fiscal 2021 to fiscal 2023), ROE increased in line with the growth in net sales and profit and an improvement in the profit margin, reaching over 8% in fiscal 2023.

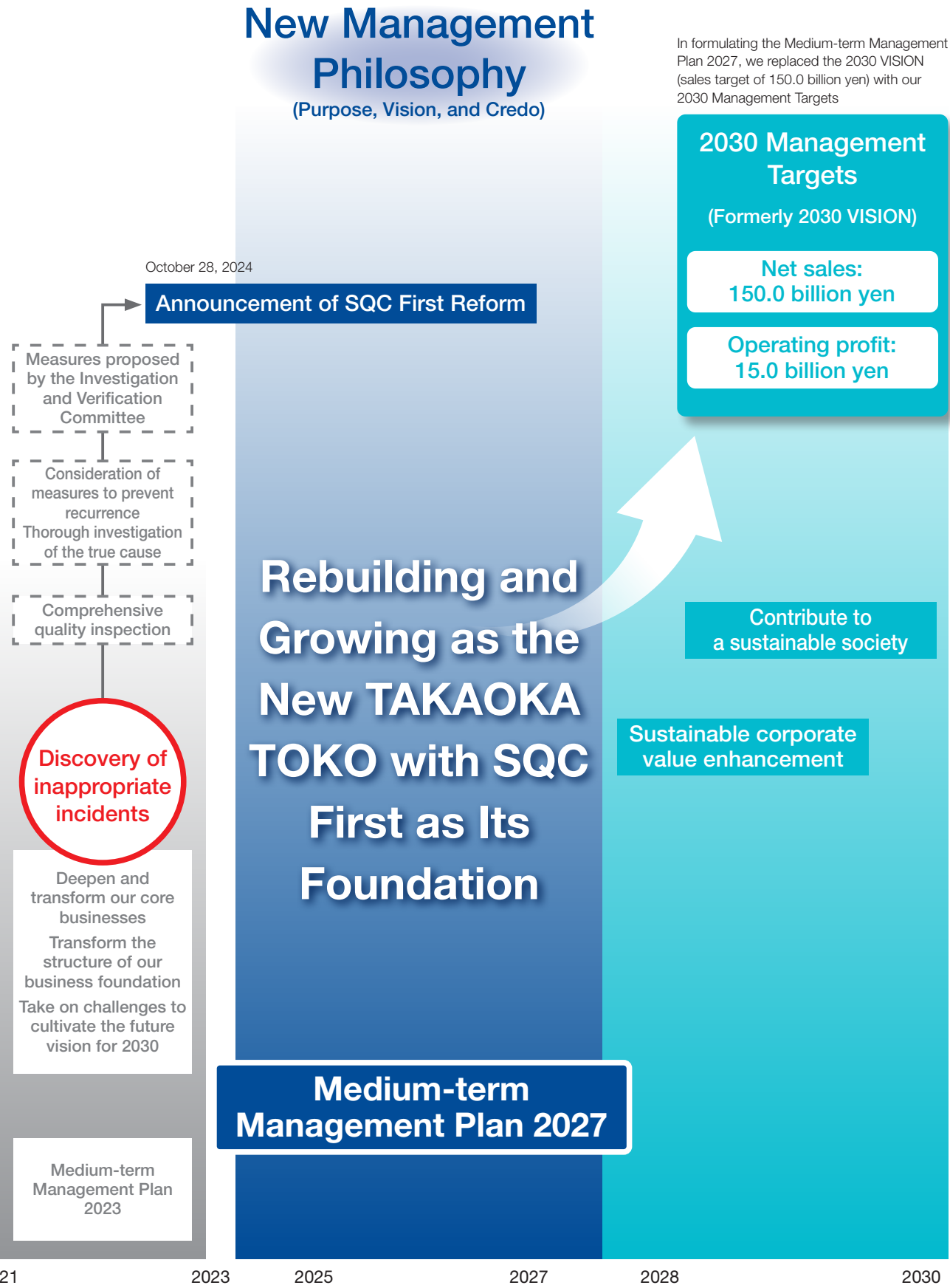
In fiscal 2024, however, both net sales and profit decreased year on year due to the impact of inappropriate incidents (customer service costs, missed sales opportunities, etc.).

Consolidated Performance Figures and Fiscal 2025 Forecast

Consolidated	FY2021	FY2022	FY2023	FY2024	FY2025 (Forecast)
Net sales (millions of yen)	91,936	97,752	107,378	106,624	108,000
Operating profit (millions of yen)	4,625	4,847	8,247	6,094	6,200
Operating profit margin (%)	5.0	5.0	7.7	5.7	5.7
Profit attributable to owners of parent (millions of yen)	3,279	2,919	4,668	3,824	3,900
Return on equity (ROE) (%)	6.5	5.5	8.3	6.4	6.4



Positioning of the Medium-term Management Plan 2027 and 2030 Management Targets



Medium-term Management Plan 2027

Changes in Internal and External Environment

	External environment	Internal environment
External environment	Political - Planned facility renewal through a revenue cap system - Next-generation electric power network for realization of GX2040 vision - Formulation of the 7th Strategic Energy Plan (achieving both stable supply and decarbonization for electricity demand such as DX)	Political - Deteriorated product quality and eroded trust of stakeholders in our group due to a series of inappropriate incidents - Lack of instillment of management's thoughts and policies - Insufficient human resources due to recruitment difficulties and lack of training initiatives - Delay of DX to support business advancement and labor saving
	Economic - Increase in electricity demand due to growth in data centers, semiconductor plants, etc. - Increased pressure on wages due to labor shortages and rising prices - Actions to achieve management that is conscious of cost of capital	
	Social - Growing interest in sustainability of society and the environment - Decrease in workforce in Japan - Growing need for BCP and resilience	
	Technology - Digital grid and IoT - Advanced energy use - Advanced facility operation and maintenance through sensing technology	

Our approach

- Establish a system for market expansion of Electric Equipment Business and Metering Business
- Shift to selling services integrated with digital solutions
- Improve capital efficiency Optimize cost of capital
- Promote DX further, improve productivity
- Implement SQC First Reform
- Establishment and instillment of New Management Philosophy

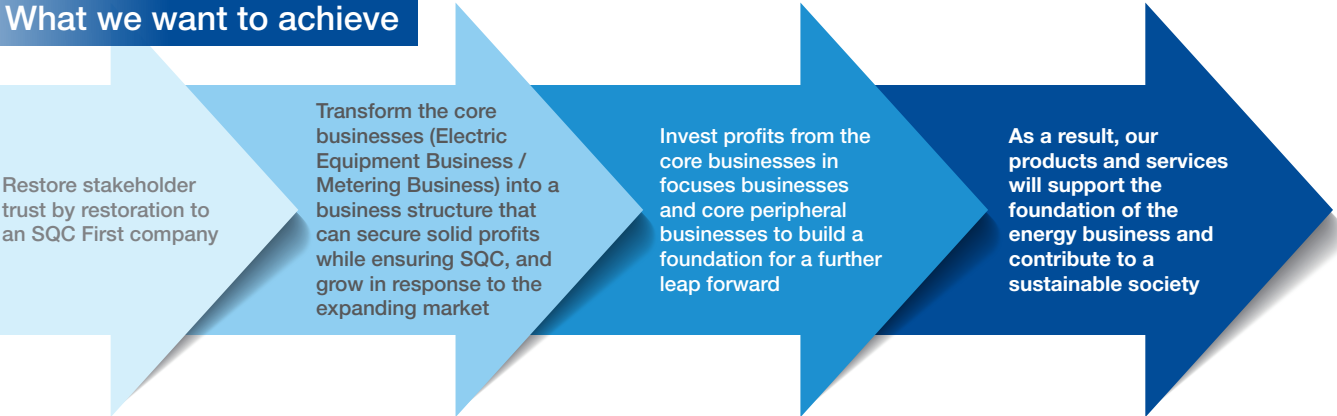
Target Consolidated Business Performance

Considering the partial residual impact of the inappropriate incidents and the impact of investment plan trends of the TEPCO Group, the business performance in fiscal 2025 is expected to remain almost flat from fiscal 2024. We will promote various measures based on the basic policies and aim to achieve V-shaped growth in the plan for fiscal 2027 to a level that exceeds the record-high profits of fiscal 2023.

	2024 (Results)	2025 (Plan)	2027 (Plan)
Consolidated net sales	106.6 billion yen	108.0 billion yen	120.0 billion yen
Consolidated operating profit	6.0 billion yen	6.2 billion yen	9.0 billion yen
Profit attributable to owners of parent	3.8 billion yen	3.9 billion yen	5.5 billion yen
ROE*1	6.4%	6.4%	8.0% or more
ROIC*2	6.6%	6.6%	8.0% or more
Equity ratio	53.6%	Around 53.0%	Around 50.0%

*1 Profit attributable to owners of parent ÷ Equity *2 Operating profit x (1 - Effective tax rate) ÷ (interest-bearing debt) + Equity

What we want to achieve



Basic policies

1 SQC First Reform

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

2 Revitalization and Strengthening of Core Businesses

- Rebuild business processes
- Promote optimal operations at a Group level

3 Rebuilding Our Growth Strategy

- Identify and strengthen growth businesses

4 Strengthening the Management Foundation

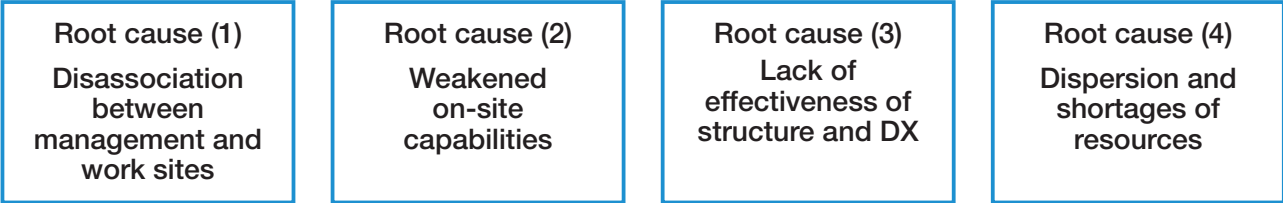
- Strengthen sustainability initiatives

Basic policies (1) SQC First Reform

Overview of Series of Incidents of Impropriety

Publication date	External announcements
August 27, 2021	Notification of Improper Cases Related to Quality Control
May 16, 2023	Incidents of Impropriety Regarding Certain Instrument Transformer Products
January 22, 2024	Notification of Incidents of Impropriety Regarding Extra-high-voltage Transformer Products
May 14, 2024	Incidents of Impropriety Regarding Certain Instrument Transformer Products Receipt of Interim Report from Investigation and Verification Committee on Incidents of Impropriety Regarding Extra-high-voltage Transformer Products
September 19, 2024	Receipt of Supplementary Report and Final Report from Investigation and Verification Committee Results of Total Quality Inspection
October 28, 2024	SQC First Reform Based on Reflections on and Lessons from a Series of the Incidents of Impropriety, and Personnel Affairs for Directors and Executive Officers

The Company has identified four root causes of the occurrence and continuation of inappropriate incidents to date.



Overview of SQC First Reform (Four Reforms)

Based on reflections on and lessons from a series of incidents of impropriety, we formulated four pillars of reform as the SQC First Reform for four root causes, aiming once again for restoring and growing to a company that prioritizes SQC. We will execute the SQC First Reform with all our employees to restore trust of our stakeholders.

Reform (1)

Foster a culture of Kodo (thinking and acting) “SQC First” in an integrated manner from management to work sites

- Close the distance between management/headquarters and work sites, and build a trusting relationship with each other
- Foster and entrench a culture of Kodo (thinking and acting) “SQC First” in an integrated manner from management/headquarters to work sites

Reform (2)

Advance on-site capabilities and create people and organizations to support these

- Advance on-site capabilities of each organization and work site to a higher level where employees can educate themselves and promote problem finding and Kaizen
- Strengthen measures to secure, foster, and evaluate human resources and Kaizen activities for making people and organizations to facilitate the advancement

Reform (3)

Secure “SQC First” in the structure and environment

- Improve (Kaizen) the structures, such as the QMS and internal control system, and enhance quality management and risk detection, preventions, and response
- Accelerate factory DX initiatives, such as making smart factories, visualizing factories, and changing value chains

Reform (4)

Concentrate Resources (People, Money, Technology) Through Business Structure Reforms

- Promote structure reforms, such as business selection, concentration, and alliances, and concentrate resources (people, money, technology) to the business aiming to ensure quality and growth

Basic Policy (2) Revitalization and Strengthening of Core Businesses

We will promote the rebuilding of business processes and the establishment of optical operations at a Group level

Electric Equipment Business

Amid the ongoing market growth, we will establish the growth foundation by quality improvement of extra-high-voltage power reception and substation equipment, expansion of manufacturing capacity, optimization of high-voltage equipment production sites, promotion of factor DX, development of environmentally friendly and IoT products, etc.

- Business revitalization and growth through partnering in extra-high-voltage power reception and substation equipment business
- Supply of power reception and substation equipment for large-scale facilities such as data centers
- Target productivity enhancement through consolidation of dispersed production sites and DX
- Development of environmentally friendly products to meet market needs
- Development of advanced sensing technology and expansion of service business
- Development of new services capable of accommodating next generation networks

Details from P.39

Metering Business

In addition to the stable expansion of the instrument transformer business, we will take advantage of the opportunity of the introduction of second-generation smart meters by electric power companies (from fiscal 2025) to expand our market share by strengthening our competitiveness and expand our business to peripheral areas such as the Smart meter assembly & delivery center businesses.

- Stable supply and increase in market share of second-generation smart meters
- Expansion of value chain for second-generation smart meters through the Smart meter assembly & delivery center business
- Reinforcement of manufacturing capacity and expansion of sales through expansion of oil-to-gas transformer plant
- Improvement of productivity through automation of manufacturing and testing of molds and oil-to-gas transformers
- Expansion of gas VT businesses in growth markets of China and India
- Development and market launch of SF6-alternative gas products

Details from P.43

Basic Policy (3) Rebuilding Our Growth Strategy

We will promote the identification and strengthening of growth businesses

GX Solution Business

We will establish GX Solution Business, which contributes to resolving social issues (expansion of renewable energy and local production for local consumption, full-scale spread of EVs, energy saving and CO2 reduction, decarbonized city planning, etc.) toward the realization of carbon neutrality, as a profitable business.

- Stabilization of earnings and early return to profitability by streamlining product portfolio and concentrating resources
- Expansion of product and service lineup in SERA series and expansion of customers
- Enter the next-generation Advanced Metering Infrastructure (AMI) business and development of data utilization business
- Ongoing receipt of orders and expansion of PPP/PFI business
- Expansion of energy management services for the realization of carbon neutrality

Details from P.47

Applied Optics Inspection System Business

We will achieve V-shaped growth through the launch of products in response to the evolution of leading-edge semiconductors (chipletization) and exploration of new customers in Japan and overseas, leveraging our strength of having the biggest market share of bump inspection equipment for state-of-the-art packaged substrates in Japan.

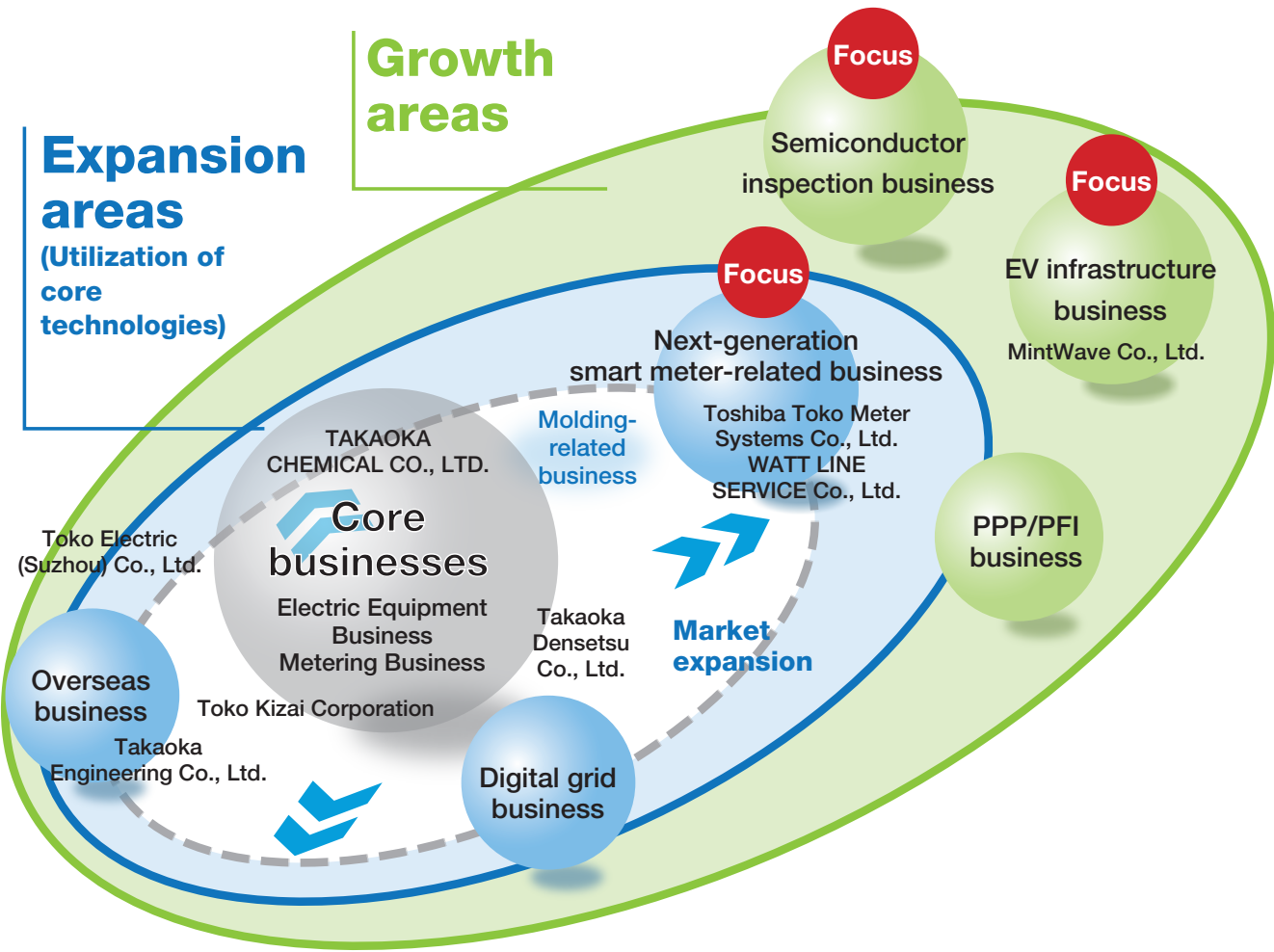
- Launch of products in response to increased demand for bump inspection resulting from evolution of leading-edge semiconductors
- Exploration and expansion of customers in Japan and overseas for the expansion of sales

Details from P.51

Future Vision of Business Portfolio

In addition to responding to market expansion, the Company aims to increase sales both in expansion areas of adjoining areas utilizing our core technologies and in growth areas where we have refined our proprietary technologies.

We will allocate resources to the second-generation smart meter-related business, EV infrastructure business, and semiconductor inspection business, which are expected to grow in the future, as focus businesses.



	Consolidated net sales		
	2024 (Results)	2027 (Plan)	2030 (Target)
Core businesses	80.0 billion yen	81.0 billion yen	98.0 billion yen
Expansion areas	21.0 billion yen	28.0 billion yen	36.0 billion yen
Growth areas	5.0 billion yen	11.0 billion yen	16.0 billion yen

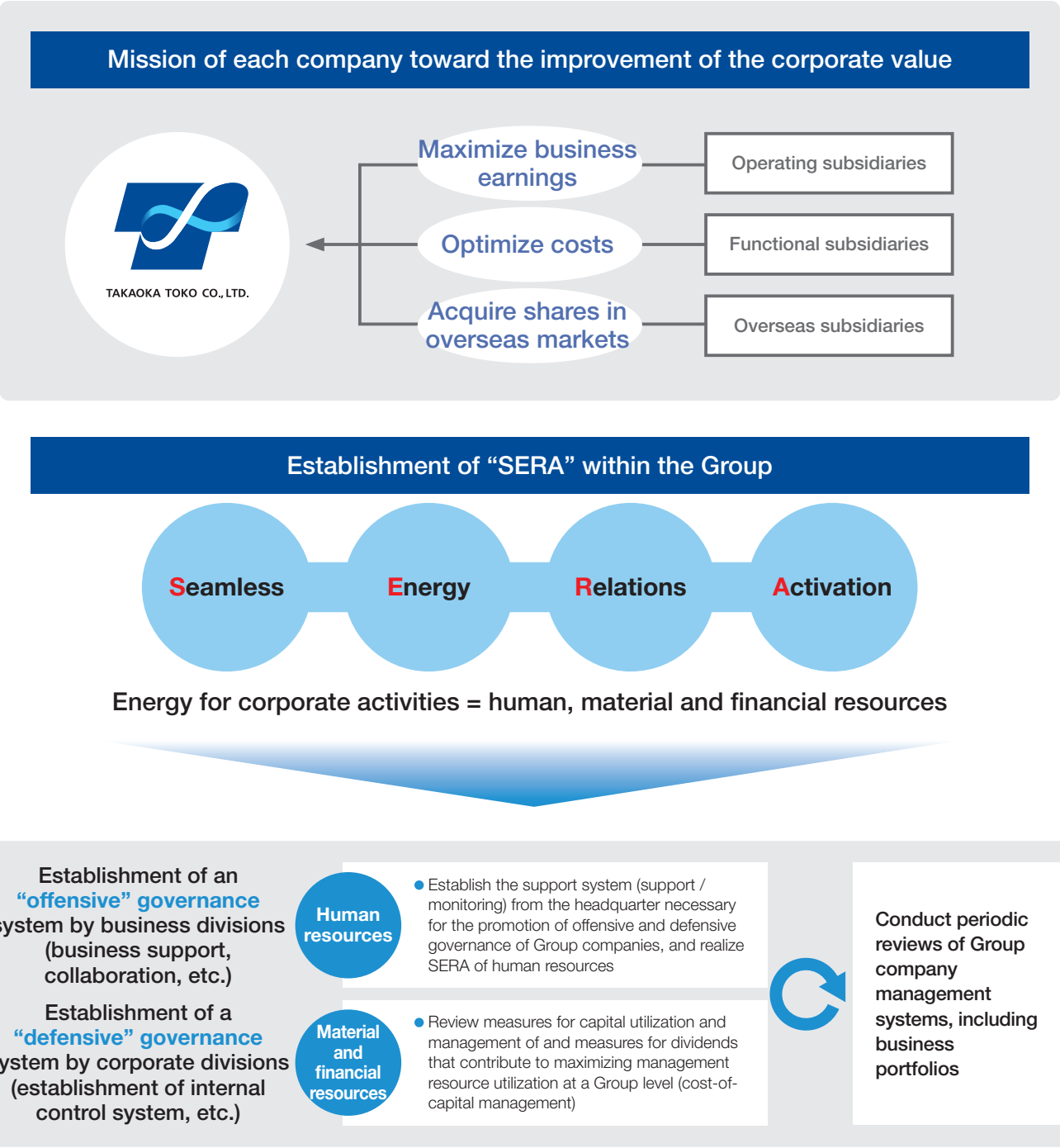
Basic Policy (4) Strengthening the Management Foundation

We will promote the strengthening of sustainability management initiatives

Strengthening of the Group Governance

Realize SERA between the headquarter and each Group company and maximize the corporate value while maintaining SQC First in the entire Group

Consider and introduce the following measures: clarification of the mission of each operating subsidiary, functional subsidiary, and overseas subsidiary, business portfolio optimization at a Group level, establishment of offensive and defensive governance (support, collaboration, and governance) systems, and cost of capital management (ROIC development).



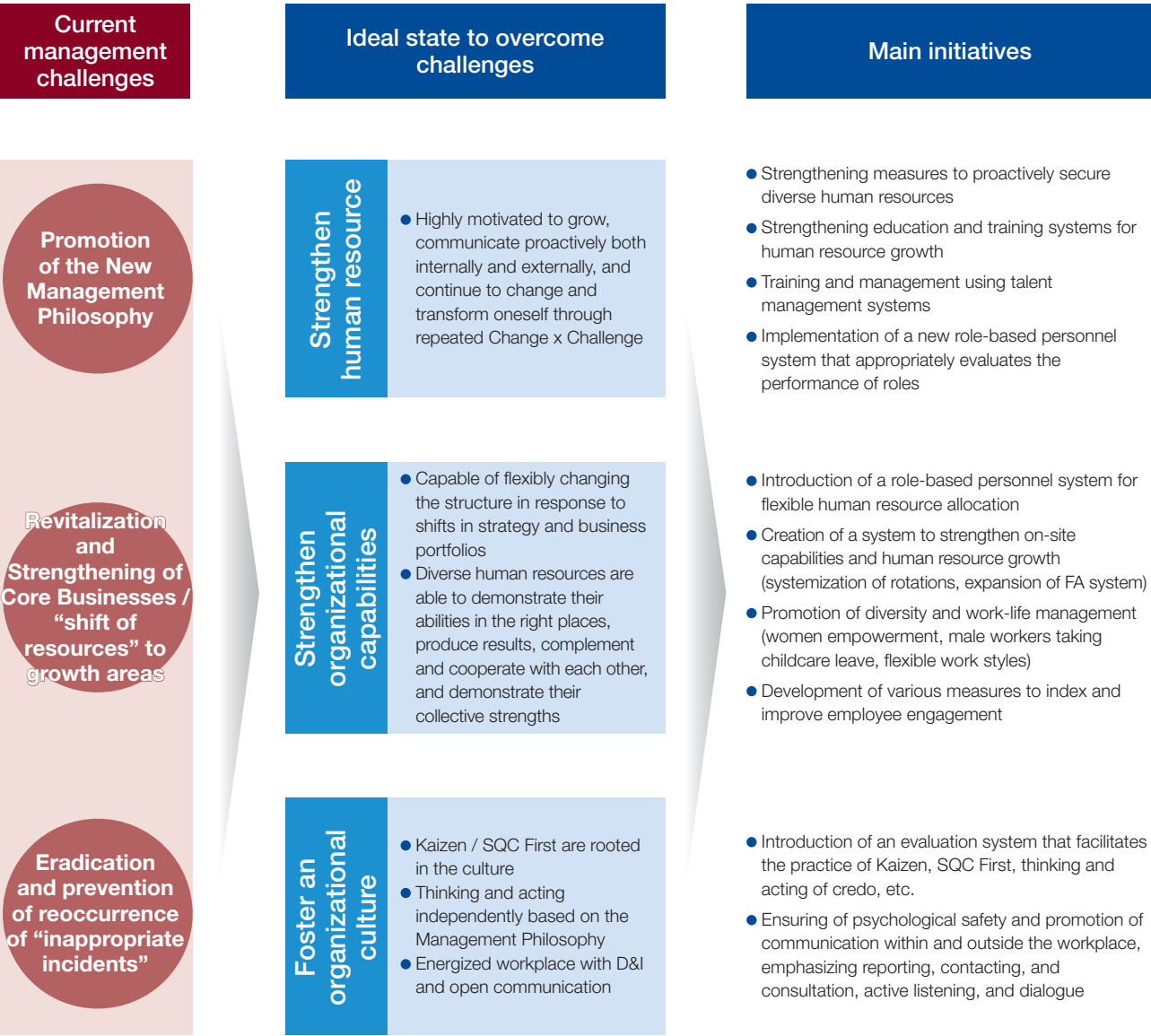
Value Enhancement of Human Capital

Strengthen measures for human resources toward the realization of energetic people and organizations where diverse people gather and are motivated to co-create and keep challenging themselves

Systematically promote measures for securing (hiring) and strengthening the training (OJT / Off-JT, rotations, etc.) of human resources that support growth, thinking and acting based on the Credo and introduction of a new personnel system that evaluates performance fairly, expansion of human capital investment (3 years: + 6.0 billion yen over for education, salaries, etc.), and engagement improvement, etc.

Aim to achieve 5% increase* in sales per employee by productivity improvements through promotion of DX and Kaizen

*TAKAOKA TOKO, non-consolidated



DX Strategy

Our Entire Company Is Working Together on Kaizen, and Is Accelerating TAKAOKA TOKO's DX Using Cutting-edge Digital Technology and Data.

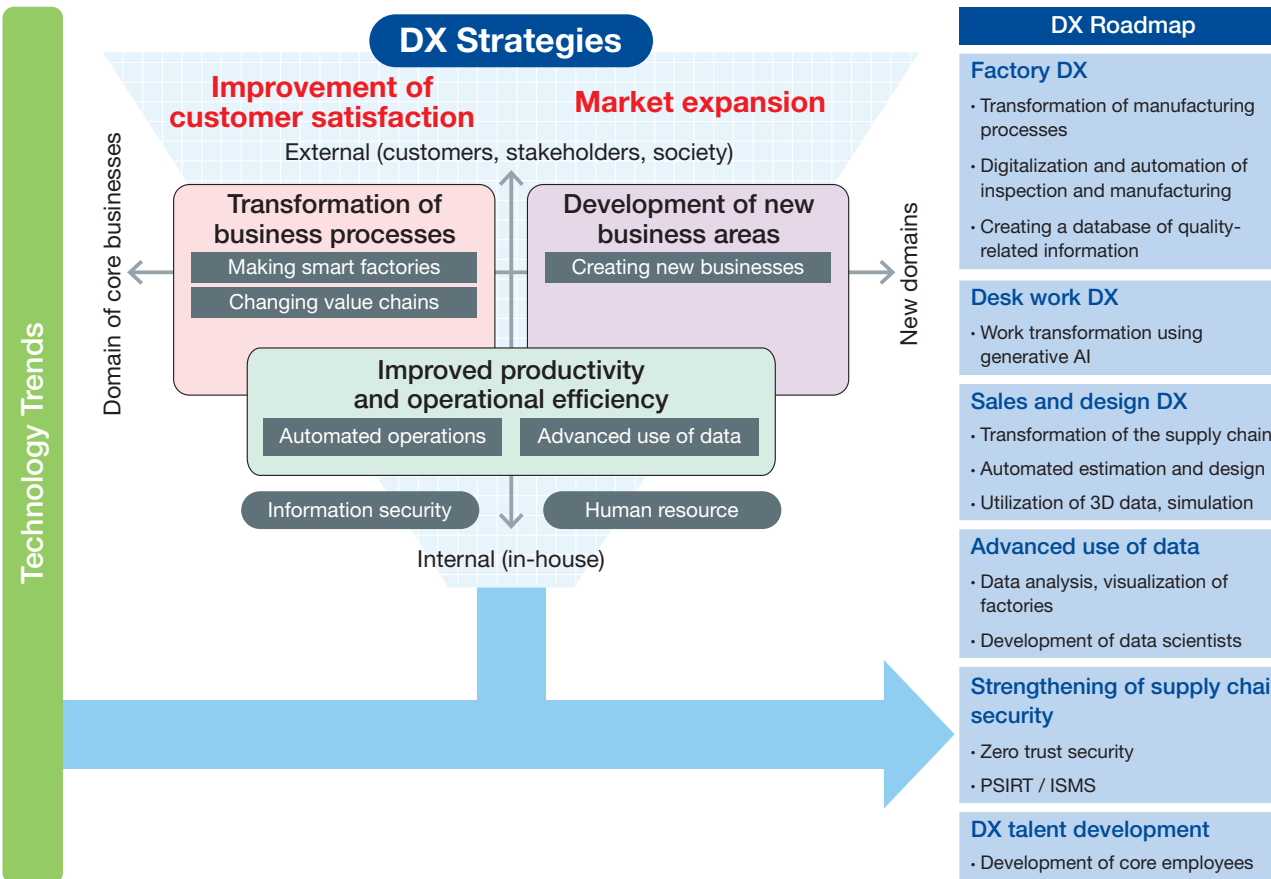
In order to realize the Group's vision (our goal), we are more strongly promoting Kaizen and digitalization that we have been working on for some time. At the same time, the entire Group is working on the TAKAOKA TOKO Digital Transformation Strategy (TKTK-DX) to create innovation by making full use of the latest digital technology and data.

We have been selected as a DX certified operator* by the Ministry of Economy, Trade and Industry, in recognition of TKTK-DX's basic strategy, and promotion system, among other things.

* A DX certified operator is a business that has formulated a vision and developed strategies and systems, and is ready to promote DX in light of changes in society and the competitive environment caused by digital technology.



Under the DX Strategy, we formulated and are promoting a six-point DX roadmap in response to changes in global technology trends and the SQC First Reform.



In our DX strategy, for the time being, we will especially focus on “Factory DX” of SQC First Reform, “Desk work DX” by generating AI, and “DX talent development,” which will serve as the foundation.

Factory DX

We will transform our factories by building smart factories that improve productivity and quality through the automation of operations and transportation, the visualization of equipment and manufacturing processes, and the streamlining of manufacturing processes through data collection and analysis.

- We will accelerate initiatives to build processes that do not require human intervention and to strengthen process control, including digitalization of check sheet (inspection: until March 2027, manufacturing: until March 2028), visualization of production status (until March 2027), and digitalization and automation of manufacturing and inspection lines (sequentially).

Example of digitalized check sheet

Example of screen on a tablet

Characteristics

- Input by digital caliper without human intervention
- Storage and traceability by data
- Display check points with pictures and illustrations

Automation of manufacturing (technical verification)

Assembly by collaborative robots

Verification items

- Transport and assembly of components
- Screw tightening (M8-10 hexagon head bolt)
- Positioning using force sensors
- Alignment using an imaging camera

* Collaborative robot: robot that can be installed without safety fences and allows people to work within the robot's range of movement

Automation of inspection (technical verification)

Inspection with sensors and cameras

Verification items

- Determination of appearance defects such as discoloration, scratches, etc.
- Dimensional measurements
- Confirmation of the presence of parts and check marks
- Determination of whether parts are in good condition for installation

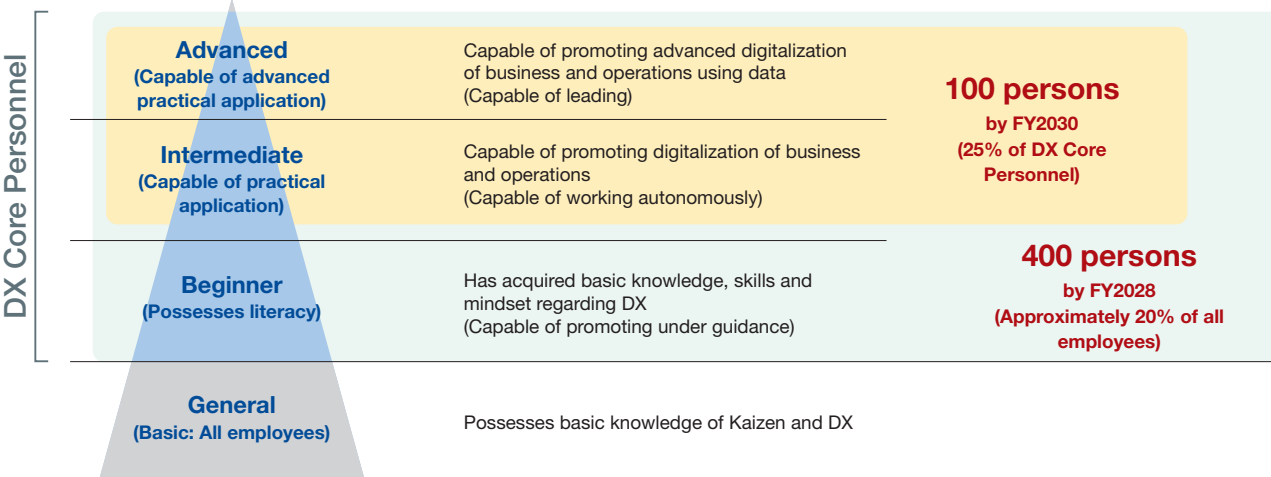
Desk work DX

We will use digital technology to automate business processes. In addition, we will proactively utilize generative AI and expand its application to business domains that require more advanced judgment and recognition.

DX talent development

We will develop talent who can understand how data and digital technologies can be utilized and who can transform our business and operations.

- DX talent will be classified into four levels: “Basic,” “Beginner,” “Intermediate,” and “Advanced,” and developed accordingly. In particular, those at the “Beginner” level or above will be designated as Core DX Personnel, and we will train 400 people at the “Beginner” level or above by fiscal 2028, of whom 100 will reach the “Intermediate” level or above by fiscal 2030.



CFO Message

Ensuring Financial Soundness and Growth While Enhancing Corporate Value

Osamu Sato
Managing Executive Officer (CSO, CFO)



Cash Allocation for Sustainable Growth

To achieve sustainable growth toward fiscal 2030, expanding operating cash flow and strategically allocating generated funds will be essential. Our focus will be on strengthening the foundation of existing businesses, investing in Digital Transformation (DX), and advancing research and development (R&D) to support future business expansion.

In the Medium-term Management Plan 2027, we present our three-year cash allocation. This is to help shareholders and investors understand the Group's approach to cash generation, the use of the cash generated, and financial management, as well as deepen communication with shareholders and investors.

I think that there are three key points to this cash allocation.

The first point is the maximization of operating cash flow, efficient asset management, and the effective use of interest-bearing debt.

We aim to maximize operating cash flow through the stable management of the Group's core businesses, which are its foundation. At the same time, we will focus on businesses that aim to ensure quality and grow through selection and concentration, and conduct asset management with consideration for asset efficiency. We will also consider utilizing interest-bearing debt for further expansion.

The second key point is the implementation of our plan to invest a total of 47.0 billion yen (including R&D expenditure) in rebuilding our foundation and achieving further growth.

In addition to promoting factory DX and ensuring SQC by taking measures to address aging facilities, etc., we will plan and execute investments that significantly exceed the previous Medium-term Management Plan period (2021 to 2023: approximately 15.0 billion yen) to strengthen our core businesses and build a growth platform for focus businesses.

The third point is shareholder returns.

Regarding the distribution of profits, we believe that returning business profits to shareholders is one of the most important issues for management. Based on our policy on shareholder returns, described below, we plan to pay a total of 4.0 billion yen in dividends during the Medium-term Management Plan. We will also consider implementing further returns, including purchase of treasury shares.

Balance Sheet Control and Maintaining a Sound Financial Structure

The Group's balance sheet as of the end of fiscal 2024 records total assets of 113.6 billion yen, net assets of 66.4 billion yen, interest-bearing debt of 3.7 billion yen, and an equity ratio of 53.6%, which we believe indicates that the Group is maintaining a stable financial structure. As the Group aims for further growth, we will pursue an optimal capital structure by actively considering the use of interest-bearing debt and promoting medium- to long-term balance sheet control, while securing financial soundness from the perspective of efficient capital management.

The basic policy is to maintain and manage a minimum required level of funds, while continuing to promote the effective use of funds held based on the Group's internal cash management system, which is in operation, from a Group-wide perspective.

We also recognize asset utilization as an important issue to consider.

By pursuing these initiatives, we will strengthen our business portfolio, achieve profit growth, and improve capital efficiency.

Policy on Shareholder Returns

At the TAKAOKA TOKO Group, we view the return of profits to shareholders as a key issue. In fiscal 2025, we have revised the Group's dividend policy to further improve capital efficiency, achieve sustainable growth, and return the results of this growth to shareholders.

Specifically, we will transition from the previous stable dividend to a performance-linked dividend, aiming for a dividend payout ratio of 30%.

(We may take into consideration the impact of any specific, non-recurring factors that may arise.)

During the period of the Medium-term Management Plan 2027, we plan to invest a significant amount to ensure SQC, strengthen our core businesses, and build a growth platform for focus businesses. However, we aim to further enhance dividends in line with improvements in corporate value (see page 53).

Dialogue with Shareholders and Investors

Dialogue with shareholders and investors is one of our top priorities. To enhance corporate value, of course, it is crucial to encourage a general understanding of the attractiveness and future growth potential of our businesses. In many cases, however, the opinions and points raised by our shareholders and investors provide new insights for us, and we will actively utilize them within the Group and collaborate with the CSO and the Corporate Planning Department to facilitate discussions and improvements in management.

We will strictly monitor the progress of the Medium-term Management Plan 2027. By providing regular briefings on this progress, we aim to boost shareholder and investor trust in TAKAOKA TOKO's businesses and, as a result, reduce the cost of capital.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

We have established ROE and ROIC as management KPIs under the Medium-term Management Plan 2027 to ensure efficient management of the TAKAOKA TOKO Group. In fiscal 2024, we achieved ROE of 6.4% and ROIC of 6.6%, and we are working to achieve ROE of 8% or more and ROIC of 8% or more by fiscal 2027.

As of March 31, 2025, the Company's PBR was around 0.6, but this had risen to around 0.8 by July 31, 2025, showing signs of improvement. We will continue to work toward further improvement, targeting a PBR of 1.0 in the near term.

Specifically, as measures to improve ROE, we are engaged in 1) pursuing profit margin enhancement through Kaizen and DX and reforms of the earnings structure and 2) capital efficiency through thorough balance sheet control and ROIC management. To improve PER, we are engaged in 1) the promotion of sustainability management, and 2) active dialogue with shareholders and investors, together with the enhancement of shareholder returns.

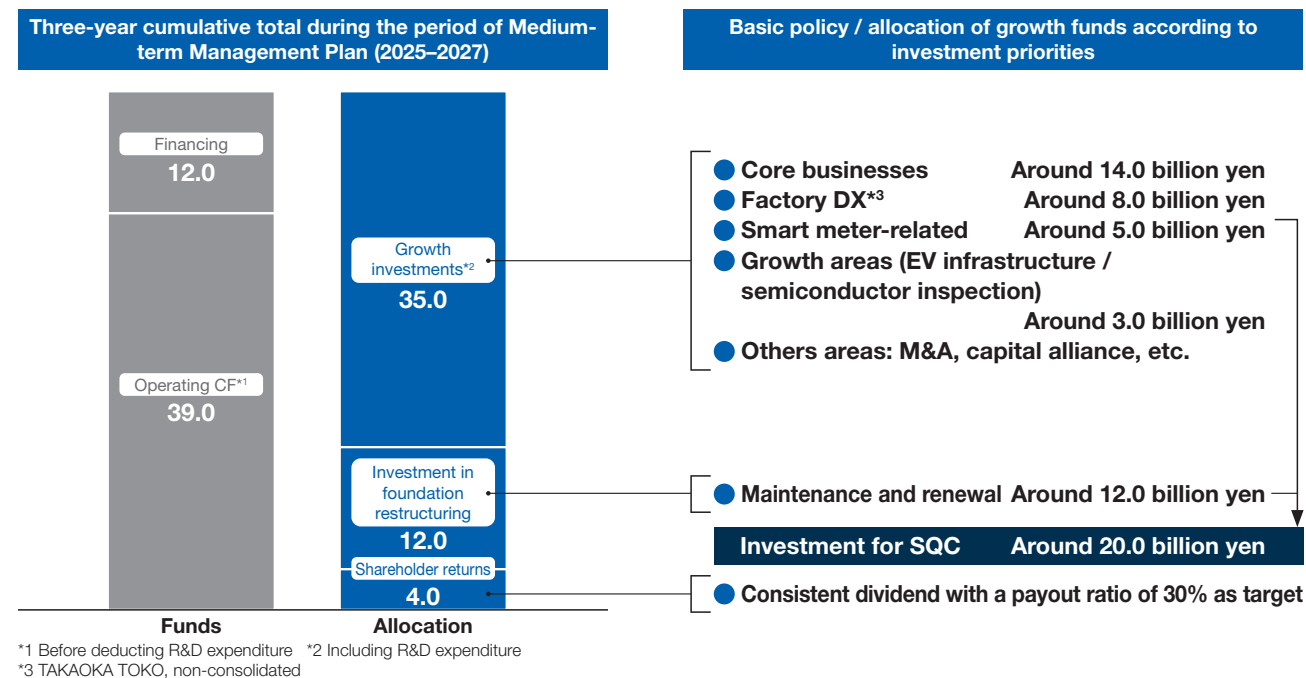
We believe that the Company's cost of shareholders' equity is approximately 8% to 9%, and the WACC is approximately 7% to 8%. At present, ROIC is lagging below WACC. To raise ROIC from this level to 8% or more by fiscal 2027, we will continue to steadily advance the measures we have been working on so far, such as thorough and more extensive ROIC management.

In fiscal 2025, we plan to increase R&D investment by 0.6 billion yen compared to fiscal 2024, resulting in a total of 4.3 billion yen. This investment will be directed primarily toward emerging fields, such as the development of 400kW quick chargers and research related to power adjustment functions. In our core businesses, key initiatives will include basic research on 154kV transformers and the development of distribution system stabilization equipment. Capital expenditures for fiscal 2025 are planned to rise by 6.6 billion yen compared to fiscal 2024, reaching 10.7 billion yen, with a focus on both profitability enhancement and business expansion into new fields. Key investment areas will include strengthening the Metering Business and extending oil and gas insulated instrument transformer production plants. Additionally, maintenance and renewal investments will support the centralization of manufacturing functions and seismic retrofitting at the Oyama Division. We will steadily implement the Medium-term Management Plan 2027 and thoroughly evaluate each investment to ensure alignment with our 2030 Management Targets. Execution will proceed based on a rigorous assessment of return on investment (ROI). In making investment decisions, we will cooperate with the CSO and the Corporate Planning Department to promote further Kaizen activities in the investment management framework, and link investments to an appropriate funding plan.

Financial Strategy

Cash Allocation

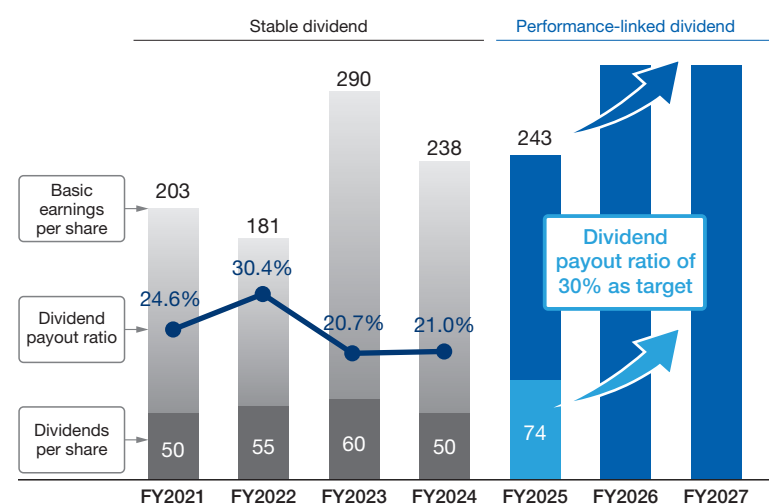
- We plan to invest a total of 47.0 billion yen (including R&D expenditure), significantly increasing from the previous Medium-term Management Plan period (2021–2023: around 15.0 billion yen), to strengthen core businesses and establish the growth foundation for focus businesses in addition to ensuring SQC for factory DX, measures for aging facilities, etc.
- We will review shareholder returns toward further expansion, as detailed below.
- These funds will be financed by operating cash flow as well as through the use of interest-bearing debt.



Shareholder Return Policy

- We will revise our shareholder return policy from “stable dividends” to “performance-linked dividends,” aiming to further increase shareholder returns while improving corporate value.
- During the period of the Medium-term Management Plan 2027, we set a target dividend payout ratio of 30%, taking into consideration the substantial amount of investment planned for SQC investment, strengthening core businesses, and building the growth foundation of focus businesses.

Basic earnings per share and dividends amount (yen) and dividend payout ratio



* Dividends per share include a commemorative dividend of 5 yen for fiscal 2022 and a special dividend of 10 yen for fiscal 2023.

Dividend Policy

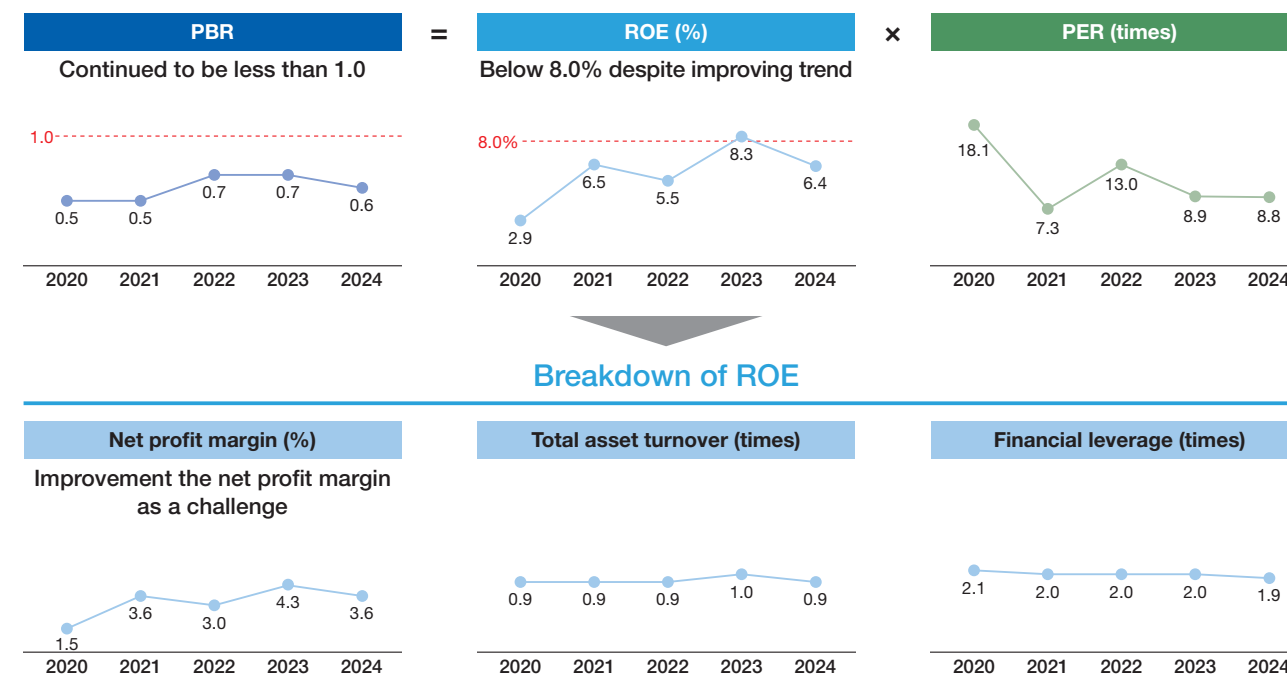
- Performance-linked based on each fiscal year's results
- Dividend payout ratio of 30% as target

- In the event that profit attributable to owners of parent significantly fluctuates due to nonrecurring special factors, the dividend amount may be determined taking into account the impact of such factors.
- Applied from the fiscal year ending March 31, 2026 (fiscal 2025)

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

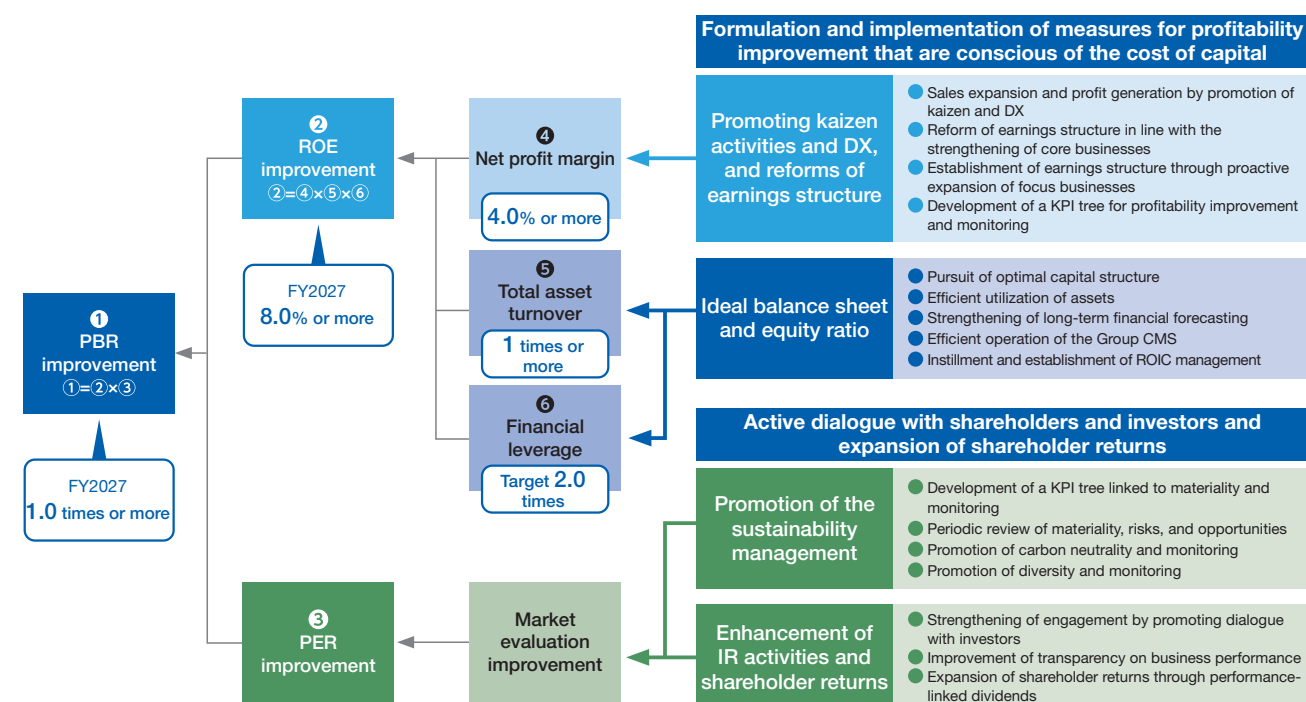
Analysis of the current situation

- While the Group's PBR is rising, it has remained below the target level of 1.0.
- The main cause of this is the low level of ROE (remaining below 8%, with the exception of fiscal 2023). Breaking down ROE, we recognize that improvement of the net profit margin is a challenge.
- Regarding PER, we recognize the importance of strengthening engagement by promoting dialogue with stakeholders.



Initiatives for improvement of PBR

- To achieve ROE of 8.0% or more, we will increase the net profit margin by thoroughly promoting kaizen activities and DX, as well as reforms of earnings structure that are conscious of cost of capital.
- Further, to increase PER, we will promote sustainability management, strengthen IR activities, and expand shareholder returns.
- By implementing these measures, we aim to achieve a PBR of 1.0 or more in fiscal 2027.

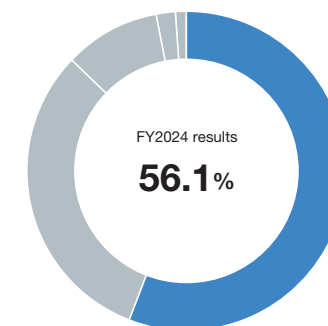


Electric Equipment Business Segment

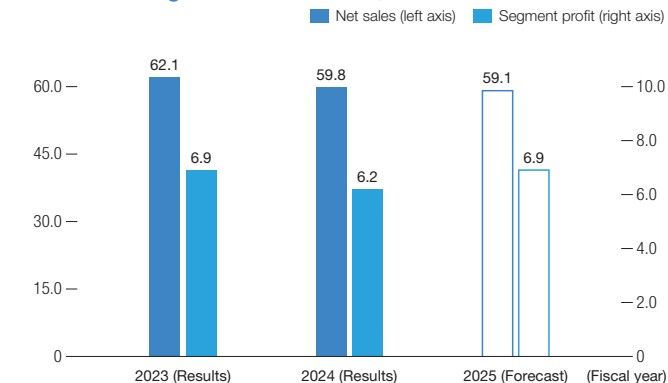
Business Overview

The Electric Equipment Business Segment consists of the Power Equipment & System Business and the Electric Equipment Business. We propose products and services best suited to our customers' diversifying needs and provide comprehensive support from construction to operation of electrical facilities. As well as providing substations for electric power companies, we are a one-stop provider of optimal power equipment and systems for customers in the public sector, the industrial sector, and overseas markets. We manufacture transformers, instrument transformer products, switches, and other products in-house that support a stable supply of electric power in Japan, which is widely considered to be the most advanced country in the world in terms of the efficiency of power distribution technology. By offering products and services that transform electricity into optimal and efficient forms, we continue to pioneer the future of society.

Sales Composition (%)



Net Sales/Segment Profit (billions of yen)



Electric Equipment Business Segment SWOT Analysis

	Positive factors	Negative factors
Internal environment	Strengths - History and achievements supporting the stable supply of electricity for 100 years - A lineup of optimal products (transformers, circuit breakers, disconnectors, switchgears, monitoring and control systems, etc.) installed in extra-high voltage substation (standard voltage 20 kV or more) power transmission and distribution facilities - A rich line-up of 6 kV power distribution equipment (overhead/subterranean and transformers/switches/controls) - Industry-leading knowledge gained through a proven track record in the delivery of digital substations for electric power companies	Weaknesses - Drastic improvements (Kaizen) to the business structure after a series of incidents of impropriety - Aging workforce and delay in transferring technology to younger workers - Aging production facilities and delay in adopting DX and smart factories - Expansion of resources for design, development, manufacture, inspection, and installation to meet growing demand - Enhancement of IT literacy on digital data associated with DX of social infrastructure
	Opportunities - The energy market maintains growth through DX (generative AI, robotics, etc.) and GX (increase in renewable energy, promotion of electrification, and a decarbonized market utilizing hydrogen, etc.) - Increasing demand for environmentally friendly products (SF₆ gas-less products, products utilizing biodegradable insulating oil/vegetable oil) - Expansion of new business opportunities in line with the unification of all power specifications - With the spread of renewable energy and the advanced operation of the power distribution network, the demand for voltage regulators and power distribution automation products (sensor switches and dual slave stations) has increased	Threats - Increased costs due to higher major material prices and semiconductor shortages - Higher logistics costs due to logistics industry issues in 2024 - Request for price reduction through unification of all power specifications - Overseas manufacturers entering the Japanese market - Entry into the social infrastructure market by industries other than heavy electric machinery manufacturers, driven by the acceleration of DX and GX

Reflecting on Fiscal 2024

Net sales increased to 59,878 million yen (up 0.6% compared to the performance forecast) and segment profit increased to 6,210 million yen (up 8.3% compared to the performance forecast). The increase in sales was primarily driven by the steady performance of power receiving and

transforming equipment for general plant projects, which exceeded the performance forecast. Profit increased due to the increase in sales of general plant projects and sales price revisions.

Comparison with Performance Forecast

	FY2024 results (A)	FY2024 performance forecast (B)	Change (A) - (B)	Percentage change (%)
Net sales	59,878	59,492	+386	+0.6%
Segment profit	6,210	5,734	+476	+8.3%



Plan and Results by Business Segment

Electric Equipment Business Segment

Major Initiatives in Fiscal 2024

Fiscal 2025 Plan

Major Initiatives

Delivered our First Vegetable Oil-fired 20 MVA Power Transformer for Electric Power Companies

This environmentally friendly power transformer uses palm fatty acid ester oil, which is highly biodegradable because it is made from plant-based oil. Due to the low viscosity and high moisture absorption of palm fatty acid ester oil, it requires the same or less installation space as conventional transformers, and is expected to have a longer transformer lifespan (when used in the same manner as conventional transformers).

Launched the Extra high-Voltage Power Equipment Business Reform Project with the aim of Rebuilding and Growing the Extra High-Voltage Substation Business (Power Transformers and Switchgear)

Through partnering, we will achieve drastic improvements (Kaizen) in technology, quality, and business structure for power transformers and gas-insulated switchgear. At the same time, we will invest intensively in aging factories and equipment, and aim for growth by turning them into “profitable factories” that can meet vigorous demand.

Established the “Managed Service Business Development Department” to Promote the Development of Grid Businesses using Digital Technology

While DX (generative AI, robotics, etc.) and GX (increased renewable energy, promotion of electrification, progress in hydrogen utilization) are driving significant growth, the increase in renewable energy has made power distribution networks more complex, leading to a growing trend toward more efficient energy use through advanced operations, lower initial costs, and minimal maintenance. To meet these market needs, we aim to implement advanced energy management in society using digital technology, such as developing a power adjustment platform for distribution systems (DSPF; Distribution Sustainable service Platform).

Completion of Contract Work for the “Project for the Improvement of Power Supply in the Isle of Youth” in the Republic of Cuba

Takaoka Engineering Co., Ltd., a TAKAOKA TOKO Group company, has completed the contract work for the “Project for the Improvement of Power Supply in the Isle of Youth” in the Republic of Cuba, which is a grant aid project from the Japanese government. This marks the 10th country in Latin America to have signed a contract with us.

Takaoka Engineering Co., Ltd. was contracted by NISHIZAWA LIMITED General trading company, a joint venture (original contractor) with Toshiba Energy Systems & Solutions Corporation, to design and procure substation equipment necessary for system stabilization (EMS, battery storage systems), and to dispatch supervisors, etc. In addition, transformers manufactured by TAKAOKA TOKO were delivered for this project.

Going forward, we will continue to undertake engineering, civil engineering, and construction work, and procurement, transportation, and installation of electrical equipment in order to contribute to the improvement of people's lives and the economic development of as many growing and emerging countries as possible.



Transformer manufactured by TAKAOKA TOKO delivered for this project



Countries with contract achievements in Latin America

Products & Services

<Underground Power Distribution System>

Automatic Aerial Multi-circuit Switch with a Built-in Sensor

Supports advanced operation of underground power distribution systems. With built-in high-precision voltage and current sensors, it is possible to monitor and control the status of the system precisely, contributing to the efficiency of power distribution system operations aimed at eliminating the need for utility poles.



Basic Strategies

For electric power companies	- Reliable response to renewal demand for aging equipment - Completion of development and market introduction in fiscal 2026 of a model change of pole-mounted automatic switches with a built-in sensor (compact and lighter case), following the completion of a model change of pole-mounted manual switches. - Development of mobile switchgear that contributes to resilience support - Research and development of technology for applying Spanish-made JIS insulators to disconnectors
For the private sector	- Expansion of sales of extra-high voltage substations for factories, extra-high voltage substations for renewable energy (for solar, wind, and storage stations), public/railway substations - Development of large, environmentally friendly transformers using vegetable oils as insulating oils - Completion of development and market introduction in fiscal 2026 of Top Runner oil-immersed molding type high-voltage transformer (Third Evaluation Criteria)
Overseas business development	- Expansion of orders for overseas EPC business (Takaoka Engineering Co., Ltd.) - Provision of power transformer manufacturing technology to HANAKA of Vietnam
Initiatives toward 2030	- Establishment of overseas production sites through overseas alliances - Establishment of sensing technology for digital substations - Securing of SQC First and enhancement of production capacity through the optimization and strengthening of production sites - Expansion of business domains through the market introduction of carbon neutral, resilience-enhancing equipment

Consolidation of Dispersed Production Sites for High-Voltage Equipment

We will consider consolidating dispersed production sites and functions of high-voltage equipment (small transformers, power distribution switchgears, and instrument transformers for metering services). (by the end of fiscal 2028 as target) At the consolidated plan, we will promote DX (automation and digitalization) to realize efficiency for production lines. (by the end of fiscal 2029 as target) We will aim to realize multi-skilled workforce by consolidating personnel, and flexible personnel composition according to production conditions.

Products & Services

<Overhead Power Distribution System>

6 kV Pole-mounted Automatic Switch with a Built-in Sensor

A voltage and current sensor is built into the automatic switch to measure the condition of the 6 kV power distribution line.

It transfers the measured data to a dual slave station, contributing to the efficiency of power distribution system operation.

Optical/Carrier System-compatible Remote Controller for Automatic Switch with a Built-in Sensor (Dual Slave Stations)

Used in combination with an automatic switch with a built-in sensor, it can monitor and control the system status of 6 kV power distribution lines precisely, contributing to the efficiency of power distribution system operation.

Pole-mounted Transformers

High-voltage oil-immersed transformer that is installed on utility poles and inside factories, etc. In addition to its high reliability, it also features excellent efficiency.

<Underground Power Distribution System>

Pad-mounted Distribution Voltage Transformers

High-pressure oil-immersed transformer installed on roads for underground power distribution lines. The double-structured transformer tank and outer case provide high safety and excellent reliability.

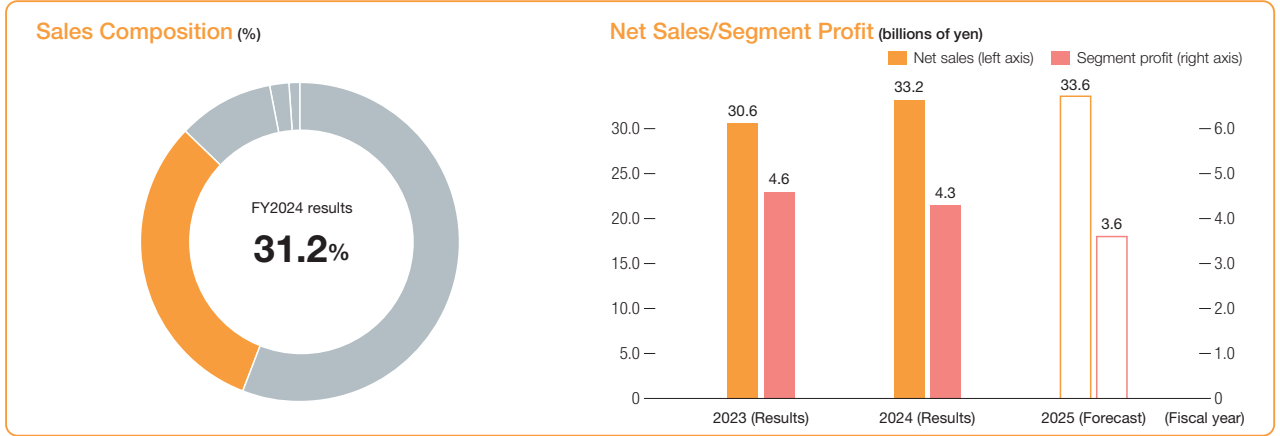


Plan and Results by Business Segment

Metering Business Segment

Business Overview

We develop and manufacture instrument transformer products applicable to all types of high-voltage metering, ranging from conventional power generation facilities such as thermal and hydroelectric power plants to solar, wind power, and other renewable power generation facilities, and smart meters essential for power grids and smart grids to promote energy conservation and the use of renewable energy. We provide one-stop electric power infrastructure services from upstream to downstream. Moreover, we are a leader in both instrument transformer products and electric meter replacement work, contributing to society with our metering solutions.



Metering Business Segment SWOT Analysis

	Positive factors	Negative factors
Internal environment	Strengths - A rich lineup of instrument transformer products with three types of insulation: molding, oil-immersed, and gas-insulated, depending on the voltage class and operating environment - Able to provide a one-stop service, from manufacturing and sales to testing and replacement work of instrument transformer products and measuring instruments - Holds unique products, such as molding type 77 kV EVT and molding type EVT for vehicles - Our Chinese manufacturing subsidiary (Toko Electric (Suzhou) Co., Ltd.) can provide low-cost products to overseas markets	Weaknesses - Necessity of early rebuilding of the quality control system after a series of incidents of impropriety - Aging workforce and delay in transferring technology to younger workers - Aging production facilities and delay in adopting DX and smart factories - Insufficient resources for design, development, manufacture, inspection, and installation to meet growing demand
	Opportunities - Expansion of new business opportunities in line with the unification of all power specifications - Start full-fledged introduction of second-generation smart meters from fiscal 2026 - Increased demand for gas-insulated type VTs, peripheral products, due to the growth of the domestic and overseas GIS market - Demand for environmentally friendly products (SF₆ gas-less VT, plant-derived insulating oil products) - Demand incorporation due to withdrawal of other companies - New demand associated with recycling society (epoxy-mold products)	Threats - Increased costs due to higher major material prices and semiconductor shortages - Higher logistics costs due to logistics industry issues in 2024 - Request for price reduction through unification of all power specifications - Overseas manufacturers entering the Japanese market

Reflecting on Fiscal 2024

Net sales increased to 33,234 million yen (up 1.3% compared to the performance forecast) and segment profit increased to 4,378 million yen (up 3.6% compared to the performance forecast). The increase in sales was primarily driven by steady performance across the board, including

smart meters, various instrument transformer products, and electric meter replacement works, which exceeded the performance forecast. Profit increased due to the increase in sales and the revision of selling prices.

Comparison with Performance Forecast					(Millions of yen)
	FY2024 results (A)	FY2024 performance forecast (B)	Change (A) - (B)	Percentage change (%)	
Net sales	33,234	32,818	+416	+1.3%	
Segment profit	4,378	4,226	+152	+3.6%	



Plan and Results by Business Segment

Metering Business Segment

Major Initiatives in Fiscal 2024

Fiscal 2025 Plan

Major Initiatives

Production of Outdoor Molding Type Earthed Voltage Transformer for Railway Vehicles

The earthed voltage transformer for railway vehicles, which uses outdoor epoxy resin, is a proprietary product of the Company.
A model change was made from the previous product, and insulation performance has been greatly improved to withstand a variety of actual usage environmental conditions.
We supply this product to various domestic railway companies.



Production of Molding Type Earthed Voltage Transformer for 66/77 kV C-GIS

This earthed voltage transformer can be embedded in a 72/84 kV-rated C-GIS. Through epoxy resin molding using advanced casting technology, it achieves 66/77 kV-class insulation as a molding type.
This product has been adopted by many domestic heavy electric machinery manufacturers.



Market Launch of 22 kV Molding Type Voltage Transformer

The existing 22 kV-class voltage transformers (two types) have been integrated and the lineup has been streamlined.
The insulation performance can withstand lightning impulse of 150 kV, and it can be used for protection, measurement, and electric power supply as before.



Change of Bushing for Oil-immersed-type Instrument Transformers

The 66 kV and 77 kV bushings used in the oil-immersed-type instrument transformers face a challenge in ensuring their stable supply, as bushings and hollow insulators are expected to be discontinued from production. To address these challenges, we selected molded insulation spacers and polymer bushings as alternative bushings and after conducting research and development, completed the development of insulation spacers.



Market Launch of Second-generation Smart Meters

The development of second-generation smart meters and establishment of manufacturing lines at Toshiba Toko Meter Systems have progressed as initially planned, and mass production began in July 2025.



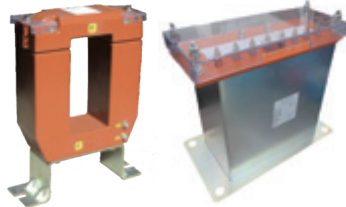
* This photo shows the current first-generation smart meter

Basic Strategies

For electric power companies	- Full model change of instrument transformer products (for electric power companies) - Streamlining of meter replacement work and administration including Group companies
For the private sector	- Model change of voltage transformers (for the general private sector) - Improvement of productivity through production line kaizen
Overseas business development	- Expansion of overseas gas-insulated type VT sales in China, India, etc. by Toko Electric (Suzhou) Co., Ltd. - Development of OEM production system utilizing Toko Electric (Suzhou) Co., Ltd.'s production capacity
Initiatives toward 2030	- Expansion of the smart meter business - Establishment of a business model that uses data on electricity, gas, and water - Development and introduction of products to reduce environmental impact

Market Launch of Current Transformer for Multi-circuit Integrated Power Meter

We have developed a current transformer for multi-circuit integrated power meters (main current transformer and composite current transformer) as a new addition to our lineup.
It is used in combination with multi-circuit power meters in low voltage spot network power distribution systems.
Market launch is scheduled for April 2026.



Ensuring Quality and Improving Productivity through Automated Transformer Tests

With the aim of fundamentally correcting inappropriate incidents, we will automate shipment test lines, and build a system to prevent the occurrence of inappropriate incidents by digitizing and automatically outputting test records and test results, which were previously dependent on inspectors.
In addition, by automating processes that were previously carried out manually, we aim to reduce the workload of inspectors and improve productivity.

Reinforcement of Manufacturing Capacity through Expansion of Oil-to-Gas Transformer Plant

In order to accommodate an expected increase in production going forward, we will expand buildings at the oil-to-gas transformer production plant and increase production capacity by 1.2 times by 2027.
During this expansion, we will streamline lines and enhance equipment to shorten lead times and improve productivity.
We will also address SQC by ensuring the safety of employees, and establishing and systematizing a framework to prevent the occurrence of defects and fraud.



Smart Meter Assembly & Delivery Center Business

- The structure of the second-generation smart meter consists of five units: Metering Division, Transmission Division, a base, a case, and a cover. Each unit can be procured from the most suitable manufacturer, ensuring mutual substitutability.
- At the Smart meter assembly & delivery center (Figure 1), we are responsible for the assembly, storage, and shipping of each unit provided by electric power companies, and we have the capacity to assemble 3.7 million units per year. In addition, production facilities are equipped with automated equipment (automated warehouses, automated depalletizing, automated assembly lines, and automated transportation of finished products) in consideration of labor-saving, and the automation rate is expected to be 85%.
- Construction of the new building began in fiscal 2023 and was completed in July 2025. Mass production is scheduled to begin in January 2026.



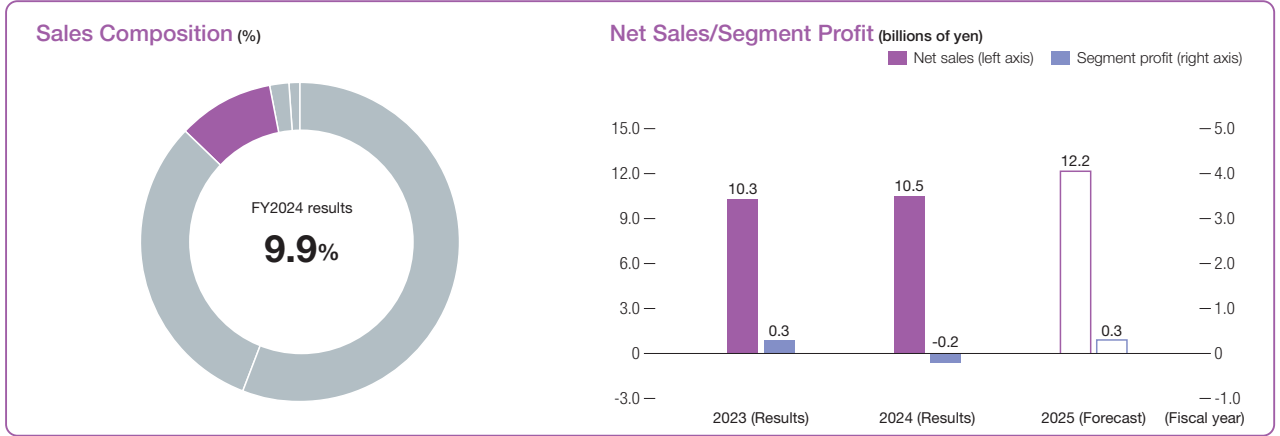
(Figure 1) Exterior of the Smart meter assembly & delivery center

Plan and Results by Business Segment

 GX Solution Business Segment

Business Overview

We propose diverse green transformation (GX) solutions by complementing or combining them according to customer needs and market trends. We offer products and services that support customers' GX initiatives. Our solutions include grid EMS solutions that integrate and control photovoltaic (PV) generation, EVs, storage batteries, P2G (power-to-gas), etc. to meet the needs of local production for local consumption of electricity using renewable energy in a region, securing of area BCP, effective use of surplus power, etc.; EV infrastructure solutions with a full lineup of quick chargers for EVs and one-stop services; power system stabilization solutions utilizing V2X and multi-charging systems; comprehensive metering solutions such as automated meter reading and joint meter reading; and various ZEB solutions using BEMS/FEMS etc.



GX Solution Business Segment SWOT Analysis

	Positive factors	Negative factors
Internal environment	Strengths - Highest cumulative sales volume and an extensive product lineup of quick chargers in Japan - Have a proven track record of introducing next-generation energy management systems (hereinafter "EMS") that maximize renewable energy (mainly solar power) and stabilize the power system in Japan - Have a foundation for a cloud-utilizing data business - An overwhelmingly lower failure rate compared to competitors	Weaknesses - Brands of charging infrastructure-related products are not pervasive - Delay in consideration of a business for the full-scale P2G (hydrogen) business - Structure of supply chain and partner companies are not complemented sufficiently - Lack of EMS product lineup
	Opportunities - Potential for a variety of business models (charging infrastructure, CPO services, V2X, etc.) centered on electric vehicles (hereinafter "EVs") - Public transportation, EV transportation, and the spread of autonomous driving (MaaS) to expand the market into derivative businesses - Market expansion through policies (subsidies, etc.) aimed at enhancing EV infrastructure - Market expansion by increasing subsidies and strengthening regulations of governments for decarbonization - Activating the PPP/PFI business market in the public utility domain	Threats - Sluggish EV infrastructure market due to slower global EV penetration - Expanding the spread of green energy other than electricity - Intensified competition due to an increase in entrants to decarbonization-related businesses

Reflecting on Fiscal 2024

Although net sales decreased slightly to 10,553 million yen (down 0.6% compared to the performance forecast), they were almost as planned. Segment profit was negative 206 million yen (segment profit in the performance forecast was

negative 318 million yen), representing a 112 million yen improvement in the deficit. This was primarily due to changes in model composition.

Comparison with Performance Forecast					(Millions of yen)
	FY2024 performance (A)	FY2024 performance forecast (B)	Change (A) - (B)	Percentage change (%)	
Net sales	10,553	10,612	-59	-0.6%	
Segment profit	-206	-318	+112	—	



Plan and Results by Business Segment
GX Solution Business Segment

Major Initiatives in Fiscal 2024

Fiscal 2025 Plan

Major Initiatives

Branding the SERA Series of Quick Chargers for EVs

In addition to the original meaning of future existence, SERA also stands for Seamless, Energy, Relations & Activation. In this, we have included our hope to become a company designing a future EV energy network (contributing to the realization of a sustainable society) by seamlessly connecting and activating energy (pioneering the future of energy).

Based on the results of the highest cumulative sales volume of quick chargers for EVs in Japan, we set up the brand SERA that will support the next-generation EV energy network, aiming to create new times and experiences that will light up the future and excite society.



Ongoing Verification of the Implementation of aimACHARGE at Three Locations



In the future, an increase in domestic EV vehicles is expected toward a decarbonized society, and we have started verification of aimACHARGE at three locations in order to promote the CPO business, which is planned as a new business utilizing our products. These three locations are: Times Shibuya Honmachi 24, Times Station Kawasaki, and Times Station Yokohama Yamashitacho.

Expansion of the Proposal-driven Business

With regard to the renewal of lighting facilities and electronic scoreboards for stadiums and other buildings, which we have been working on for some time, we have steadily accumulated results, and the cumulative amount of orders received so far (contract value) has exceeded 6.0 billion yen. Moreover, we have achieved gratifying results in terms of the expansion of the products and business areas we cover, such as completing a project to introduce storage batteries to large stadiums with a capacity of more than 20,000 people and race tracks.



Case study: Yurtec STADIUM



Case study: Kawasaki Racecourse

Basic Strategies

Initiatives toward 2030 and operating environment	• Support smartphone apps in infrastructure projects supporting EV society and explore services such as BCP and resilience needs (charging infrastructure) • Development of next-generation EMS for energy conservation and advanced use of renewable energy (EMS) • Development of a foundation for alliances with other companies to strengthen finance-related know-how and expand solutions (PPP/PFI business) • Establishment of a business model by accumulating issues, technologies, and know-how to realize an autonomous community (next-generation power distribution) • Full-scale operation of CO₂ emissions trading market (carbon pricing) • Renewable energy to represent 36-38% by 2030 (renewable energy) • 46% reduction of greenhouse gas emissions by 2030 compared with 2013 (renewable energy)
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Began Sales of EV Quick Charger “SERA-150” (Maximum Output 150 kW)



The “SERA-150” has the smallest possible compact design with a 150 kW output, and can be installed in the same space as our 120 kW type (SERA-120). In addition, it is a high-capacity type with a boost function that allows for a maximum output of 150 kW (90 kW output even when limited), which improves the charging speed for vehicles with large battery capacities. This is an easy-to-use model for both installers and users, as it uses a connector holder built into the body, takes up little space, and is expected to be effective against rain and snow.

New Product: Next-generation Ultra-fast Charger “SERA-400” Jointly Developed with e-Mobility Power Co., Inc.



In order to provide the best charging experience to EV users with all types of vehicles, we have jointly developed an ultra-fast charger with a maximum output of 350 kW per connector (total output of 400 kW) with e-Mobility Power Co., Inc.

The SERA-400, which features a stylish design that combines a striking, futuristic exterior with ease of use for users, was unveiled at a press conference held at Hasuda Division in May 2025.

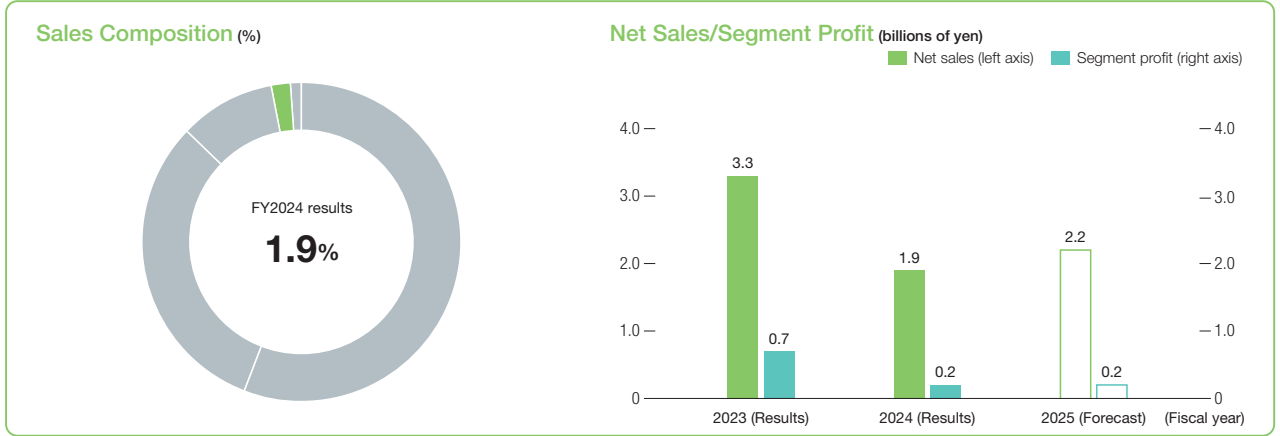
Plan and Results by Business Segment



Applied Optics Inspection System Business Segment

Business Overview

We provide products and services that support convenient living in the world, such as world-class 3D inspection systems that use state-of-the-art applied optics technology to inspect package substrates of high-performance CPUs used in cloud computing, 5G, AI, and other applications.



Applied Optics Inspection System Business Segment SWOT Analysis

	Positive factors	Negative factors
Internal environment	Strengths - Realization of highly accurate and reliable inspections using our proprietary inspection principle - Delivery results to major semiconductor companies around the world and extensive measurement know-how	Weaknesses - The aging of the current composition of personnel and the shortage of young employees - Challenges with price competitiveness due to high raw material costs
	Opportunities - Expansion of the semiconductor market through strategic support from various countries - Semiconductor miniaturization and chipletization of packaging technology due to increased demand for IoT, 5G, and generative AI - Increase in domestic demand due to the establishment of factories in Japan by major global semiconductor companies	Threats - Instability of demand due to economic fluctuations in the semiconductor industry - Diversification of domestic and foreign competitors (technological innovation and new entrants) - Innovation in semiconductor packaging technology (the rise of substrate bonding technology that does not require bump electrodes)

Reflecting on Fiscal 2024

Net sales decreased to 1,979 million yen (down 5.8% compared to the performance forecast) and segment profit increased to 238 million yen (up 3.5% compared to the performance forecast). The decline in sales was primarily due to the decrease in sales of 3D inspection systems due to the

decline in demand in the global semiconductor market and the suppression of investment by semiconductor package substrate manufacturers. On the other hand, profit increased due to changes in model composition.

Comparison with Performance Forecast				
	FY2024 results (A)	FY2024 performance forecast (B)	Change (A) - (B)	Percentage change (%)
Net sales	1,979	2,100	-121	-5.8%
Segment profit	238	230	+8	+3.5%



Plan and Results by Business Segment

Applied Optics Inspection System Business Segment

Major Initiatives in Fiscal 2024

Fiscal 2025 Plan

Major Initiatives

In order to expand sales in overseas markets, we have established a collaborative system through a Taiwanese trading company and have begun approaching markets in Taiwan and Greater China.

We received our first order for the newly developed wafer bump inspection equipment, marking a step towards our entry into the pre-process for semiconductor manufacturing.

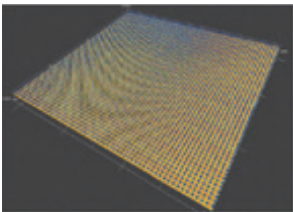


Products & Services

Proprietary Confocal Optical System Sensors

The TAKAOKA TOKO 3D measurement sensor uses the confocal method, which is known as a high-precision measurement method, as the measurement principle, and realizes high speed by shortening the measurement time, which was a problem with the confocal method, using a unique method to enable in-line measurement.

They are widely used mainly for bump inspection as an unprecedented high-precision and high-speed 3D measurement method.



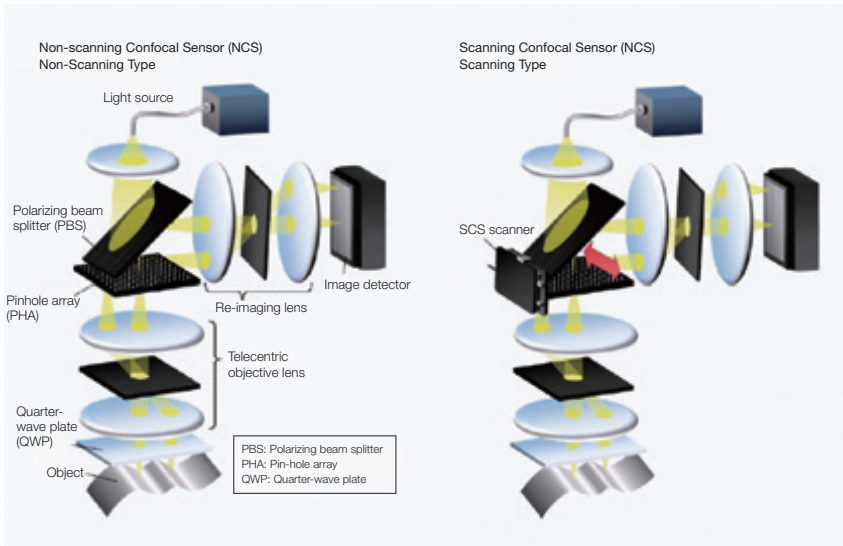
Multi-beam Confocal Sensors

Confocal Measurement

The measurement principle of the TAKAOKA TOKO 3D measurement sensor is the confocal method using a confocal optical system. The confocal optical system projects light emitted from pinholes onto objects via objective lenses and receives reflected light in the same pinhole to detect the amount of light that passes through the pinhole.

When the object's surface matches the pinhole's image formation (focal position), the reflected light from the object re-focuses to the pinhole position, and most of the light passes through the pinhole to obtain a strong detector output. However, if the surface of the object is not in the focal position, the reflected light will not be concentrated in the pinhole position, and there will be less light passing through the pinhole.

The object surface can be measured by scanning the object in the optical direction to find the position where the detector output is at its maximum.



Basic Strategies

3D inspection systems	● Enhancement of bump inspection functions (2D visual inspection items, handling of irregular bumps, etc.) ● Automated support for inspection systems according to customer requirements ● Response to panel-level packaging (PLP) substrates and wafers
Initiatives toward 2027	Achievement of V-shaped growth through the launch of products in response to the evolution of leading-edge semiconductors (chipletization) and exploration of new customers in Japan and overseas, leveraging our strength of having the biggest market share of bump inspection equipment for state-of-the-art packaged substrates in Japan ● Launch of products in response to increased demand for bump inspection resulting from evolution of leading-edge semiconductors ● Exploration and expansion of customers in Japan and overseas for the expansion of sales

Products & Services

Release of Wafer Bump Inspection Equipment WVI Series with New 3D Sensor

With the evolution of semiconductor processes, the demand is increasing for the miniaturization of electrodes (bumps) on the wafer side. To meet the demands of this expanding market, we developed the WVI Series, which is a wafer bump inspection equipment equipped with a new 3D sensor that supports ultra-fine bumps by utilizing conventional IC package bump inspection technology.

The WVI Series uses measurement technology cultivated through IC package substrate bump measurement to achieve high accuracy in the height measurement of bumps compatible with the standard UCle 1.0 Advanced Package.



Sustainability

We Work Toward Management That Can Broadly Contribute to the SDGs in Order to Realize a Sustainable Society.

The energy market environment is changing rapidly. Particularly in recent years, we have further accelerated initiatives aimed at decarbonization, such as aiming to reduce greenhouse gas emissions by 46% compared to fiscal 2013 in fiscal 2030, in order to realize a decarbonized society by 2050.

SUSTAINABLE DEVELOPMENT GOALS

What are the SDGs (Sustainable Development Goals)?

The SDGs are international goals to achieve by 2030, adopted at the United Nations Summit in 2015. Guided by the common philosophy of leaving no one behind, the SDGs comprise 17 goals and (more specific) 169 targets set to achieve those goals.

The Group formulated the Basic Policy on Sustainability in December 2021 and established the Sustainability Committee in October 2023 as a commitment to ESG management. In April 2025, the Group revised the Basic Policy.

Sustainability Committee

- Risk Management Committee
- Carbon Neutrality Promotion Committee
- Diversity Promotion Committee

Basic Policy on Sustainability

The TAKAOKA TOKO Group's Basic Policy on Sustainability is to implement the TAKAOKA TOKO Group Charter of Corporate Behavior, which was formulated with the aim of achieving sustainable growth in cooperation with society.

*Corporate Behavior: Within the Group, we express “行動 (action)” as “考動 (thoughts and actions) (thinking and acting independently).”

*The TAKAOKA TOKO Group Charter of Corporate Behavior is as follows: <https://www.tktk.co.jp/en/company/charter/>

Material Issues Related to Sustainability/Relationship Between CSR Initiatives and SDGs

CSR themes	Material issues	Initiative items	Specific initiative items	Related SDGs
E Environment	Carbon Neutrality	● TAKAOKA TOKO Group Environmental Policy ● TAKAOKA TOKO Environmental Objectives ● Climate change countermeasures	● Charging infrastructure and services to support the spread of EVs (expansion of quick charger lineup/EV quick charging system that can be connected to LP gas standby generators for general power outages) [Specific example (1)] ● Development and sales of equipment with low environmental impact (vegetable oil transformers, etc.) ● Products and services that support business operations using renewable energy (lightning current meter for wind power generation equipment) [Specific example (2)] ● Products and services that support energy conservation and management through digitalization (T-Zone Saver; an energy system for local production and consumption at RESOL no Mori, which won the New Energy Award; Sustana, utilizing TAKAOKA TOKO's DX-EGA technology (in collaboration with Sumitomo Mitsui Banking Corporation)). [Specific example (3)] Large-capacity quick charger that realizes short charging times Slim, wall-mounted, mid-capacity fast charger Lightning current meter for wind power generation equipment that supports the improvement of the operating rate of wind power generation equipment Reduce environmental impact by detecting the presence of people and controlling lighting and air conditioning (T-Zone Saver)	
	Compliance with TCFD	● Main climate-related risks/opportunities and countermeasures ● Reduce greenhouse gas emissions ● Solar power		
	Environmental Management System	● Environmental management system ● Environmental internal audits		
	Environmental Conservation Activities	● Introduce carbon neutral electricity ● SF ₆ gas emission control ● Reduce industrial waste ● Reduce environmentally hazardous substances ● Chemical substance release and transfer management		
	Other	● Compliance with environmental laws and regulations ● Implement environmental patrol ● Implement environmental education		
S Social	Human Resource Development Initiatives	● Internal dissemination of human resource development ● Development of management leader candidates (K talent) ● Establish an effective structure for human resource development ● Enhance Off-JT (off the job training) ● Support for independent learning	● Establishment of the Human Rights Policy (revised August 29, 2025) ● Strengthen relationships with stakeholders, including employees (e.g., promoting work style reforms, such as acquiring certifications that contribute to next-generation development and the advancement of women in the workplace, hold diversity lectures and training sessions, and improve the remote work environment) [Specific example (4)] ● Reskilling education for employees to demonstrate their abilities to improve value ● Contribute to richer lives through safety, security, and the infrastructure of local communities (volunteer activities, disaster prevention agreements, etc.) ● Contribute to regions overseas with insufficient access to electricity (e.g., promoting the overseas EPC business) [Specific example (5)] [Specific example (5)] Construction achievements by Takaoka Engineering Co., Ltd. Old Town Substation, Republic of Malawi [Specific example (4)]	
	Initiatives to Respect Human Rights	● Human Rights Policy of TAKAOKA TOKO Group		
	Diversity Initiatives	● Promote the advancement of women ● Gender diversity ● Consideration of foreign national employees ● Employment of people with disabilities ● Acquire certification for promoting the advancement of women		
	Work-life Balance Initiatives	● Work style reform ● Office improvements to create added value ● Support for achieving a balance between child rearing and work ● Employee independence and retention measures ● Measures in response to long working hours		
	Local Communities Initiatives	● Contribution to and interaction with community residents ● Contribution to local disaster prevention ● Cleaning activities		
	Safety and Health Initiatives	● Safety and health goals ● VR safety experience training ● TKTK Three Principles of Safety Kodo (Thinking and Action) ● Assignment of The Safety Control Manager to offices, etc.		
	Quality Control Initiatives	● Quality policy ● Quality assurance system● Quality awareness improvement activities ● Initiatives for quality improvements ● Improving the quality of purchased products ● Strengthening in-process quality assurance ● Establishing a product information security organization		
G Governance	Material Procurement	● Procurement policy ● Promote CSR activities in cooperation with the supply chain ● Toward building partnerships with suppliers ● Collaboration with business partners	● Implement a management approach that incorporates external oversight to avoid an inward-looking perspective ● Leverage digital technology for the rapid compilation of management information and decision-making support (Certified as a DX-Ready Company) ● Develop management strategies utilizing ROIC to promote business growth from a capital efficiency perspective ● Establish the Risk Management and Compliance Department to strengthen risk management and compliance ● Revise the Charter of Corporate Behavior (April 2025) and the Guidelines for Corporate Behavior (August 2025)	
	Corporate Governance System	● Board of Directors (regarding effectiveness evaluation of the Board of Directors, business execution structure, and nomination and compensation) ● Audit and Supervisory Committee		
	Dialogue Policy	● Dialogue with stakeholders ● Dialogue with shareholders and investors ● Disclosure policy		
	Corporate Ethics/Compliance	● Charter of Corporate Behavior regarding corporate ethics ● Corporate Ethics Committee and Corporate Ethics Consultation Desk ● Corporate ethics activities and initiatives for compliance with laws and regulations		
	Risk Management	● Company-wide risks and important management risks ● Risk management system		



Environment



In order to realize a sustainable society, the Group has continued to provide environmentally friendly, safe, and secure products and services. We will continue to contribute to realizing a clean energy society of the future with the technology and know-how that have supported Japan’s electric power infrastructure.

Carbon Neutrality

Climate change is one of the important social issues facing global society, and the Group recognizes it as an important management issue. The Group aims to achieve carbon neutrality by the government’s target year of 2050. Based on the three pillars of the TAKAOKA TOKO Group Environmental Policy, we will strive to achieve the TAKAOKA TOKO Environmental Objectives by working to green the electricity used in our business activities, such as promoting further energy conservation and actively introducing renewable energy.

TAKAOKA TOKO Group Environmental Policy

We at the TAKAOKA TOKO Group strive to continuously reduce our environmental burden through our corporate activities in general in accordance with our environmental policy so that we can pass on the rich global environment to future generations.

Build a decarbonized society

We will reduce greenhouse gas emissions through our overall environmental activities and provide society with products that contribute to carbon neutrality.

Build a recycling-oriented society

We will work to reduce and recycle waste in our production activities, and provide society with highly recyclable products.

Promote environmental conservation

We will work to reduce environmentally hazardous substances that harm the global environment and human health.

TAKAOKA TOKO Environmental Objectives

Environmental policy	Environmental objectives
Reduce greenhouse gas emissions - Promote decarbonization in all corporate activities to reduce greenhouse gas emissions. - Control SF₆ emissions, which have a high global warming potential.	- Reduce energy consumption rate (kL/million yen) in fiscal 2030 by 9.56% or more compared to fiscal 2020. (Equivalent to energy consumption rate (1)%/year) - Reduce CO₂ emissions from energy by 46% or more in fiscal 2030 compared to fiscal 2014.*¹ - Reduce SF₆ gas emissions to less than 3% of the purchased amount.
Reduce waste Promote waste reduction and recycling, and control waste generation.	Reduce the waste production rate at production sites in fiscal 2030 to 25 kg/million yen or less.*²
Reduce environmentally hazardous substances Completely eliminate production and testing facilities that contain environmentally hazardous substances.	Completely eliminate the use of PCB electrical equipment (including PCB contaminated equipment) by fiscal 2025.

*¹ The government target for greenhouse gas reduction is set at a 46% reduction compared to fiscal 2013. That fiscal year is the period when our company was a holding company, so we have set 2014 as the base year, when the holding company absorbed and fully integrated the two operating companies it directly owned.
*² Reduce the waste production rate by 32% in fiscal 2014.

Climate Change Countermeasures

As a measure against climate change, we are working to reduce CO₂ emissions from energy through the effective use of renewable energy and energy conservation. We are also working to reduce emissions of SF₆ (sulfur hexafluoride) gas, a greenhouse gas.

Major initiatives

- Make effective use of renewable energy power sources
- Switch factory lighting to LEDs
- Renew air conditioning equipment (improve efficiency)
- Optimize steam boiler operation controls
- Accelerate development of SF₆ gas-less equipment
- Purchase green electricity
- Renew on-site transformers (improve efficiency)
- Introduce a building lighting management system
- Rationalize steam piping (shorten, strengthen insulation)
- Introduce SF₆ gas recovery equipment

Response to TCFD (Task Force on Climate-related Financial Disclosures)

The Group announced its support for the TCFD* recommendations in June 2022, and disclosed information on climate change in accordance with the required items (governance, risk management, strategy, indicators, and targets).



Climate change poses a major risk to the Group, whose core business is products and services that support the stable supply of electricity. At the same time, major changes in the energy market could also create new business opportunities for the Group, which aims to become a SERA company. We will respond to future climate change-related events as management risks, while at the same time identifying new opportunities and utilizing them in our corporate strategies.

*TCFD: The Task Force on Climate-related Financial Disclosures established by the Financial Stability Board at the request of the G20. TCFD was dissolved in October 2023, and its functions were taken over by the IFRS Foundation.

Governance

The Group has established a Risk Management Committee and a Carbon Neutrality Promotion Committee to identify and appropriately manage key climate-related risks and opportunities. Each committee meets regularly to formulate annual plans, promote and support Group-wide initiatives on priority issues, monitor progress, formulate response policies, and disseminate them to relevant departments. Additionally, the results are reported to the Board of Directors once a year, and the Board is responsible for overseeing and managing these reports.

Risk management

To assess and evaluate the impact of climate change on its business, the Group conducts scenario analyses to identify climate-related risks and opportunities. These identified risks and opportunities are integrated into both strategic planning and individual business operations.

Risks and opportunities in our business are identified based on the challenges faced by the Group, stakeholder expectations and requirements, and an evaluation of the environmental impact of our business activities. We comprehensively assess their impact on management and prioritize our responses accordingly. Furthermore, we identify issues from both external and internal factors. External factors include climate change, regulatory developments, and shifts in industry standards that affect corporate strategy. Internal factors include the progress of the Group’s initiatives and anticipated future risks and opportunities. By addressing these challenges as a unified group, we are committed to enhancing resilience and advancing sustainable business practices.

Climate-related Risk Management System

Strategy

Climate change poses a major risk to the Group, whose core business is products and services that support the stable supply of electricity. It could also cause major changes in the energy market, so it may create new business opportunities for the Group.

In fiscal 2024, we set the following as prerequisites, identified risks and opportunities to realize our company’s management targets for 2030, calculated the financial impact, and organized countermeasures. (From fiscal 2023 to 2024, we expanded our activities to include the Metering Business, the entire GX Solution Business, and the Applied Optics Inspection System Business as target segments.)

Prerequisites

Scenarios	1.5°C scenario/4°C scenario (Based on information from the International Energy Agency)
Target business	Electric Equipment Business Segment, Metering Business Segment, GX Solutions Business Segment, and Applied Optics Inspection System Business Segment *TAKAOKA TOKO, non-consolidated
Target year	2030

Main Climate-related Risks/Opportunities and Countermeasures

Amount Large: 0.5 billion yen or more
Medium: 0.2 billion yen or more
Small: less than 0.2 billion yen

Classification	Main risks and opportunities	Impact on operating profit		Countermeasures
		1.5°C	4°C	
Transition risk	Policies/Legal regulations	Large	—	- Reduce material usage by reviewing design and use recycled materials - Absorb increased procurement costs by improving productivity - Reduce costs and negotiate prices to ensure appropriate profits - Use subsidies for equipment installation to reduce cost burden - Promote the use of renewable energy such as solar power generation through self-consignment - Efficiently accelerate the development of products that do not use SF₆ gas as an insulating medium
	Increased material unit prices and an increase in our manufacturing costs due to carbon tax pass-through to prices	Small	—	
	Increased electricity costs due to switching to renewable energy electricity	Small	—	
	Increased depreciation due to the introduction of energy-saving equipment to comply with new related laws and regulations	Small	—	
	Technology	Medium	—	
Physical risk	Market	Small	Small	Expand our business continuity plan (BCP) and strengthen the supply chain
	Reputation	Small	—	
	Increased unit price of materials and procurement risk due to the introduction of environmentally friendly materials	Small	Small	
	Decreased trust from the market and customers due to delays in disclosing information on climate change, such as the carbon footprint of our products	Small	—	
	Acute	Small	Small	
Transition opportunity	Markets/Products/Services	Large	Small	- Expand the product lineup to support the adoption and growth of EVs (rapid chargers, medium-capacity rapid chargers, enhanced convenience through cloud-based solutions, etc.) - Expand the sales of products and services that contribute to the introduction of renewable energy (lightning current meter for wind power generation, overseas EPC, etc.) - Provide services to strengthen resilience (regional microgrid, BCP related products and services, etc.) - Reduce costs and expand the sales of underground distribution equipment - Expand the sales of environmentally friendly products (vegetable oil transformers, etc.) - Develop and expand the sales of grid stabilization equipment, contribute to the standardization of inverter power sources - Reduce waste losses through highly accurate good/defective product inspection using the Company's inspection equipment in the bump inspection process, and develop new products to meet the growing range of bump inspection needs.
	Growing opportunities to receive orders for related businesses such as quick chargers due to accelerating spread of EVs	Medium	Medium	
	Growing opportunities to receive orders for the next-generation power distribution business due to market expansion of the independent regional energy business	Small	Small	
	Growing opportunities to receive orders for underground equipment due to strengthening resilience	Small	Small	
	Growing opportunities to receive orders by developing products and services with low environmental impact	Small	Small	
	Growing opportunities to receive orders for grid stabilization equipment through the mass introduction of renewable energy power sources	Medium	Small	
	Expanding demand for 3D bump inspection equipment driven by advances in semiconductor technologies (energy-saving SoCs, energy-efficiency improvements through interposers, AI)	Small	Small	

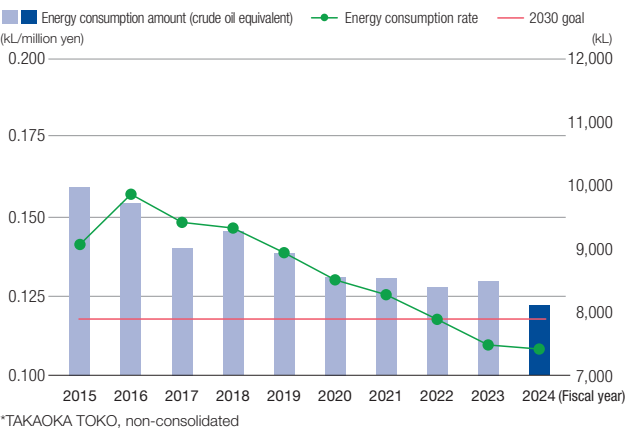
Indicators and goals

We have set greenhouse gas (GHG) emission reduction targets aimed at carbon neutrality in 2050, as follows. We are working to reduce GHG emissions throughout our supply chain while also taking into consideration the TAKAOKA TOKO Group Environmental Policy.

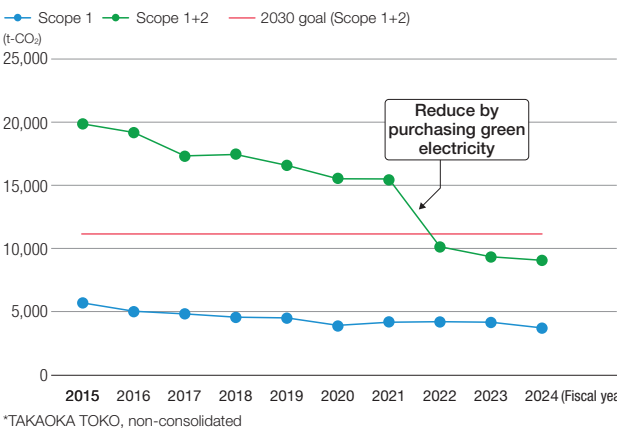
Reduce Greenhouse Gas Emissions

Direction of initiatives	Indicators and goals
Promote decarbonization in all corporate activities to reduce greenhouse gas emissions. Control SF ₆ emissions, which have a high global warming potential.	Reduce energy consumption rate (kL/million yen) in fiscal 2030 by 9.56% or more compared to fiscal 2020. (Equivalent to energy consumption rate (1)%/year) Reduce CO ₂ emissions from energy by 46% or more in fiscal 2030 compared to fiscal 2014. Reduce SF ₆ gas emissions to less than 3% of the purchased amount.

Energy consumption rate (kL/million yen)



CO₂ emissions of energy origin



Future response

- We will continue to consider and disclose Scope 3.
- The entire TAKAOKA TOKO Group will promote this initiative.

Solar Power

As part of our efforts to reduce CO₂ emissions (Scope1 + 2), we are proactively working toward decarbonization, including through energy-saving measures at each business site, the installation of solar power generation facilities at our main site, the Oyama Division, and the promotion of the use of renewable energy.



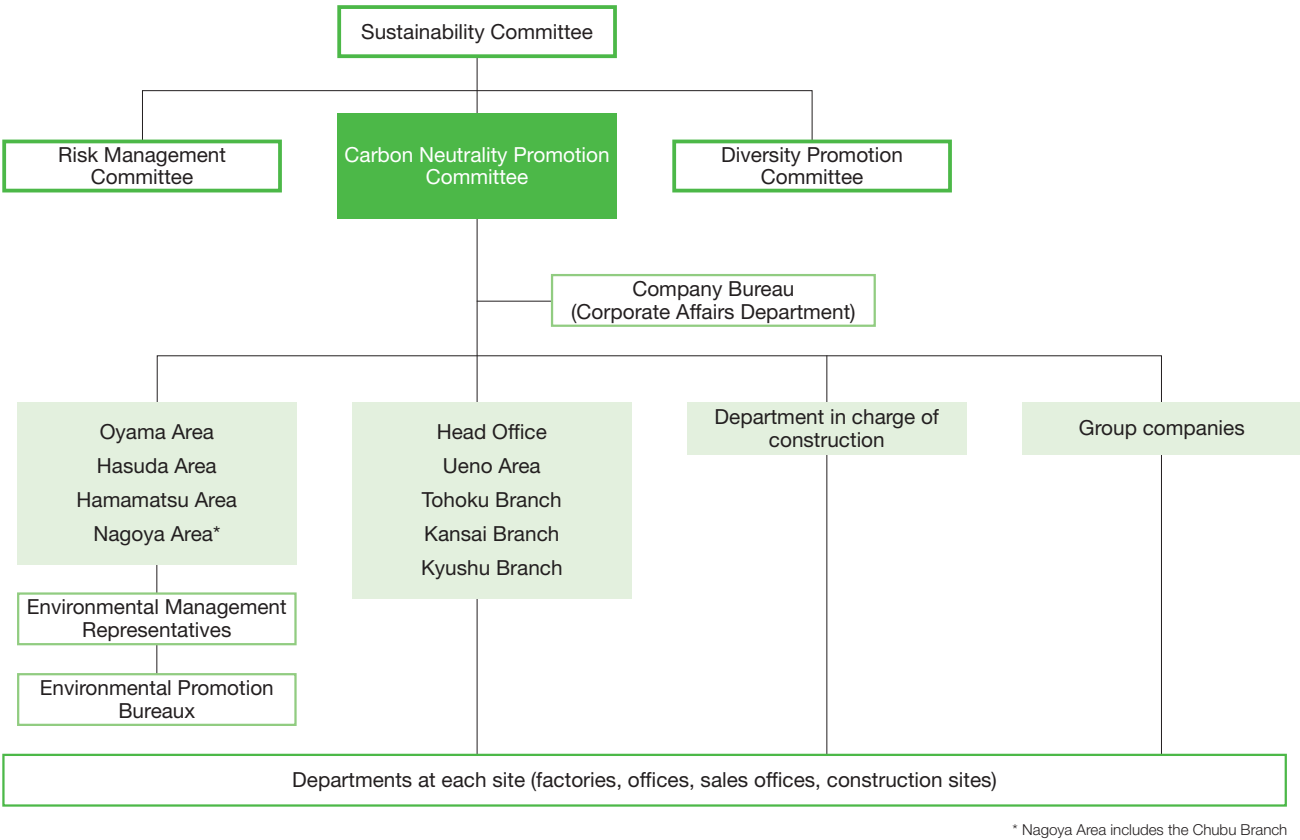
Solar power generation facility (Oyama Division)

Environmental Management System

The Group’s environmental management system is led by the Carbon Neutrality Promotion Committee, which deliberates on and sets the direction for key priority initiatives.

In addition to the Oyama, Hasuda, Hamamatsu, and Nagoya Area Offices (including the Chubu Branch), where our production sites are located, we also promote environmental conservation activities at the Head Office, Ueno Area Office, Tohoku Branch, Kansai Branch, and Kyushu Branch.

The TAKAOKA TOKO Group Environmental Management System



Environmental Management System

In order to appropriately promote environmental conservation, we have introduced an environmental management system based on the international environmental standard ISO 14001, mainly at our production sites that have a large environmental impact.

ISO 14001 Certification Status

Site name	Component department	Certification date
Oyama Area	Each department in the Oyama Area	December 1999
Hasuda Area	Each department in the Hasuda Area Toshiba Toko Meter Systems Co., Ltd.	July 2000
Hamamatsu Area	Applied Optics Inspection System Business Division	March 2010
Nagoya Area	Each department in the Nagoya Area Chubu Branch, TAKAOKA CHEMICAL CO., LTD., MintWave Co., Ltd.	April 1999

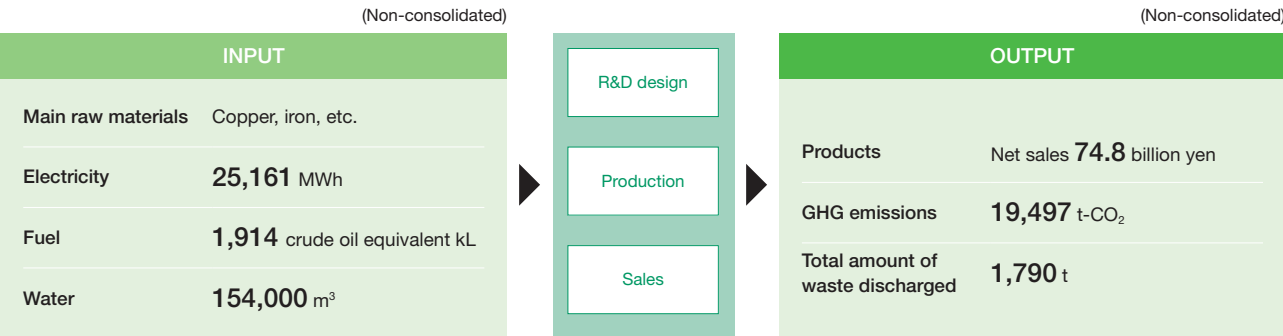
Environmental Internal Audits

Each site provides specialized education to train environmental internal auditors. Environmental internal audits are conducted once a year by a certified environmental internal auditor. We analyze the causes of issues pointed out and take corrective action(s).

Overview of Environmental Conservation Activities in Fiscal 2024

We have defined the direction and goals of our initiatives in accordance with our environmental policy to promote environmental conservation activities.

The main use of resources and environmental impacts associated with our business activities are as shown below.



Introduce Carbon Neutral Electricity

In order to reduce greenhouse gases, which are considered to be the cause of climate change, we are working to use natural energy such as solar power generation, in addition to various energy-saving measures. Following on from the previous fiscal year, in fiscal 2024, we again introduced carbon neutral electricity at Oyama Division and Hasuda Division, and achieved carbon neutral approximately 49% of our total electricity consumption.

SF₆ Gas Emission Control

SF₆ gas is used in gas insulated equipment, and is also widely used in gas-insulated switchgears and gas insulated transformers for its excellent insulating properties. It is also a greenhouse gas with a global warming potential 23,500 times that of carbon dioxide, so it requires careful management. We are introducing products with a reduced amount of SF₆, and actively collecting and destroying SF₆ during production and installation. As a result of these efforts to reduce emissions into the atmosphere as much as possible, we are seeing steady progress in fiscal 2024.

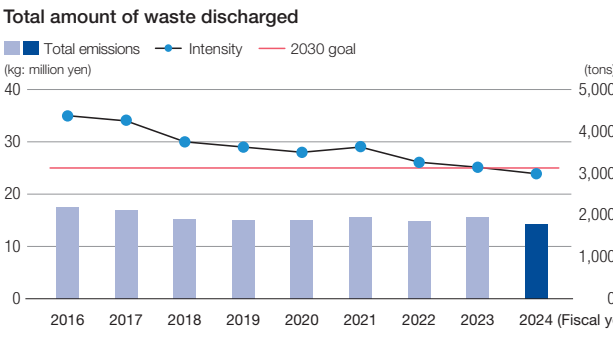
Reduce Industrial Waste

Direction of initiatives	Environmental objectives
Promote waste reduction and recycling, and control waste generation.	Reduce the waste production rate at production sites in fiscal 2030 to 25 kg/million yen or less.

We are working to raise awareness not to produce waste by providing environmental education to employees. We are also working to reduce the amount of waste for final disposal and improve the recycling rate by ensuring separated wastes collection.

Furthermore, we are working to reduce the amount of copy paper we use by using digital meeting materials and both sides copying.

As a result of actively reducing waste and recycling, and due in part to an increase in net sales, the waste production rate for fiscal 2024 was 23.9 kg/million yen.



Reduce Environmentally Hazardous Substances

Direction of initiatives	Environmental objectives
Completely eliminate production and testing facilities that contain environmentally hazardous substances.	Completely eliminate the use of PCB electrical equipment (including PCB contaminated equipment) by fiscal 2025.

In fiscal 2024, we disposed of 6.9 tons of PCB waste (including PCB contaminated waste), and completed disposal of high-concentration PCB waste in the Oyama Area. We will continue to work toward completing the disposal within fiscal 2025.

Chemical Substance Release and Transfer Management

PRTR (Pollutant Release and Transfer Register) system is operated in Japan, which serves to investigate and report the amount of environmentally hazardous substances emitted through all media (by air, water, soil) and transferred to waste management companies as waste. The table below shows the substances that our company handles in large quantities (more than 1 ton at each site). Evaporated solvents are called VOCs (volatile organic compounds) and are the cause of photochemical smog. At our factories, we are working to prevent evaporation of solvents, and recover and recycle some solvents.

FY2024 PRTR-listed Substance Emissions

Substance name	Amount handled (tons)	Main use
Xylene	21.3	Paint, adhesive
Ethylbenzene	5.0	Paint
Toluene	4.6	Paint, adhesive
Butyl cellosolve	2.3	Paint
Trimethylbenzene	2.3	Paint
Heptane	1.2	Cleaning agent
Dimethyl cellosolve	1.8	Paint

(Note) The number of reportable substances increased due to the revision of the PRTR Law.

Other

Compliance with Environmental Laws and Regulations

We comply with various laws and regulations, including environmental laws, as well as voluntary management standards, and are striving to reduce our environmental impact. Especially in Area that have acquired ISO 14001 certification, we do compliance management in accordance with our environmental management system.

Environmental Education

We provide environmental education to our employees in order to raise awareness of environmental conservation. We also provide special training to personnel involved in important work related to the environment, ensuring that they acquire the necessary knowledge and competency.

Environmental Patrol

We are working to reduce environmental risks by conducting environmental patrols to check for conditions that could lead to environmental accidents or violations of environmental laws. The Company conducts a total of 30 environmental patrols per year.



TOPICS

Environmentally Friendly Products

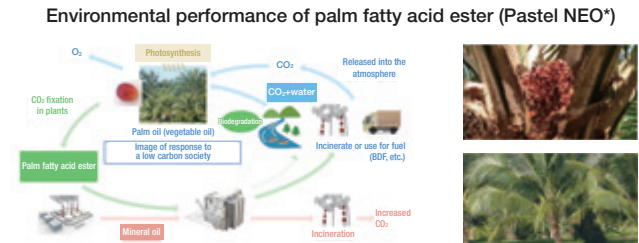
We propose environmentally friendly products that contribute to one of resolution to the global issue of waste and reducing CO₂ emissions derived from fossil fuels.

Environmentally friendly palm fatty acid ester transformer



72 kV transformer 6.6 kV transformer

Environmental performance of palm fatty acid ester (Pastel NEO*)



*Compatible with voltage 6.6 kV to 66/77 kV class transformers.

Our environmentally friendly palm fatty acid ester transformer uses palm fatty acid ester oil, which is highly biodegradable because it is made from plant-based oil.

Improved environmental performance

We use palm fatty acid ester that falls under JIS C2390 Biodegradable Electrical Insulating Oil (Part 3 Plant-derived Esters). Even if it is incinerated after use, it is carbon neutral as it only releases the CO₂ absorbed during palm growth. In addition, CO₂ can be fixed for decades in long-life transformers.

Performance improvement

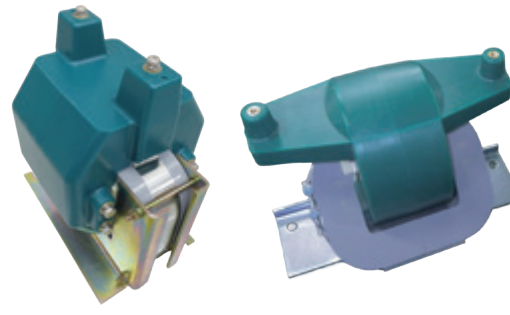
Because it has higher water absorption and lower viscosity than other mineral oil, it can be expected to have effects such as suppressing dielectric breakdown voltage drop due to moisture intrusion, promoting winding cooling, and extending transformer life by suppressing deterioration of winding insulation paper (if equivalent to conventional use).

Environmentally Friendly R&D

The Company promotes research and development aimed at realizing a sustainable society, including the reduction of CO₂ emission and the recycling and utilization of resources.

Plant-derived epoxy resin

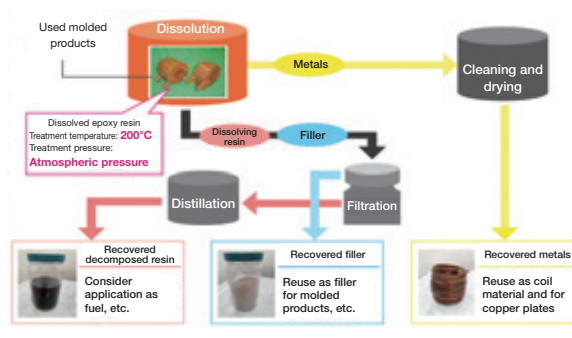
Using epoxy resin made from plant-derived linseed oil in our molded products reduces CO₂ emissions compared with conventional petroleum-based epoxy resin. We aim to provide sustainable and environmentally friendly products by optimizing additives and curing processes to achieve the material properties required for molded products.



Molded products using plant-derived epoxy resin
Prototype of 6 kV class instrument transformer

Recycling epoxy-mold products

The epoxy resin used in molded products is said to be difficult to recycle, but we use epoxy resin dissolution technology in order to recycle resources. By efficiently separating, recovering, and reusing used molded products into resins, fillers, and metals, we aim to operate with environmental consideration even at the time of disposal.



Recycling flow for epoxy-mold products

Social

We are implementing a diverse range of corporate activities to grow as a company that can contribute to society. These activities range from initiatives such as recruiting and developing diverse human resources with distinct personalities to efforts such as agreements on regional disaster prevention with local governments and cleaning activities around factories.

Human Resource Development Initiatives

Human Resource Development

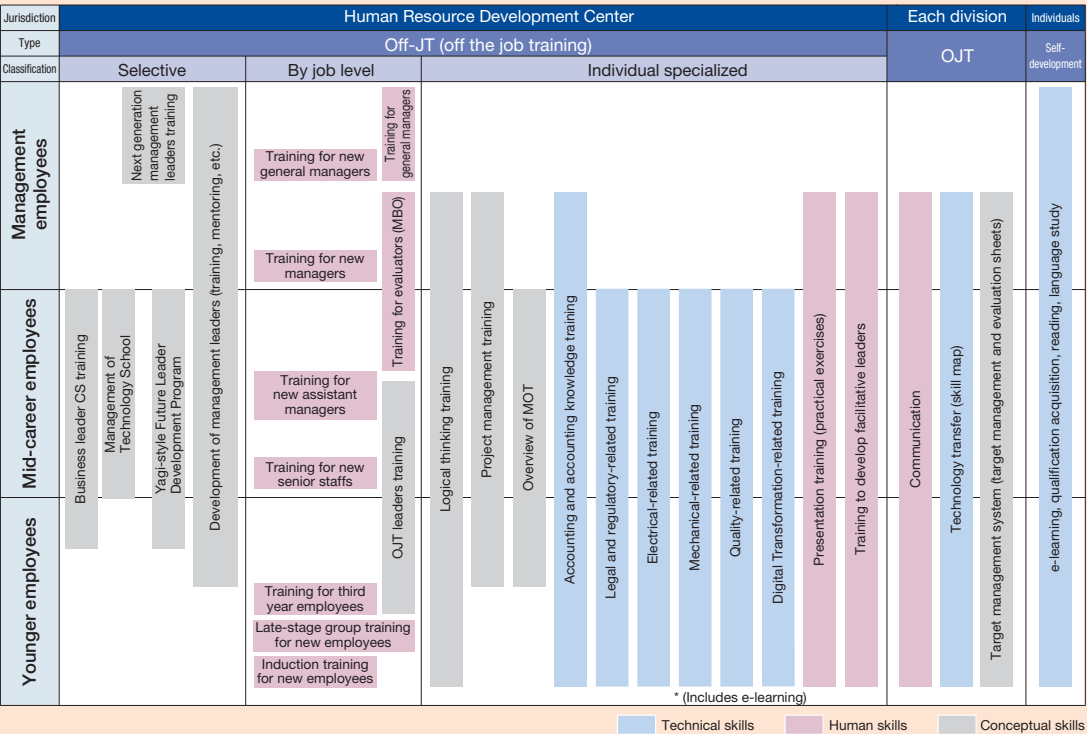
In accordance with our fundamental philosophy which is that which develops people is work, we conduct human resource development based on three pillars centered on OJT (on-the-job training) along with Off-JT (off-the-job training) and self-development.

Toward achieving our management targets for 2030, we have established a Strategic Human Resource Development Committee for the purposes of enriching human resources for management leader candidates supporting our future and producing proper executives in the near future, making efforts to find, manage, and systematically develop human resources for management leader candidates in an improved way.

Training

We conduct training for all of our employees.

- Selective training: We elevate the mindset of management leader candidates supporting our future through the acquisition of authentic leadership.
- Training by job level: We aim to develop employees into fully capable professionals within their first three years at the company. Additionally, we provide mindset-focused training to help employees understand the roles and responsibilities expected at each level upon promotion.
- Individual specialized training: We educate employees on specialized business literacy and technical knowledge and skills that are commonly required in each division.



Message from the General Manager, Human Resource Development Center

Aiming to become a company that wins through its people, we develop human resources who can think and act independently

Satoshi Nomura
General Manager, Human Resource Development Center



Progress of initiatives by the Human Resource Development Center

The "Human Resource Development Center," which was established in June 2023, introduces the results of the initiatives it has made over the past two years and its future prospects.

For TAKAOKA TOKO to beat the competition and continuously grow, it is essential to increase the value of our human resources by viewing the knowledge and skills of our employees as management capital rather than management resources.

With boosting employees' desire to grow and developing top-notch talents in the industry as the two-fold mission of the Human Resource Development Center, we aim to lead human resource development to enhance corporate value.

In addition, by fiscal 2027, we aim to boost employees' desire to grow, so that they can grow independently.

Item	Matters for implementation	Item	Matters for implementation
Internal dissemination of human resource development	1 Coordination with the Chief Human Resource Development Officer and Human Resource Development Officer 2 Creation and distribution of the Human Resource Development Handbook 3 Utilization of the AI-based help desk 4 Implementation of SQC First Reform measures	Enhancement of Off-JT	1 Annual planning and implementation of "Selective training," "Training by job level" and "Individual specialized training" 2 Medium- to long-term development planning and implementation of core skills 3 Review of each training program and analysis through measurement of its effectiveness 4 Utilization of e-learning 5 Sub-working activities aimed at exchanging information on development with other departments 6 Utilization of the Human Resource Development Center's Portal Site
Development of management leader candidates (K talent)	1 Establishment and operation of a management leader development system by the Strategic Human Resource Development Committee 2 Development planning and implementation through selective training 3 HR rotation system	Support for independent learning	1 Review of e-learning utilization methods 2 Revision of the eligible qualifications for bonuses for qualification acquisition 3 Development of external training (outside the Company)
Establishment of a framework for effective human resource development	1 Establishment of career paths (planned) 2 Establishment of job descriptions 3 Establishment of training charts 4 Support for the creation of skill maps	To accelerate reform toward a corporate culture of development	1 Consideration of establishing a Technical Skills Training Center (role differentiation with TEPCO Group companies) 2 Establishment of a business to provide consulting and training on human resource development and technology transfers to external parties

Internal dissemination of human resource development

Although the term "human resource development" may sound straightforward, it is a highly complex field with diverse terms and definitions. To unify common terms and concepts within the Company, we update and distribute the "Human Resource Development Handbook" annually to all employees and Group companies.

By clarifying the direction of human resource development within the Company and sharing this information, the Handbook serves as a compass for each division's human resource development plans.

In addition, we designated each division general manager as a "Chief Human Resource Development Officer," and each general manager as a "Human Resource Development Officer." This system ensures that each division takes responsibility for advancing human resource development in collaboration with the Human Resource Development Center.

Development of management leader candidates (K talent)

To date, the Company has not produced a President from within. Instead, presidents have been appointed from outside. In principle, if a person has the qualities to become an executive, they should be able to become President, whether from within or outside the Company. However, the fact that no such leaders have emerged from within suggests that our human resource development has not been sufficiently effective.

To address this, the Company holds a meeting of the “Strategic Human Resource Development Committee” approximately once every two months to select potential management leaders, develop an authentic management mindset, rotate personnel into challenging positions, and provide mentoring by management in order to develop human resources . In particular, human resource development rotations to challenging positions is particularly important, based on the concept that “leadership development consists of 10% classroom learning, 20% mentorship, and 70% real-world challenges,” making these experiences crucial.

Establishment of a framework for effective human resource development

Based on our fundamental philosophy which is that which develops people is work, the Company’s basic policy on human resource development for employees is to position on-the-job training (OJT) by supervisors and senior employees in the division as the primary means of development, to complement this with “training” and “self-development,” and to organically link these three elements. Regarding “OJT,” while we are able to provide “daily OJT” by providing guidance as questions arise, we have not yet implemented “systematic OJT.” In order to promote “systematic OJT,” we have therefore established a system for reviewing the definition and level of each member’s skill map, and creating a training chart based on the content. This system was introduced in the design and development divisions in fiscal 2024, and the goal is for it to be fully implemented for all employees by fiscal 2027.

In addition to specific systematic OJT, Off-JT and self-development are also recorded in the training chart. Based on these records, general manager-level personnel in charge of human resource development meet with members to provide motivation. By accumulating results and visualizing effectiveness, we will firmly establish systematic OJT. In addition, we will create career paths, and from fiscal 2026 onward, we will promote the creation of a system to promote active human resource development rotations throughout the Company.

Enhancement of Off-JT

Off-JT is primarily conducted through mainly training, which is divided into three categories: “selective training,” “training by job level,” and “individual specialized training.”

As a countermeasure to recent cases of inappropriate incidents, we are implementing measures that are essential for improving workplace communication and the quality of manufacturing, such as adding content on “psychological safety” to “training by job level” and adding a curriculum on “engineer ethics” to “individual specialized training.” In addition, “selective training” includes content on “transformative leadership” and “followership,” contributing to the development of human resources who will lead the future.

Support for independent learning

Until FY 2023, e-learning was provided to those who requested it as a form of self-development support, with the Company covering the costs. However, what became an issue was the fact that a certain number of employees did not log in even when they had made an application. Therefore, from fiscal 2024, we revised the system so that employees who wish to participate apply at their own expense, with incentives provided based on their learning progress. This structure has not only increased participation rates but has also contributed to the development of more independent human resource.

To accelerate reform toward a corporate culture of development

Our employees tend to be diligent when carrying out work that is assigned to them, but they are not necessarily good at thinking and acting independently. For that reason, we believe that by creating a structure for developing human resource, employees will be able to work efficiently and, as they gain more successful experiences, they will come to understand the importance of human resource development.

By fiscal 2027, we will implement the establishment of the structure introduced here as a priority measure, and from fiscal 2028, we plan to further accelerate human resource development by building facilities where employees can hone their technological and professional skills.

As the saying “A company is its people” suggests, the general direction of human resource development for the Company as a whole is to improve corporate value through human resource development and evolve into a company that wins with the strength of its people.

Initiatives to Respect Human Rights

Human rights policy of TAKAOKA TOKO Group

Based on the principle of “respect for human rights” set forth in the TAKAOKA TOKO Group Guidelines for Corporate Behavior, the Group has established the Human Rights Policy of TAKAOKA TOKO Group (hereinafter referred to as the “Policy”), and will promote efforts to respect human rights throughout the Group.

1. Commitment to Respect for Human Rights

Upholds international human rights standards, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights. Complies with all applicable laws and regulations in the countries and regions in which it operates. In cases where international human rights standards conflict with the laws and regulations of a country or region in which its group company operates, the company will seek ways to comply with international human rights standards.

2. Scope of Human Rights Policy

This Policy applies to all executives and employees of the TAKAOKA TOKO Group. This Policy is also intended to be understood and supported by stakeholders involved in all of the Group’s business processes.

3. Initiatives to Respect Human Rights

Respects the human rights of stakeholders in all processes of its business activities, and it does not discriminate or violate human rights on the basis of race, ethnicity, sexuality (gender, sexual orientation, gender identity, gender expression), age, origin, social status, creed, religion, disease, disability, or physical characteristics. In order to realize a society where human rights are truly respected, we promote the development of a corporate culture in which each and every executive and employee takes diversifying human rights issues as his or her own concern, and thinks and acts with a deep sense of human rights.

4. Implementation of Human Rights Due Diligence

In accordance with the Guiding Principles on Business and Human Rights, Will regularly assess the manifest and potential negative impacts on human rights in its business activities and will establish and continuously implement mechanisms to prevent and mitigate such impacts.

5. Remedy and Correction

Whenever it becomes clear that negative impacts on human rights are being caused or aggravated, Will work to correct them through appropriate means. In addition, as an effective means of redress, Will establish and operate a whistleblower hotline available to internal and external stakeholders. The anonymity and confidentiality of whistleblowers is guaranteed, and they are protected from any adverse treatment.

6. Education

Will provide appropriate education to all executives and employees so that this Policy is effectively implemented in its business activities.

7. Information Disclosure

Initiatives to respect human rights based on this Policy will be disclosed through the Group’s website and integrated report.

8. Dialogue and Consultation with Stakeholders

We will engage in dialogue and consultations with stakeholders regarding our initiatives to respect human rights based on the Policy.

Revised August 29, 2025
TAKAOKA TOKO Co., Ltd.
President and Representative Director
Takashi Ichinose

Promotion of Respect for Human Rights

Based on the principle of “respect for human rights” as stated in the TAKAOKA TOKO Group Charter of Corporate Behavior, the Group is promoting group-wide efforts to respect human rights by establishing its Human Rights Policy of TAKAOKA TOKO Group (established on August 29, 2023).

In order to ensure that the human rights of all stakeholders, including those affected by the Company's business activities, are respected, we have established a human rights due diligence framework based on the United Nations' Guiding Principles on Business and Human Rights*.

* Three pillars of the Guiding Principles on Business and Human Rights
1. The State Duty to Protect Human Rights Enact and enforce laws that mandate respect for human rights. Guidance to companies
2. The Corporate Responsibility to Respect Human Rights Formulate a human rights policy and establish a human rights due diligence framework
3. Access to Remedy Establish a consultation desk and an internal whistleblower hotline

	Category		Major initiatives
1	Commitment under the policy	Establishment of a human rights policy	Established the Human Rights Policy of TAKAOKA TOKO Group (Established on August 29, 2023, revised on August 29, 2025)
			The Human Rights Policy is included in the booklet containing the Management Philosophy, etc., and distributed to all employees.
2	Implementation of human rights due diligence	Assessment of impact on human rights	Conducted a fact-finding survey among relevant divisions regarding 25 human rights-related risks, including key human rights that companies should respect and human rights associated with corporate activities
			- Analyzed the above survey - Identified the “right to privacy” and “human rights of foreign workers” as key issues
		Implementation of preventive and corrective measures	Implementation of education and training Created educational materials to deepen understanding of the “right to privacy” and “human rights of non-Japanese” and required all employees to study them thoroughly
			Internal environment and system infrastructure After confirming the foreign employees on staff and the languages needed to be translated, we compiled English, Portuguese, and Vietnamese versions of the employment regulations.
			Management of the supply chain - Held CSR briefings for the supply chain, including on the Human Rights Policy - Implemented the CSR Procurement Self-Assessment Questionnaire (SAQ). Company standards
3	Remedies	Establishment of a grievance handling mechanism	Establish a reporting and consultation desk on human rights

Diversity Initiatives

We are promoting diversity and working to enhance corporate value and employee engagement aiming to be an attractive company for external stakeholders and a company that brings joy to our employees. Under the strong commitment from management, we have established a Diversity Promotion Committee chaired by CHRO and are promoting various initiatives.



Promote the Advancement of Women

We are promoting the advancement of women with a target by fiscal 2030 that 5% of managerial positions shall be women. Since fiscal 2022, we conducted training for female leader candidates and their managers, offered external mentoring systems, and facilitated 1-on-1 meetings between female leader candidates and their managers aiming to develop future female managers.

Gender Diversity

With the aim of becoming a company that respects all forms of gender identity, sexual orientation, and gender expression, and where all employees, including members of the LGBTQ+ community, can be themselves and work with peace of mind, we are working on various initiatives such as establishment of a same-sex partnership system and use of a common name within the Company.

In recognition of our activities in this area, we received the highest Gold Award in the PRIDE Index 2024.



Consideration of Foreign National Employees

We actively give consideration to foreign national employees in our pursuit to employ diverse human resources . In cases which considerations related to religious practices are required for employment, we provide training to the workplace prior to assignment, ensuring employees can comfortably adapt to their working environment.

For employees whose mother tongue is not Japanese, we offer Japanese language learning support to those who wish to learn Japanese.

Employment of People with Disabilities

We are aiming to create a workplace environment in which employees, regardless of whether they have a disability or not, can work and thrive with authenticity. Through e-learning training for employees, we are working to foster an understanding of the employment of persons with disabilities. In addition, we conduct regular interviews with employees with disabilities working at the Company, in an effort to support their retention.

Acquire Certification for Promoting the Advancement of Women

- We received the Eruboshi (3-star) certification as a company with excellent efforts for promotion of women's empowerment. Based on the Act on the Promotion of Women's Active Engagement in Professional Life, we have met all the requirements for (1) recruitment, (2) continuous employment, (3) working hours and other working styles, (4) ratio of women in managerial positions, and (5) diversity of career courses, and received 3-star, which is the highest rank in the Eruboshi Certification.
- We received the Kurumin certification through our initiatives to support well-balanced working and child rearing. In accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children, we were evaluated as a company implementing high-level efforts in child rearing support systems with the introduction and use of such systems.
- In addition, we have received the Osaka City Leading Company in Women's Participation Certification from Osaka-shi, Osaka, and the Shizuoka Prefecture Next-Generation Development Support Company (Kounotori Company) Certification from Shizuoka.



Work-life Balance Initiatives

Work Style Reform

We are pursuing work style reforms to create an environment conducive for diverse human resources to work as a foundation for promoting diversity. We have established systems for teleworking and paid leave by the hour, leading to an increase in employees working flexibly without being restricted by time or location. In addition, we actively engage in reviewing systems in respond to work and private life balance and diversification of work styles, and promoting a change in employee awareness, ensuring all employees can realize that they live up to their potential.

Teleworking

We have introduced a teleworking system for employees who can independently perform their work.*1 There are no restrictions on the number of days, and it can be combined with the time shift work system*2 and half-day or hourly leave. In addition, we have introduced an allowance to subsidize water, electricity, and other utility costs during telework.

*1 Excludes some employees such as those at manufacturing sites, etc.
*2 A system which working hours can be freely chosen from 7:00 a.m.-3:30 p.m., 8:30 a.m.-5:00 p.m., or 10:00 a.m.-6:30 p.m.

Office improvements to create added value

In light of the spread of teleworking and the diversification of work locations, we are focusing on improving the office environment to create added value. Starting from our head office corporate department, we are gradually expanding free-address areas to stimulate communication with other departments. Moreover, we are improving the work environment to foster comfort, independence, and creativity for employees by setting up private booths within the office floors.

Support for Achieving a Balance Between Child Rearing and Work

We are aiming to create a workplace environment in which every employee, regardless of their gender, can thrive while balancing both child rearing and work. To do so, we are implementing both tangible and intangible measures. For example, in addition to introducing a childcare leave support allowance system to eliminate any financial concerns during their time off from work, we also host roundtable discussions for fathers and interviews with fathers who have taken childcare leave to promote awareness of childcare leave among other male employees and get rid of any concerns about using the system.



The roundtable discussions for fathers in FY2024

Employee independence and retention measures

We have implemented the following personnel measures to create an environment in which employees can think about their career paths and independently take on challenges to accumulate the required skills and experience, and to ensure the retention of our outstanding human resource.

1 In-house free agent (FA) system

This system allows employees to thrive in various workplaces by promoting their experiences and skills and the operations they would like to be involved in.

2 In-house recruitment system

This system allows employees to apply to positions within the Company that have been posted by departments wishing to acquire internal personnel.

3 Comeback system

This system is to rehire those who resigned due to unavoidable circumstances such as child rearing, caregiving, or a spouse's relocation as our employees.

Measures in Response to Long Working Hours

We have set rules that limits overtime work to 4.75 hours a day, 40 hours a month, and 360 hours a year. We manage working hours accordingly in order to limit long working hours for all employees and improve their health and work-life balance. The main measures are as follows:

- Sending alerts to department heads about long working hours through the system
- Objective identification of working hours at entry and exit times using electronic recording devices
- Regular monitoring of working hours (overtime and weekends)
- Conducting interviews with occupational physicians for those who work long hours
- Implementing No Overtime Day (leaving the office on time)

Local Communities Initiatives

Contribution to and Interaction with Local residents

The grounds at the Oyama Area Office, which are maintained for employee welfare, are open to provide a relaxation spot to local residents during the daytime. At the Hasuda Area Office, we provide our employee parking lot for use during junior high school soft tennis training tournaments and youth baseball tournaments.

We also actively participate in local annual festivals and events to develop deeper ties with local residents.



Operating a food stall at the Hasuda City Commerce and Industry Festival Sakura Festival

Contribution to Local Disaster Prevention (Disaster Prevention Agreements)

We have signed agreements on disaster prevention with local governments. In the event of a disaster, we have committed to actively support by providing emergency support activities and evacuation sites, and storing emergency food and drinking water.

Area Office	Details of agreements
Oyama Area Office	Emergency support activities during disasters ● Emergency restoration measures for damaged electrical facilities ● Provision of personnel required for emergency restoration Provision of evacuation sites, etc. during large-scale disasters ● Provision of locations to use as heliport ● Provision of space in office buildings, etc.
Hasuda Area Office	Provision of evacuation sites (FW1 building (training building))
Hamamatsu Area Office	● Provision of emergency food supplies ● Provision of personnel for emergency recovery activities ● Provision of evacuation sites, etc. during large-scale disasters
Chubu Branch	Regional disaster prevention cooperation agreement with Nagoya City (memorandum of understanding, etc. regarding support and cooperation with local communities in the event of a large-scale disaster) ● Emergency foods for provision to school district evacuation sites (for 20 people for 3 days) ● Stockpiling of drinking water (72L) ● Delivery of the above emergency food and drinking water to school district evacuation sites ● Other volunteer activities at school district evacuation sites *Participation in community disaster prevention drills



Letter of Appreciation for provision of locations to use as heliport

Cleaning Activities

With the aim of creating a livable community, each area with factories regularly conducts cleaning activities around their factories. The Tohoku Branch also participates in cleaning activities organized by the local community development promotion council together with volunteers from the surrounding community.

At the Oyama, Hasuda, Hanamatsu, and Nagoya Area Offices, employees clean the area around their factories four times a year.



Oyama Area Office



Hasuda Area Office



Hamamatsu Area Office



Nagoya Area Office



Tohoku Branch

Awards

Awarded two Encouragement Awards at the JEMA Electrical Technology Achievement Award

In the 2024 (73rd) JEMA Electrical Technology Achievement Award, which recognizes outstanding achievements in new product and technology development across the heavy electric, consumer electronics, manufacturing, IoT, AI, and DX divisions, we received the Encouragement Awards for the following two accomplishments.

- “WeCharge, an EV charging management system that enables usage-based billing, depending on the amount of charging power”
- Subcommittee on Lightning Protection for Wind Power Generation: “Publication of the Wind Turbine Lightning Protection JIS (JIS C 1400-24 (2023)) and Proposal to the IEC”



Selected as Excellent Contractor by the Japan Sewage Works Agency

The Company was selected as the 2024 Excellent Contractor (electrical equipment construction) by the Japan Sewage Works Agency.

This is the second year in a row that the Company has been selected, following fiscal 2023.

As a result of this selection, evaluation points will be added to the bidding and contracting procedures using the comprehensive evaluation method (technical ability assessment type) for construction projects announced between April 1, 2025, and March 31, 2027.

The Company will continue to contribute to a sustainable society through businesses that respond to the demand for advanced and diverse forms of energy use.

Received the Society of Heating, Air-Conditioning and Sanitary Engineers of Japan Promotion Award and Technology Promotion Award

The Company received the 39th Promotion Award and Technology Promotion Award from the Society of Heating, Air-Conditioning and Sanitary Engineers of Japan.

- “Facility Planning for the Kanden Realty & Development Co., Ltd.’s Yaesu Building: Achieving both energy savings and comfort through system optimization using AI and IoT in a medium-size tenant building.

This award was given in recognition of our efforts to apply AI to facility control and to utilize innovative indoor environment sensing methods to address issues such as improving user comfort and satisfaction and accommodating new working styles in an approximately 13,000m² tenant office building newly constructed in central Tokyo.

As part of the award-winning initiative, the Company used human detection sensors to analyze spatial thermal environment distribution and control air conditioning accordingly.



Selected for the Excellent Construction Award by the Metropolitan Expressway Co., Ltd.

The Company was selected for the FY2024 Excellent Construction Award by the Metropolitan Expressway Co., Ltd. This award recognizes outstanding construction projects that excel in areas such as construction organization, construction management, process management, safety management, finished product, and quality.

- (Repair) Distribution systems renovation project 2021-2-1
- We will further enhance our commitment to ensuring the quality of our construction work and contribute to the overall advancement of our business operations.

Safety and Health Initiatives

The Group follows the basic policy that “Ensuring safety and health is the top priority in all business activities” and promotes the creation of a safe and comfortable workplace with the goal of achieving zero accidents.

To realize this basic policy and goal, we formulate the TAKAOKA TOKO Group Safety and Health Activity Basic Plan every year and implement specific activities based on this plan.

We verify and evaluate the status of safety and health activities through safety and health hearings, incorporating the findings into the activity plan for the following fiscal year, thereby implementing the PDCA cycle.

Furthermore, as the first initiative under the SQC First Reform, safety and health activities are being further reinforced. The entire Group is united in conducting effective and practical initiatives to enhance workplace safety.



Safety and Health Goals for Fiscal 2025

Work stoppage accidents (down 50% year on year)	3 or fewer (6 in the previous fiscal year)	Traffic accidents (both inflicting damage and self-inflicted: down 50% year on year)	15 or fewer (30 in the previous fiscal year)
Permeation of safety awareness (TKTK Corporate Ethics Questionnaire)	Over 93.5% (93.5% in the previous fiscal year)	Non-attendance by persons subject to interviews with occupational physicians	0 (0 in the previous fiscal year)

- Main activities
- ① Human resource development for employees
 - Development of key safety personnel
 - Raising safety awareness among new entrants
 - ② Improvement of working methods and environment
 - Establishment of company-wide common work rules
 - Separation of pedestrians and vehicles
 - ③ Enhancement of safety management
 - Appointment of key safety personnel
 - Enhancement of the safety portal site



VR Safety Experience Training

Since fiscal 2024, as part of the Group’s efforts to prevent occupational accidents, we introduced VR-based safety experience training primarily targeting employees in the Manufacturing and Quality Assurance Departments at each business site. (Implemented for 1,040 employees throughout the Group in fiscal 2024)

This training enables employees to experience firsthand industrial accidents with high risk levels that cannot be fully conveyed through classroom learning. Using VR simulations, employees can engage in realistic scenarios, including “slips and falls” in various work situations, “falls from heights” during elevated work, and “collisions” involving forklifts and cranes. Highly rated by participants, this training program plays a crucial role in enhancing employees’ awareness of workplace hazards and strengthening overall workplace safety.



TKTK Three Principles of Safety Kodo (Thinking and Action)

In fiscal 2021, the Group established the TKTK Three Principles of Safety Kodo (Thinking and Action) based on the President’s desire to prevent accidents from occurring. These three principles have been distributed to all employees as portable card so that each and every employee has a sense of ownership and recognizes that the safety kodo (thinking and action) does not only contribute to the safety of their own but also contributes to that of the entire team, with an effort to enhance the team’s safety capabilities.

TKTK Three Principles of Safety Kodo (Thinking and Action)

Practicing these three safety kodo (thinking and action) principles with **persistence, tenacity, and single-mindedness!** is indeed the greatest shortcut to safety. **Stay safe!**

- Fully understand the **background of establishment, purpose, and content of standard procedures and safety rules!**
- **Consciously adhere to rules**, making such behavior an **unconscious behavior (habit)!**
- Eliminate **carelessness, overconfidence, and presumptions**, and prevent **work on a whim!**
- In particular, pay close attention to dangers lurking in **3H work– first time, changes, after a long time**, and **preparation and dismantling work!**
- Make sure to perform **TBM-KY (Tool Box Meeting - Kiken Yochi or pre-work safety briefing) and individual KY** at each work stage!
- Learn from past accident cases and hiyari-hatto (near-misses)!
- **The safety capability of a team (organization) = multiplication of each individual’s safety awareness!**
With each individual’s safety awareness and mutual encouragement, let’s enhance the team’s safety capabilities!
- **Take extra care and encouragement** for workers with fewer years of experience or elderly workers!
- Implement **accident case studies and safety discussions with the participation of all members** in group meetings!

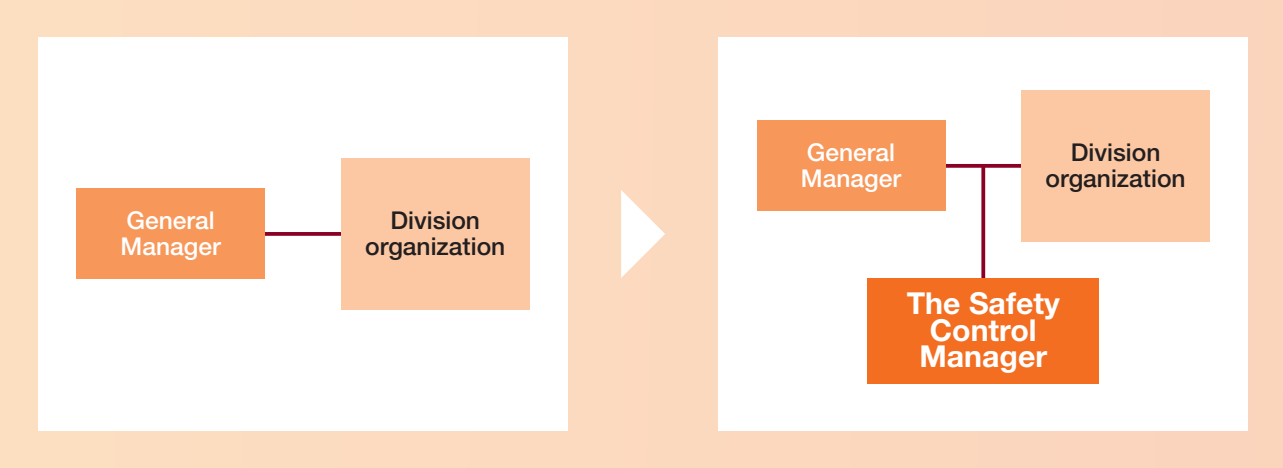
Always practice safety rules!

Perceive the seeds of danger and avoid them!

Protect everyone’s safety through communication!

Assignment of Safety Officers to Offices, etc.

In response to a series of inappropriate incidents since 2021, including root cause analysis and recommendations for recurrence prevention from the Investigation and Verification Committee, the Group has been working on the SQC First Reform to revitalize into a company that prioritizes Safety (S), Quality (Q), and Compliance (C).” As part of this reform, in order to strengthen autonomous management at the front line (business sites, etc.), the Company assigns a Safety Officer at each business site, business division, and construction management division, with the aim of further deepening safety activities led by the General Manager.



Quality Control Initiatives

Quality policy

To Provide a Peace of Mind and Satisfaction to Customers.

Based on the Group's Management Philosophy, we have established a quality policy to achieve our visions, considering them an important part of our management activities.



Quality Assurance System

We Are Working to Maintain and Reinforce Quality Management with the Participation of All Members.

The Quality Assurance Department is organized separately from the Manufacturing Department, ensuring an independent production system that prioritizes quality assurance, and it strives for a prompt response to inquiries regarding after-sales service and defects. In addition, in the internal control of quality management, we have established a CQO (Chief Quality Officer) as the person responsible for quality, and from fiscal 2022, we have been working to reinforce our quality management through enhanced human resources in the Quality Management Division and the appointment of quality management officers to deputy general manager levels in each business division. As a specific initiative, we hold company-wide management reviews and monthly quality assurance meetings at each business division, and are working to improve quality with the participation of all employees by reporting performance against quality indicators, discussing recurrence prevention and preventative measures, sharing defect examples from each business division, and disseminating results above to each department.

Quality Awareness Improvement Activities

8.23 Q-up Day

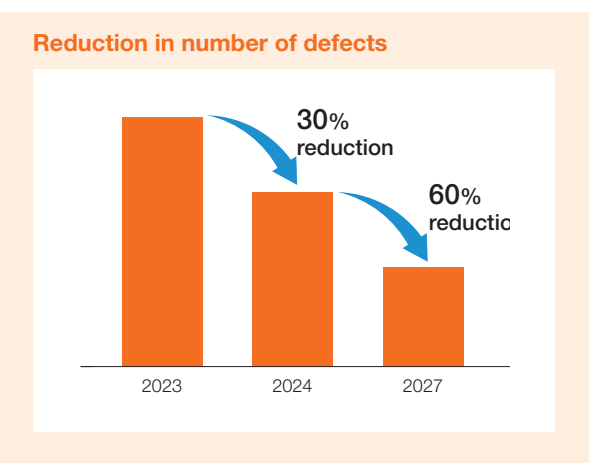
Following past inappropriate incidents, the Company has designated August 23 as “8.23 Q-up Day” to ensure past quality issues are not forgotten and to enhance quality awareness. During Quality Month, held every November, we organize various events to encourage all employees to prioritize quality, such as displaying educational posters and conducting quality surveys. With regard to the quality surveys, we conduct a quantitative assessment of quality awareness, measure awareness levels and implement improvements within each business division.

Initiatives for Quality Improvements

FY2027 KGIs

The Company has set the KGIs for FY2027 at a 60% reduction of the number of defects*1 compared with FY2024, and will implement further quality enhancement activities.

*1 Number of defects within one year of delivery + Number of in-process defects, including defects in purchased products



Improving the Quality of Purchased Products

Strengthening Communication with Suppliers

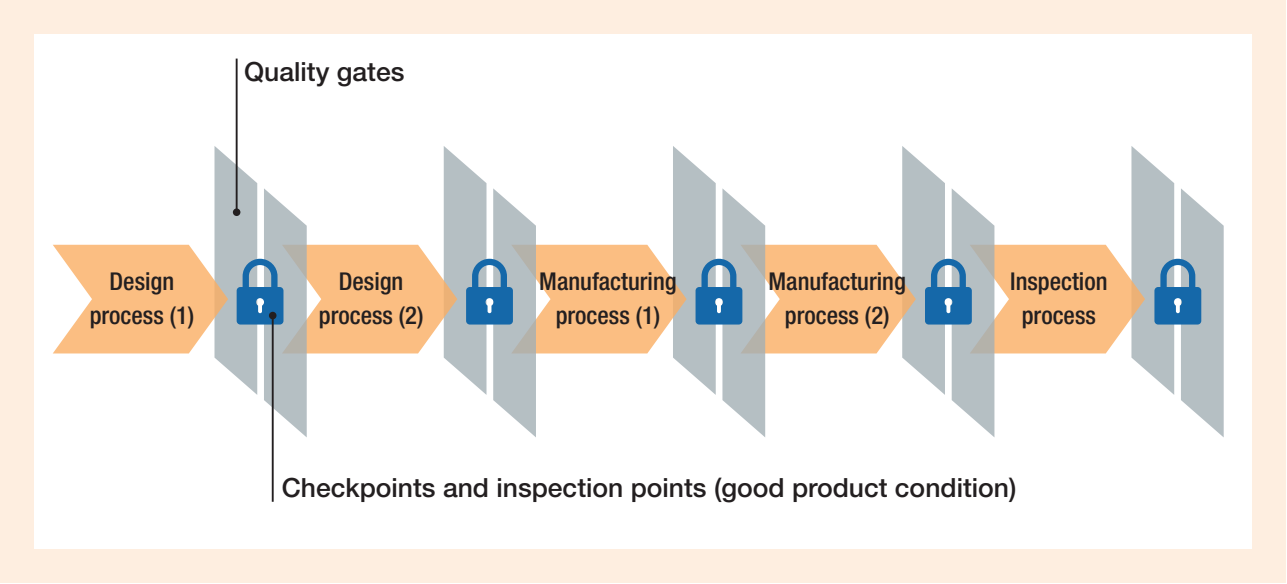
Regarding defects in purchased products, the Company regularly monitors the implementation and progress of measures by suppliers to prevent recurrence. We also listen to any concerns or issues that suppliers may have about the Company in order to not only improve supplier quality but also to improve the quality of purchased products by clarifying the Company's quality requirements.

In addition, we have formed a cross-divisional team within the Company to review and improve quality improvement activities for purchased products.

Strengthening own process completion

Introduction of Quality Gate

To ensure product quality, we are considering the introduction of quality gates, which set checkpoints and inspection points at each stage of the design, manufacturing, and inspection process, and clarify and share the criteria for proceeding to the next process (good product condition). By introducing this system, the Company will build a system that creates quality through own process completion for each process, and strive to improve quality.



Establishing a Product Information Security Organization

Establishment of PSIRT

To address incidents such as product damage and personal information leaks caused by recent cyberattacks, we have established the Product Security Incident Response Team (PSIRT). This has enabled us to regularly collect information on vulnerabilities in operating systems and software embedded in our products and services, conduct risk assessments in collaboration with relevant departments, and verify the presence of any security risks in our products.

Material Procurement

In material procurement, we focus on ensuring fair and equitable transactions and building a sustainable supply chain that emphasizes consideration for the environment and society, based on the fundamental principles of the TAKAOKA TOKO CSR Procurement Guidelines. As part of these efforts, we are actively promoting the “Declaration on the Building of Partnerships” and the “Supplier Comprehensive Evaluations” to increase the transparency and soundness of our procurement activities, while aiming to build lasting relationships of trust and create value with our business partners. Going forward, we will continue to contribute to long-term development together with our business partners while fulfilling our social responsibilities.

* The “TAKAOKA TOKO CSR Procurement Guidelines” are guidelines established by the Company to ensure that we emphasize corporate social responsibility (CSR) in our material procurement activities and establish an ethical and sustainable supply chain.

Procurement Policy

Equal opportunity We provide equal opportunity for competition irrespective of nationality, region, and the presence or absence of transactions.	Fairness We make fair assessment in accordance with our in-house criteria with regard to quality, price, delivery time, supply stability, and environmental consideration.
Mutual Growth We strive to ensure that both business partners and we make profits from transactions for mutual prosperity.	Confidentiality We will never disclose confidential information we access through transactions to any outside party.
Green Procurement We treat preferentially to business partners who give due consideration to environmental conservation and resource saving and are actively making relevant efforts.	Compliance We comply with the applicable laws and regulations and with the TAKAOKA TOKO Group Charter of Corporate Behavior in conducting procurement activities.

Promote CSR Including the Supply Chain

The Company has established the TAKAOKA TOKO CSR Procurement Guidelines, and we ask for our suppliers’ understanding and support of these initiatives. In addition, in order to raise awareness and promote the importance of CSR throughout the supply chain, we are also implementing initiatives such as holding CSR briefing sessions for key suppliers, facilitating CSR self-assessments, and evaluating the current state of our supply chain. Going forward, we will continue to actively conduct CSR activities.

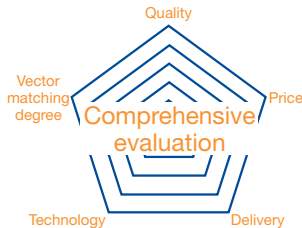
Toward Building Partnerships with Suppliers

On February 10, 2025, the Company announced the “Declaration on the Building of Partnerships.” The declaration was introduced by the Council for the Promotion of Partnership Building for the Future, organized by the Cabinet Office and the Ministry of Economy, Trade and Industry, in order to promote collaboration, coexistence, and co-prosperity with suppliers and business operators with whom we are working together to create value in the supply chain. We will continue to work to further strengthen our partnerships.



Collaboration with Business Partners

For each supplier within our procurement categories, we conduct a comprehensive evaluation based on numerical values, and identify strengths and issues in areas such as quality (Q), cost (C), delivery (D), technology (T), and risk (R). Based on the results of these evaluations, we will continue to work together with suppliers to make further improvements and to strengthen and develop our mutual relationships.



Governance

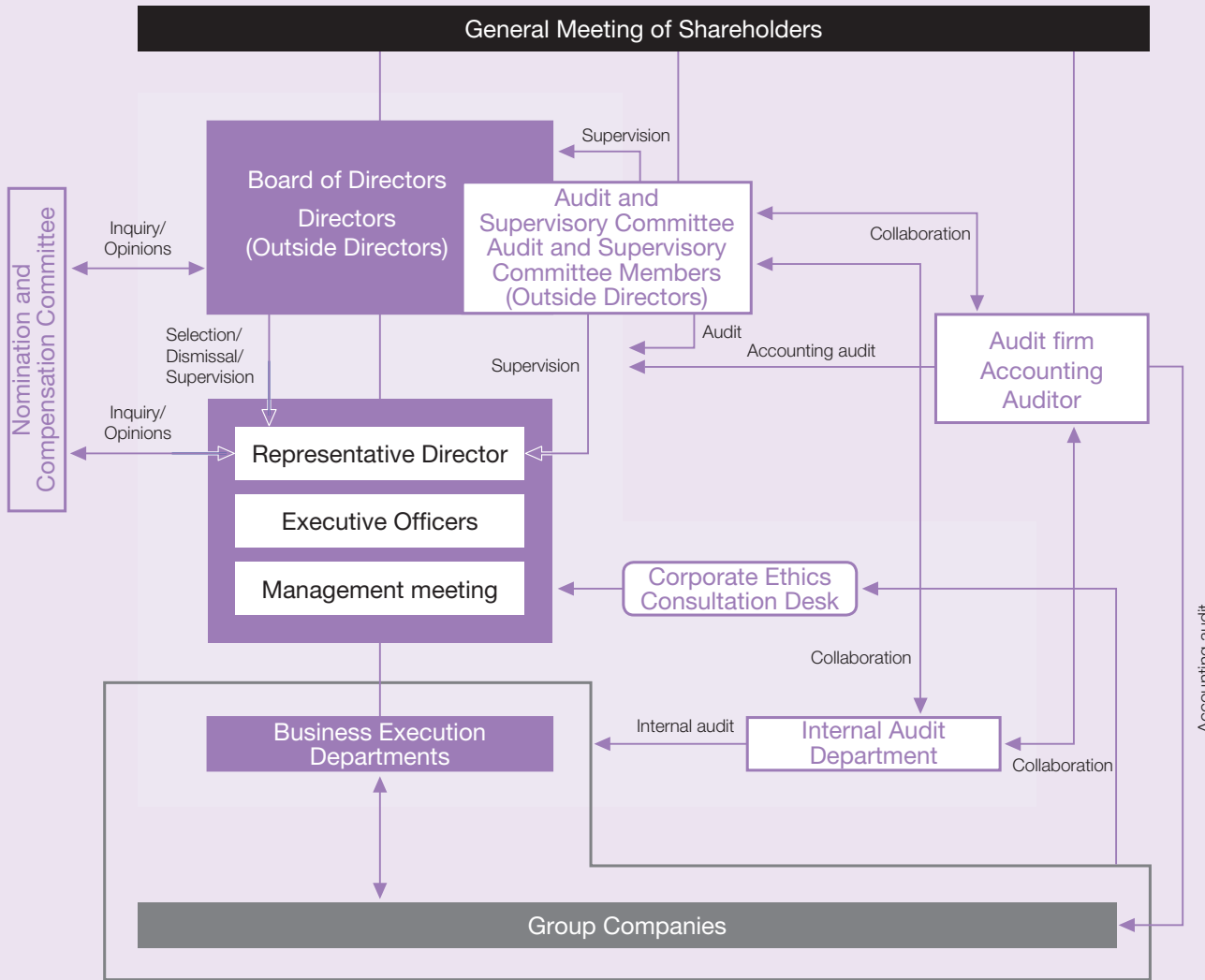


The Group has positioned the enhancement of corporate governance as a significant management issue in the need of fulfilling its social responsibilities by establishing trust as a corporation and continuously creating value. We improve the soundness and transparency of the management through accurate and swift decision-making, efficient business execution, and the strengthening of auditing and supervisory functions.

Corporate Governance System

The Group operates under the following system to ensure accurate and prompt decision-making, thorough corporate ethics, and efficient company operations while complying with laws and regulations.

Diagram of the Corporate Governance System



Overview of Corporate Governance System

The Company has chosen to become a company with an audit and supervisory committee as our corporate governance system in order to enhance our corporate value by aiming for agile decision-making in the Board of Directors, invigorating discussion, and ensuring the full function of Outside Directors, as well as strengthening the supervisory function over the Board of Directors.

Board of Directors

The Board of Directors consists of ten Directors and, in principle, meets once a month, with additional meetings held as necessary. The Board deliberates and makes decisions on important matters concerning overall management and supervises the execution of Directors' duties by receiving regular and ad-hoc reports from them as needed.

To ensure the effectiveness of the Board of Directors, the Board carefully deliberates matters with the participation of Outside Directors, taking into account and implementing the following considerations.

- Prior consultation on agenda items for the Board of Directors by Executive Directors and Full-Time Audit and Supervisory Committee Members at the Management meeting
- Ensuring sufficient time for deliberation
- Limiting resolutions and deliberation items at the Board of Directors to the most important management matters
- Regarding the annual schedule, making a plan by taking into account the schedule for events such as the General Meeting of Shareholders and financial results announcements with the basic principle to hold meetings on the last week of each month, including anticipated agenda items
- Regarding the meeting dates, determining the annual schedule while taking into consideration that all Directors are able to attend
- Regarding the important matters, giving explanations to Outside Directors in advance

(1) Effectiveness Evaluation of the Board of Directors

We conduct an effectiveness evaluation through questionnaires to each Director in order to improve the functions of the Board of Directors.

The effectiveness evaluation is conducted based on the tabulation of responses to the questions categorized in the following evaluation items and the aggregation of opinions provided in the free response section.

As a result of the evaluation for fiscal 2023, the Board of Directors of the Company was assessed as generally operating appropriately and ensuring its effectiveness.

However, in response to requests for further improvements in the effectiveness of progress management and discussions on the Medium-term Management Plan, as well as the strengthening of the supervisory function of the Board of Directors (operation of the internal control system), we introduced various initiatives including invigorating discussions at meetings of the Board of Directors, etc. in preparation for formulating the Medium-term Management Plan 2027, introducing a KPI tree that links departmental and individual objectives to company-wide goals, implementing progress management based on the KPI tree, and strengthening the internal audit system.

Building on these efforts, the results of the evaluation for fiscal 2024 indicate that the Board of Directors of the Company continues to operate appropriately and has secured its effectiveness.

However, there have been further calls for improvements in the activation and operations of the Board of Directors. In light of these opinions, we will continue to review and enhance the management of the Board of Directors.

Evaluation Items

- | | |
|---|--|
| 1. Performance Evaluation of the Functions of the Board of Directors | 2. Other Evaluations of the Operation and Composition of the Board of Directors |
| 1) Formulation of strategic management issues | 1) Operation of the Board of Directors |
| 2) Activation of the Board of Directors | 2) Composition of the Board of Directors |
| 3) Supervisory function of the Board of Directors | |

(2) Business execution structure

The Company has adopted an executive officer system in an aim for the separation of management and execution as well as the acceleration of decision-making, and within the Board of Directors, we decide on the delegation of administrative works and division of duties for each Executive Officer.

In addition, a Management meeting, mainly composed of full-time Directors, has been established to assist the functions of the Board of Directors and to facilitate efficient and appropriate decision-making.

To facilitate prompt and decisive decision-making at the Board of Directors, criteria for matters to be resolved by the Board of Directors are clearly defined in the Rules for Board of Directors, and matters that do not meet these criteria are decided by the Management meeting or the President based on the rules on administrative authority.

During these meetings, proposals are made by the management team, and if any questions arise during the deliberation, thorough verification is conducted, utilizing external institutions such as lawyers as needed to verify appropriateness and legality before making a decision.

Decisions are executed by the management team, led by the President, along with the respective departments in charge.

(3) Nomination and Compensation

The Company has established a Nomination and Compensation Committee as an advisory body concerning the nomination, compensation, and succession planning of Directors and Executive Officers, and the Committee is primarily composed of independent Outside Directors.

① Nominations

Candidates for Directors as well as Executive Officers are selected considering diversity, based on the following knowledge, experience, and abilities, in addition to opinions from the Nomination and Compensation Committee and advice from Outside Directors at the Board of Directors.

[Candidates for Directors]

- People who are well-versed in the business fields in which we operate
- People with experience in corporate management
- People with specialized knowledge in law, finance, etc.

People who can utilize the above skills in performing their duties

[Executive Officers]

- People who are well-versed in the business fields in which we operate

For executive management (Chairman and President), we select the most suitable person at that point in time based on opinions from the Nomination and Compensation Committee as well as the opinions of Outside Directors at the Board of Directors.

For candidates for independent Outside Directors, we select people who can contribute to candid, active, and constructive discussions in the Board of Directors based on the requirements for Outside Directors stipulated in Article 2, Paragraph 15 of the Companies Act, as well as the independence standards of the Tokyo Stock Exchange. Among the independence standards, major business partners are determined as follows and in addition to executives (Executive Directors and employees), being a Non-Executive Directors who is not an Outside Director is also criteria for determining independence.

[Major business partners]

- 1) A party for which the Company is a major business partner:
 - Business partners for which the Company accounts for 10% or more of their net sales or purchase volume
- 2) Major business partner of the Company:
 - Business partners which account for more than 10% of the Company's net sales or purchase volume
 - Financial institutions from which the Company has borrowed and whose outstanding loan balances constitute 1% or more of the Company's total assets

If any of the following conditions are met, a proposal for dismissal of Directors will be submitted to the General Meeting of Shareholders after inquiry with the Nomination and Compensation Committee, and for Executive Officers, dismissal will be resolved by the Board of Directors.

- In case it is determined that a person cannot fulfill their responsibilities due to his/her health reasons
- In case a person has caused a serious compliance violation due to willful misconduct or gross negligence
- In case it is determined that a person no longer meets the requirements for appointment

② Compensation

I. Matters related to the policy for determining the details of compensation and the like for individual Directors

The Company has stipulated the policy for determining the details of compensation and the like for individual Directors (excluding those who are Audit and Supervisory Committee Members) (hereinafter referred to as the "Policy") in accordance with the resolution by the Board of Directors. The outline of the Policy is as follows:

Compensation for Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors) consists of three types of compensation: fixed monetary compensation (non-performance-linked

compensation), variable monetary compensation (performance-linked compensation), and stock-based compensation. Compensation for Outside Directors (excluding those who are Audit and Supervisory Committee Members) is fixed monetary compensation.

With respect to monetary compensation for Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors), the Company has set the base amounts of monetary compensation by position group (Chairman and Representative Director, President and Representative Director, Director and Senior Managing Executive Officers, Director and Managing Executive Officers). Approximately 65% of the base amount of monetary compensation is guaranteed as the minimum amount by fixed monetary compensation. In addition, the Company determined the amount of fixed monetary compensation for Outside Directors (excluding those who are Audit and Supervisory Committee Members) according to their duties.

As a guideline, the composition ratio of compensation is as follows.

- (1) Chairman and Representative Director and President and Representative Director
55% fixed monetary compensation: 30% variable monetary compensation: 15% stock-based compensation
 - (2) Director and Senior Managing Executive Officers and Director and Managing Executive Officers
60% fixed monetary compensation: 30% variable monetary compensation: 10% stock-based compensation
- The composition ratio shall vary depending on business performance and other factors.

II. Resolutions of the General Meeting of Shareholders on Director Remuneration

At the 8th Ordinary General Meeting of Shareholders held on June 29, 2020, it was resolved that the maximum annual remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be no more than 180 million yen per year (of which no more than 30 million yen is allocated for Outside Directors). As of the conclusion of the General Meeting, the number of Directors was seven, including four Outside Directors.

In addition, at the 11th Ordinary General Meeting of Shareholders held on June 29, 2023, a resolution was passed regarding the Board Benefit Trust (BBT), a performance-linked stock-based compensation plan for Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors). Under this resolution, starting from the fiscal year beginning in April 2023, a maximum of 18,000 points per fiscal year is granted to eligible Directors every three fiscal years (each such three-year period, including subsequent three-year periods, is referred to as the “Applicable Period”). Additionally, the maximum number of TAKAOKA TOKO shares to be acquired by the trust in each Applicable Period is set at 54,000 shares. As of the conclusion of the General Meeting, the number of Directors eligible for this plan (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) is three.

III. Matters related to performance-linked compensation and the like

Regarding the compensation for Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors), approximately 35% of the base amount of monetary compensation, variable portion of compensation other than fixed monetary compensation is set as variable monetary compensation. The Company has developed a system in which the amount of variable monetary compensation increases or decreases depending on results of the Company-wide and individual performance, with the aim of using variable monetary compensation as short-term incentives for consistent achievement of business plans and expansion of earnings, etc. in each fiscal year.

To achieve the objectives above, for the company-wide performance portion, consolidated net sales, consolidated operating profit, and profit attributable to owners of parent have been selected as performance indicators, and they are calculated based on the changes in these performance indicators compared to the initial plan and the previous fiscal year.

Individual performance portion is calculated based on performance rating for performance targets set by each Director.

In addition, we have introduced the performance-linked stock compensation plan called the Board Benefit Trust (BBT), and the details of which are as described in IV. Content of non-monetary compensation and the like.

IV. Content of non-monetary compensation and the like

Under the performance-linked stock compensation plan called the Board Benefit Trust (BBT), money contributed by the Company is used as funds to acquire the Company's shares through a trust (the trust to be established under this plan is hereinafter referred to as the “Trust”), and based on the stock benefit rules for Officers established by the Company, the Company's shares and money equivalent to the value of the Company's shares converted at market value (hereinafter “Company's shares and the like”), are distributed through the Trust to Directors and the like (referring to Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors), Executive Officers, and Executive Fellows).

Points, the number of which is to be determined in consideration of their respected positions (President and Representative Director, Director and Senior Managing Executive Officers, Director and Managing Executive Officers, etc.) and coefficients calculated according to performance indicators compared to the initial plan and the previous fiscal year, are granted every fiscal year based on the stock benefit rules for Officers. The points granted are converted at the rate of one common share of the Company for one point when distributing the Company's shares and the like.

Consolidated net sales, consolidated operating profit, and profit attributable to owners of parent have been selected as performance indicators, and the plan is aiming to serve as both short-term incentives for consistent achievement of business plans and expansion of earnings in each fiscal year, and medium- to long-term incentives for sustainable growth and stock price increase through enhancement of corporate value, by allowing the annual granted points to increase or decrease.

V. Determination of the amount of compensation for Directors

The amount of compensation for Directors (excluding those who are Audit and Supervisory Committee Members) for the period from July to the following June is determined by the Representative Director, who is authorized by a resolution of the meeting of the Board of Directors held immediately after the conclusion of the Annual General Meeting of Shareholders held in late June for every year.

Regarding the calculation methods for compensation of Directors (excluding those who are Audit and Supervisory Committee Members), the Board of Directors has the authority to determine, and the Representative Director, who is delegated by the Board of Directors, has the authority to determine the allocation of individual compensation amounts within the annual amount of compensation resolved at the General Meeting of Shareholders.

The Representative Director, who is a member of the Nomination and Compensation Committee, reports the calculated results of total compensation amounts (maximum) to the Nomination and Compensation Committee and decides individual performance evaluations and allocation amounts upon consultation with the Committee.

In addition, in reviewing the calculation methods for compensation of Directors (excluding those who are Audit and Supervisory Committee Members), the Nomination and Compensation Committee discuss this topic in advance and the opinions of the Committee are considered as factors in the decision made by the Board of Directors or the Representative Director.

Audit and Supervisory Committee

There are four (4) Directors who serve as Audit and Supervisory Committee Members, and one (1) Audit and Supervisory Committee Aide has been appointed to assist them in their duties.

The Audit and Supervisory Committee holds regular meetings once a month, in principle, for discussions among its members, and also convenes on an ad hoc basis as necessary. The Directors serving as Audit and Supervisory Committee Members attend meetings of the Board of Directors and other important meetings to comprehensively monitor the execution of duties throughout the Company. As needed, they provide opinions to management from the perspective of ensuring sound corporate governance and the development and dissemination of management policies within the Company. Additionally, the Committee enhances the efficiency of audits by maintaining close collaboration with the Accounting Auditor, conducting detailed audits of the legality and appropriateness of the Company's operations and asset management.

In fiscal 2024, the Audit and Supervisory Committee primarily examined the status of initiatives aimed at achieving the business plan, improving the effectiveness of the internal control system, ensuring compliance with laws and regulations, maintaining safety and quality, and strengthening risk management. Based on this, the Committee conducted a detailed audit to assess the legality and appropriateness of these initiatives.

Full-time Audit and Supervisory Committee Members participated in Board of Directors meetings and other important meetings, reviewed key approval documents and monthly financial statements, and conducted site visits to business divisions and subsidiaries to ensure comprehensive oversight of the Company's overall operations.

At meetings of the Board of Directors and the Audit and Supervisory Committee, Part-time Audit and Supervisory Committee Members provided opinions from the perspective of rigorous auditing and supervision, leveraging their extensive experience and broad expertise as corporate executives or specialists.

Based on the recommendations of each report received from the Investigation and Verification Committee, we are working on reform measure to restore the Company to a position where safety, quality, and compliance are the highest priorities (SQC First Reform), and the status of these efforts has been confirmed through the Audit and Supervisory Committee and the Board of Directors.

Total Amount of Compensation and the Like of Directors (Fiscal 2024)

Executive classification	Total amount of compensation and the like (million yen)	Total amount of compensation and the like by type (million yen)			Number of eligible officers (person)
		Fixed monetary compensation	Performance-linked compensation		
			Variable monetary compensation	Stock-based compensation (non-monetary compensation and the like)	
Directors (excluding those who are Audit and Supervisory Committee Members and Outside Directors)	84	45	25	12	4
Directors who are Audit and Supervisory Committee Members (excluding Outside Directors)	18	18	—	—	2
Outside Officers	40	40	—	—	7

(Note) Among the total amount of compensation and the like by type, the cost recorded for stock-based compensation in fiscal 2024 is based on the performance-linked stock compensation plan.

Dialogue Policy

Dialogue with Stakeholders

We believe that in order to enhance corporate value, it is important to gain the understanding of our customers and the capital market regarding the attractiveness of our business and future growth and at the same time, to utilize the opinions received through dialogue with various stakeholders in our management. For this reason, we newly organized the Investor & Public Relations Group in July 2022. We are implementing a series of new initiatives, such as posting transcripts of financial results briefings on our information website and disclosing supplementary financial results materials on the day of our financial results announcements, and will continue to make efforts to enhance dialogue with our stakeholders.

Dialogue with Shareholders and Investors

Dialogue with shareholders

With the aim of deepening shareholders' understanding of the Company's business initiatives and creating opportunities for dialogue, we held a tour of the Oyama Division on March 17, 2025, attracting a record number of 54 participants. During the Q&A and questionnaire sessions, we received questions on our second-generation smart meters and overseas expansion, as well as opinions about expectations for future products and services.

In addition, the Company's 13th Annual General Meeting of Shareholders was held on June 27, 2025. After presenting the performance and business overview for the 13th fiscal year and explaining the newly announced Medium-term Management Plan 2027, we received numerous questions from shareholders, to which the management team provided sincere and diligent responses.

Dialogue with investors

Dialogue and feedback overview

Item	Status
Main responders	Management: President and Representative Director, Managing Executive Officer, Executive Officer and General Manager of Finance & Accounting Department, Executive Officer and General Manager of Corporate Planning Department Secretariat: Investor & Public Relations Group, Corporate Planning Department
Dialogue partners	The following dialogues were performed with analysts, institutional investors, etc. Individual interviews: domestic (56), overseas (47) <April 2024-March 2025> Financial results briefings: two times in 2024 (for analysts and institutional investors)
Other communication methods	● Disclosure of IR information on our website ● Timely disclosure through Timely Disclosure network (TDnet) of the Tokyo Stock Exchange ● Utilization of platforms for institutional investors and securities firms ● Transcription of financial results presentation and posting on web media
Feedback status	● Reporting the status of financial results briefings and individual meetings to the Management meeting and Board of Directors ● Reflecting the instructions of the Board of Directors in IR activities (holding small meetings with investors to gather information on the Company's evaluation from investors' viewpoints)

Main themes of dialogue and shareholder concerns

Item	Concerns
Management strategy and capital strategy	● Measures and growth strategies for each business segment in the Medium-term Management Plan 2027 ● Initiatives to improve PBR (analysis of low PBR factors, improvement measures and plans) ● Policy on shareholder returns
Performance-related matters	● External environment of the Electric Equipment Business Segment and status of inquiries received by the Company ● Impact of inappropriate incidents on business performance ● Other Factors (likelihood of earnings forecasts, order status, and seasonal fluctuations in quarterly earnings results)

Disclosure Policy

On April 25, 2018, the Company has established a Disclosure Policy. We practice appropriate information disclosure to build a long-term trust relationship with all stakeholders, including shareholders and investors. In accordance with the Financial Instruments and Exchange Act and other laws and regulations, as well as the rules of the Tokyo Stock Exchange, we make disclosures following legal and regulatory disclosure standards regarding decisions, occurrences, and financial results that may affect investment decisions when they arise.

Corporate Ethics/Compliance

Charter of Behavior Regarding Corporate Ethics

- The Group has announced the TAKAOKA TOKO Group Charter of Corporate Behavior as a set of principles to observe and implement to fulfill our social responsibility with high ethical standards in our business activities. Based on our newly formulated Management Philosophy, we revised the Charter in April 2025 to incorporate the SQC First Reform.

Corporate Ethics Committee and Corporate Ethics Consultation Desk

- The Corporate Ethics Committee is chaired by the President and Representative Director and is responsible for decisions on basic policies, action plans, and systems related to corporate ethics and compliance. The Committee also checks the implementation status and shares information.
- We have established the Corporate Ethics Consultation Desk (Job Helpline). This is a whistleblowing system that can be used by both employees and Officers of the Group to report an incident or consult on a matter in order to prevent any corporate ethics or compliance violations and ensure early resolution in the event of a violation.
 - We have set up both internal and external consultation desks that can be contacted by both telephone and email for reports or consultations.
 - In line with the Whistleblower Protection Act, the privacy of the individual or any related party reporting an incident or consulting on a matter is strictly protected, and the details of any report are kept strictly confidential. The system also ensures that the whistleblowers are protected against any disadvantageous treatment for reporting an incident or consulting on a matter.
 - All reports and consultations are immediately checked and investigated by the consultation desks, and the results are promptly fed back to the whistleblowers and persons consulting on any matter. Moreover, the results of investigations and any corrective actions are reported to the Board of Directors, the Corporate Ethics Committee, etc.

Corporate Ethics Activities and Initiatives for Compliance with Laws and Regulations

- We provide all employees with a booklet summarizing our Management Philosophy, Charter of Corporate Behavior, and Guidelines for Corporate Behavior. In addition, we conduct activities to promote and establish corporate ethics awareness, such as by holding various corporate ethics training sessions and setting a corporate ethics enhancement month twice a year.
 - Furthermore, in February 2025, we appointed corporate ethics personnel to each Group organization to strengthen our promotion system for corporate ethics activities.
- To ensure thorough compliance with laws and regulations, we have appointed responsible legal monitoring personnel or legal information liaison personnel in each department, and are actively working to strengthen the prevention of legal violation risk by regularly checking for information on revisions of laws and regulations and thoroughly disseminating information on legal matters that affect daily business operations.
- In order to conduct fair and free business activities, we have established Guidelines for Compliance with Antimonopoly Act and distributed them to all concerned parties, including Officers.

Risk Management

The Group has established the Risk Management Committee, chaired by the President and Representative Officer and composed of Officers and department heads, to accurately identify all risks involved in our business activities and to reduce the frequency of risk occurrence and its impact on management. The Committee identifies company-wide risks and significant managerial risks, continuously reviews the progress and evaluates the effectiveness of Group-wide measures, and reflects the results in various measures.

(1) Product and Service Quality

The Group strives to manufacture products for sales under thorough quality control. However, if a quality issue arises, not only in procured and manufactured products but also due to a decline in technological capabilities, the costs of losses such as recalls and replacements of defective products and compensation, as well the loss of order opportunities due to a decrease in competitiveness could affect the Group's business performance. Based on the "TAKAOKA TOKO Quality Policy," we are promoting various quality maintenance and improvement measures, such as in-process quality assurance, recurrence prevention activities, and preventative measures, while also mitigating risk by promoting systematic human resource development and efficient technology transfer.

Following a series of inappropriate incidents within the Group, we formulated and announced the SQC First Reform on October 28, 2024 as a measure to restore the Company to a position where safety, quality, and compliance are the highest priorities. By steadily implementing this reform, we will be able to provide the quality required by our customers.

(2) Fluctuation in Value of Assets Held

The Group holds various tangible and intangible assets such as business assets and goodwill arising from investments. If the profitability of these assets decreases and the recovery of the investment amount becomes uncertain due to changes in the future business environment, impairment losses may be recorded, and it could affect the Group's business performance. To address this risk, we are regularly monitoring future cash flows and the rationality of the underlying business plan to identify signs of this risk and take actions to reduce this risk.

(3) Compliance

In conducting its business, the Group ensures thorough compliance with both domestic and international laws and regulations and other social norms. However, in the event of a violation of one of these domestic or international laws, regulations, or restrictions, or in the event our officers or employees commit a compliance violation such as harassment, the resulting loss of social trust and limitations on our business activities could affect the Group's performance. To address these risks, in addition to implementing measures to prevent the recurrence of the series of inappropriate incidents, the Corporate Ethics Committee, which is chaired by the President and Representative Director, works to ensure thorough legal compliance. We have also formulated the TAKAOKA TOKO Group Charter of Corporate Behavior and the TAKAOKA TOKO Group Guidelines for Corporate Behavior to ensure thorough awareness of norms throughout the Group. Furthermore, we have established frameworks to prevent any violations of laws or impropriety and ensure the prompt resolution of any issues, such as assigning corporate ethics personnel to each organization, setting up the Corporate Ethics Consultation Desk and holding training sessions.

(4) Human Recourse Development

The Group recognizes the importance of securing and developing a wide variety of human recourse in order to secure a competitive advantage in each business and realize sustainable growth. However, if securing and developing human resources does not proceed as planned, resulting in a shortage of necessary human recourse, this could affect the Group's business performance. To address this risk, we are strengthening our response to human recourse, including securing human recourse who will support our growth, developing them through OJT/OFF JT and rotation, expanding human capital investment, and improving engagement toward the "realization of energetic organizations where diverse people gather and are motivated to co-create and keep challenging themselves."

(5) Material Procurement

The Group uses iron, copper, oil, insulators, and other materials for manufacturing our main products. If market prices for these and other important materials were to rise sharply due to geopolitical risks or other factors, we may be unable to fully absorb the impact of such price increases, and this could affect the Group's business performance. To reduce this risk, we secure inventory according to market conditions, implement continuous cost-reduction activities in order to absorb the increase in cost which arises from rising prices, diversify suppliers, implement design changes, and reflect the increased costs in the selling prices.

(6) Dependence on Specific Businesses

The Group's core business is the production and sale of electric equipment, and we have a product sales ratio of 42.2% for products sold to TEPCO Power Grid, Incorporated, with the majority of net sales being product sales to electric power companies. Thus, capital investment trends by electric power companies could significantly affect the Group's business performance. To address this risk, we are expanding sales to a wide range of sectors in addition to electric power companies by enhancing cost competitiveness and expanding into new markets.

(7) Technology Development

The Group is advancing the development and commercialization of various advanced technologies. However, if development does not proceed as planned and we cannot bring products to the market at the appropriate time, it could affect the Group's business performance. To address this risk, management is regularly managing progress and is striving to strengthen its technological capabilities by promoting collaboration within the Group, as well as with universities, research institutes, and other companies.

(8) Information Security

The Group handles a large volume of important information and information devices in each of our business activities, and we have implemented various security measures in both software and hardware. However, if the continuation of business activities such as procurement, production, logistics, and sales operations of the Group was affected due to a leak of critical information or a halt in operations caused by increasing and intensifying cyberattacks such as targeted attacks and ransomware, it could affect the Group's business performance. To address this risk, we are implementing various security measures, employee education and training, and other initiatives aimed at minimizing this risk to reduce the impact on business activities.

(9) Climate Change

Throughout its products' lifecycles, the Group is proactively working to reduce GHG emissions that cause climate change through its business activities. For example, we are developing environmentally friendly products, implementing energy-saving initiatives, and promoting the effective use of renewable energy. Against this backdrop, if there is rapid progress in the implementation of stronger systems and tighter laws and regulations to achieve carbon neutrality and our response to these advancements is delayed, limitations on our business activities and soaring costs could affect the Group's business performance. The Company is taking measures to address this risk as described in "Climate-related Financial Information Disclosure Based on TCFD Recommendations" in "2. Sustainability Approach and Initiatives, (3) Initiatives to Address Climate Change and Response to the TCFD" under Business Overview in the Annual Securities Report.

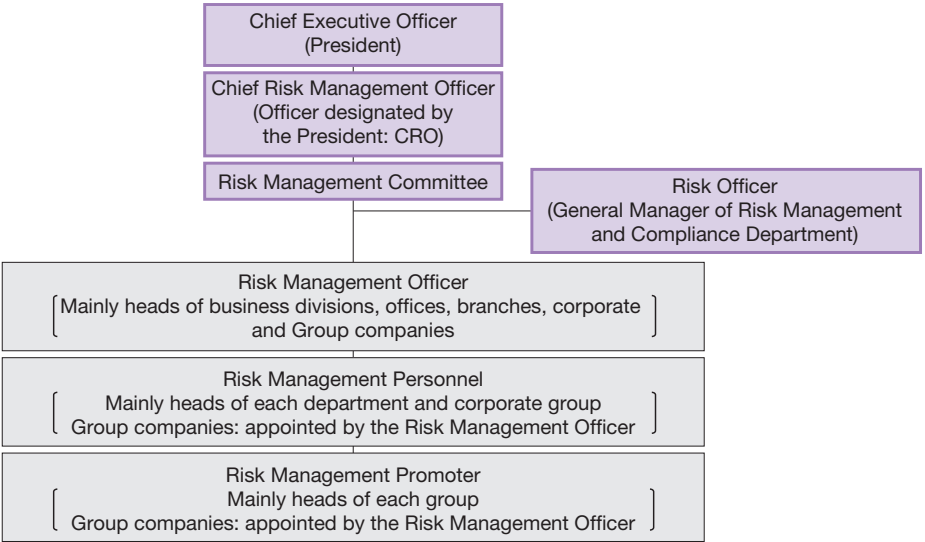
(10) Natural Disasters

The Group has been implementing disaster prevention measures at each site. However, if any of the sites is affected by a large-scale disaster, causing a shutdown due to damage to production facilities, suspension of procurement of raw materials and parts, and paralysis of logistics and sales functions, it could affect the Group's business performance. To address this risk, we are taking steps to mitigate the impact on our business activities, such as implementing disaster prevention measures and disaster prevention drills at each base as well as building a BCP that includes the supply chain.

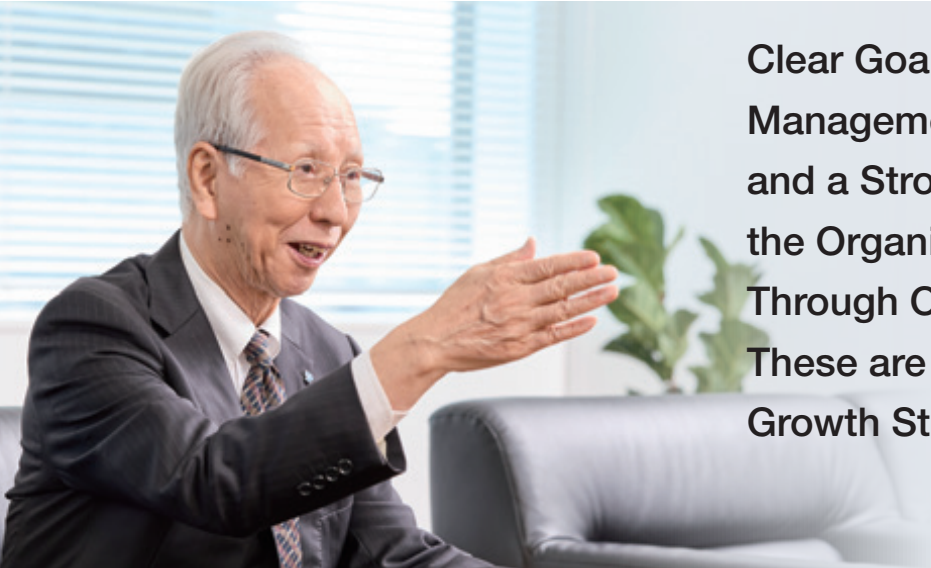
(11) Safety

The Group follows the basic policy that "Ensuring safety and health is the top priority in all business activities" and promotes the creation of a safe and comfortable workplace with the goal of achieving zero accidents. However, if a serious accident were to occur at a production site, customer facility construction, or any other business activity, it could affect the Group's business performance. To address this risk, we implement specific activities based on the TAKAOKA TOKO Group Safety and Health Activity Basic Plan every year. In addition, we verify and evaluate the implementation status of safety and health activities through safety and health interviews and other means, incorporating the findings into the activity plan for the following fiscal year, thereby implementing the PDCA cycle and striving to prevent disasters.

Organization Diagram



Message from the Independent Outside Directors



Clear Goals Set by Top Management, Meticulous Planning, and a Strong Commitment Across the Organization to “See Things Through Once Decided” These are the Keys to Building a Growth Story

Yasuhiro Mishima
Outside Director

To improve corporate value, it is important to “improve economic value” by strengthening earning power and “improve social value” by promoting sustainability management.



Akira Uemura
Outside Director

Q1. The Medium-term Management Plan 2027 calls for “Rebuilding Our Growth Strategy.” What do you think is the key to achieving this?

I believe there are two key factors to rebuilding our growth strategy. The first is that top management sets clear goals and formulates detailed plans. Furthermore, it is essential for each and every employee to understand their own mission and take proactive steps toward achieving those goals. Secondly, the entire organization must share a strong determination to “see things through once decided.” Successfully implementing the Medium-term Management Plan is essential for our credibility and growth as a company. In my many years of work experience in the manufacturing industry, I have seen people united in their efforts to achieve their goals under a culture where “achieving goals is simply expected.” I am confident that if TAKAOKA TOKO can truly foster a sense of unity and further raise awareness of the importance of achieving its goals, the growth story will become a reality.

Q2. What role do you think Outside Directors should play?

I believe that the role of Outside Directors is to provide objective advice and recommendations based on their own experience, and to help guide corporate decision-making in the right direction. When I agree with the direction the Company intends to pursue, I will actively support it. Conversely, if I feel that the timing is premature, it is also my duty to express my honest opinion. The Board of Directors of TAKAOKA TOKO has a culture of open communication, encouraging the free exchange of views including among Outside Directors. This openness stems from the attitude of the management team, which has built relationships of trust where opinions are always taken seriously and lead to concrete action. I believe that the proactive involvement of Outside Directors in such an environment will enhance the ability of the Company as a whole to make decisions and take action.

Q3. What do you think is important for enhancing corporate value?

The underlying principle for enhancing corporate value is to “provide better products and services at lower cost and with greater speed.” This is a mission shared by all businesses, not just manufacturing. A steadfast customer-first mindset is what builds organizational trust. Furthermore, companies are public institutions and cannot exist without the trust of society. Adhering to the principle of “doing what is right, in the right way” is what creates a company’s intrinsic value. Above all, it is people who support such value. A company’s strength is determined by whether its policies are reflected in the goals of each business division and individual missions, and whether each employee takes ownership of their responsibilities.

Q4. What are your expectations for the TAKAOKA TOKO Group in the future?

Together with electric power companies, TAKAOKA TOKO plays an important role in supporting social infrastructure by providing a stable supply of electricity. It is thanks to the steady efforts of such companies that Japan’s power supply system is one of the most reliable in the world. That is why I hope all employees take pride in being part of a “company that makes a significant contribution to society,” and approaches their daily work with a sense of that pride. In addition to providing high-quality products and services, creating a system that can quickly respond in the unlikely event of a malfunction further strengthens the trust placed in us as a company. Similar to the saying “Friends eat from the same pot of rice,” employees grow by sharing the same aspirations and supporting each other. It is my sincere hope that this corporate culture will take root even more deeply, and that the Company will continue to develop in the future as one that is trusted by society.

Q1. The Medium-term Management Plan 2027 calls for “Rebuilding Our Growth Strategy.” What do you think is the key to achieving this?

The Medium-term Management Plan 2027 is based on the revitalization and growth of a new TAKAOKA TOKO under the SQC First Reform. Based on the restoration of trust following the inappropriate incidents, I believe there are three key points to rebuilding our growth strategy. Firstly, demand for electric power-related products is strong, and we need to strengthen the quality and productivity of our electric power network product lineup, which is our core business, to fully capture this demand. I think the key points are capital investments, such as the development of smart factories, and the formation of alliances. The second is whether we can expand the market for these products by providing solutions and undertaking sales reforms to solve problems from the customer’s perspective. The third is whether we can take a leading role in the expanding market by strategically introducing products and solutions that are superior to our competitors, such as EV quick chargers and bump inspection equipment, which we have positioned as growth areas.

Q2. What role do you think Outside Directors should play?

The Board of Directors is in an environment in which Directors can reach final conclusions after unbiased discussions. Outside Directors utilize their diverse experience and knowledge to participate in deliberations from a neutral standpoint, keeping shareholders and other stakeholders in mind. They strive to provide advice, including opinions and perspectives on risk-taking, so that the Company can achieve sound, sustainable growth. In addition, essential activities include holding discussions in advance with the executive team to deepen understanding of business strategies and plans, and meetings at business sites to understand issues and gain an awareness of challenges. Regarding nomination and compensation, we support the formation of an effective management team, including in terms of the evaluation of the appointment and promotion of officers, consideration of methods for determining compensation, and succession planning.

Q3. What do you think is important for enhancing corporate value?

Enhancing corporate value can be considered from two perspectives: economic value and social value. In terms of economic value, it is essential to strengthen earning power through portfolio optimization and investment strategies that take capital costs into consideration. With regard to social value, it is important to have strategies that increase market evaluation, such as promoting sustainability management, strengthening IR activities, and returning profits to shareholders. In addition, as it is human resource that support value enhancement, strengthening investment in human capital is also an important perspective.

Q4. What are your expectations for the TAKAOKA TOKO Group in the future?

We aim to contribute to carbon neutrality and sustainability by transforming into a solution provider in the energy sector that can comprehensively address customer challenges. We also expect to create synergies by strengthening collaboration among Group companies. Furthermore, to gain greater societal recognition, we must strengthen our communication efforts. Leveraging our strong market share in the quick charger segment, the Company launched the SERA brand last year, and under our new Management Philosophy, we elevated this vision into “Becoming a SERA company that designs the energy networks of tomorrow.” We intend to expand this further, creating a positive cycle where we contribute to society through high-quality products and services, thereby attracting top-tier talent to our organization.

Message from the Independent Outside Directors



The greatest responsibility of management is to consider the balance between enhancing short-term and long-term corporate value. Enhancing long-term corporate value will yield the best results for all stakeholders.

Yuichiro Takada

Outside Director (Audit and Supervisory Committee Member)

Steadily getting the SQC First initiative, which supports the foundation of measures to enhance corporate value, on track and promoting it on a company-wide basis will lead to restoring trust and strengthening competitiveness.

Kishiko Wada

Outside Director (Audit and Supervisory Committee Member)



Q1. The Medium-term Management Plan 2027 calls for “Rebuilding Our Growth Strategy.” What do you think is the key to achieving this?

I think the starting point is for all employees to reaffirm the significance of the Company's existence and the technologies it possesses, and to confirm what is the Company's fundamental mission in creating value for society.

Once that is confirmed, we need to take a marketing approach in deciding how best to apply those strengths.

The key is to determine where we should direct our strengths to create new value.

Firstly, we need to confirm the direction the world is moving in, and the issues that lie ahead.

To do so, we need to deeply engage with customers and markets through ongoing dialogue. We will carefully listen to opinions on TAKAOKA TOKO's story to date, and will also engage in in-depth discussions with customers to determine how to best align our strengths with the issues facing society. Our growth strategy lies with our customers and markets. It is not on company desks or in financial statements. TAKAOKA TOKO's growth strategy starts with the creation of new value for society.

Q2. What role do you think Outside Directors should play?

I believe that Outside Directors have two roles.

The first is to monitor whether or not the management team is both appropriate and functioning as a system to enhance the Company's corporate value and create value. If it is not appropriate, we will encourage a review of the system. The second is to objectively convey perspectives that are often overlooked or forgotten when inside the company. Furthermore, it is also important to constantly monitor whether there are any excesses or deficiencies from the perspective of all stakeholders, including customers, business partners, employees, shareholders, and society.

Q3. What do you think is important for enhancing corporate value?

The greatest responsibility of management is to consider the balance between enhancing short-term and long-term corporate value.

Aiming to ultimately enhance long-term corporate value is important for all stakeholders. Management tends to seek short-term profits, and the market often demands the same. However, such short-term corporate behavior often has a negative impact on long-term corporate value. In the Medium-term Management Plan 2027, the Company has set figures that are conscious of cost of capital, such as PBR and ROE. Such a stance is desirable for shareholders and investors. Furthermore, in order to achieve this, profit growth is the most fundamental path, and the fruits of that growth should, after reinvestment in future growth, be returned to shareholders as surplus capital. On the other hand, measures aimed at achieving short-term goals may have negative consequences for enhancing long-term corporate value. Therefore, while it is important to remain conscious of cost of capital, we must never lose sight of the question of whether such measures will enhance TAKAOKA TOKO's long-term corporate value. Ultimately, I believe that this approach will lead to the best possible outcomes for all stakeholders, shareholders, and investors.

Q4. What are your expectations for the TAKAOKA TOKO Group in the future?

In the future, demand for electricity from data centers, including demand for AI, is expected to increase significantly, and we are entering an era where the establishment of an energy security system is essential. In other words, since the domestic supply of fossil fuels is limited, the establishment of a power supply system using renewable energy that is not dependent on overseas sources is an urgent issue for Japan. As a core company in the electric power network, we are expected to be a frontrunner in establishing an independent electric power supply system in Japan. The story of building an independent renewable energy powerhouse with TEPCO as our best partner is the future that I expect for TAKAOKA TOKO.

Q1. The Medium-term Management Plan 2027 calls for “Rebuilding Our Growth Strategy.” What do you think is the key to achieving this?

I believe that to achieve the Medium-term Management Plan 2027, it is essential that each and every employee perceives the goals set out in the plan as their own and takes an active role in achieving them. Eliminating the sense of being “forced to act” has long been a challenge for the Company. To overcome this, the Board of Directors must also adopt the perspective of employees and sincerely address the efforts and challenges on the frontline. When monitoring progress, it is important not to simply manage this from the top down, but to flexibly assess the situation as issues arise, and take realistic and effective measures. If we can increase the sense of satisfaction of each employee through such an approach, I believe that the entire Company will be able to work together toward achieving the goals of the Medium-term Management Plan.

Q2. What role do you think Outside Directors should play?

I believe that an important role for Outside Directors is to provide objective opinions and recommendations from an external and independent perspective, without being overly influenced by the culture and mindset that have been cultivated within the company over many years. On the other hand, in order to make effective statements, it is also essential to understand the company's internal circumstances and on-site realities, as well as to deepen one's understanding of the industry, but striking the right balance is not always easy. I myself strive to deepen my understanding of the Company as needed, but am also conscious of maintaining an “external perspective.”

Q3. What do you think is important for enhancing corporate value?

Generally, strengthening the business foundation, formulating and implementing medium- to long-term growth strategies, and improving organizational strength are considered important for enhancing corporate value. Recently, however, non-financial factors such as ESG and sustainability have also become increasingly important. In the case of the Company, I believe that the SQC First initiative we are currently implementing will support the foundation of these measures to enhance corporate value. I believe that steadily getting this initiative on track and promoting it on a company-wide basis will lead to restoring trust, strengthening competitiveness, and enhancing corporate value.

Q4. What are your expectations for the TAKAOKA TOKO Group in the future?

To date, the Company has played a vital social role in building and maintaining electric power infrastructure and supporting the stable supply of electricity. Having reached a milestone in its response to the inappropriate incidents, the Company is now embarking on a new phase centered on its SQC First initiative. The environment surrounding the energy industry is undergoing major changes as new social demands emerge, such as the expansion of renewable energy and the realization of carbon neutrality. However, even amid these changes, I hope that the Company will continue to leverage its strengths, namely its reliable technical ability and sincere approach to manufacturing, to further enhance its presence and earn even greater trust from society.

Directors and Executive Officers (As of June 27, 2025)

Directors



Takashi Ichinose
President and
Representative Director

CKO (Reform/Kaizen area)
In charge of Governance Reform

Jul. 2010 General Manager of Facilities Department, Tokyo Branch, Tokyo Electric Power Company, Incorporated
Sept. 2011 General Manager of Sub-Branch, Tokyo Branch, Tokyo Electric Power Company, Incorporated
Jun. 2014 President, Tepco Town Planning Co., Ltd. (Seconded from Tokyo Electric Power Company, Incorporated)
Jun. 2017 General Manager of Internal Audit Department, Tokyo Electric Power Company Holdings, Incorporated
Apr. 2018 Executive Officer, General Manager of Internal Audit Department, Tokyo Electric Power Company Holdings, Incorporated
Apr. 2019 Executive Officer, General Manager of Organization, Employee Relations & Human Resources Office, Strategic Unit for Human Resources Empowerment, Tokyo Electric Power Company Holdings, Incorporated
Apr. 2021 Managing Executive Officer of the Company
Jun. 2021 President and Representative Director of the Company (to present)
Chairman of Toshiba Toko Meter Systems Co., Ltd. (to present)



Kunihiro Mizumoto
Director and Senior
Managing Executive Officer

CTO (Technology area), CQO
(Quality area), CPO (Material
procurement area)
In charge of Quality Reconstruction,
Quality Management Division, and
Purchasing Management Division

Apr. 1986 Joined Toko Electric Corporation
Jun. 2013 Senior General Manager, General Manager of Environment Solution Business Division and
attached to Management Integration Preparation Office, Toko Electric Corporation
Apr. 2014 Executive Officer, Deputy General Manager of Energy Solution Business Division of the Company
Jun. 2015 Executive Officer, General Manager of Energy Solution Business Division of the Company
Jun. 2017 Managing Executive Officer, General Manager of Energy Solution Business Division of the Company
Jun. 2018 Director and Managing Executive Officer, General Manager of Electric Equipment Business
Division of the Company
Jun. 2020 Managing Executive Officer, General Manager of Electric Equipment Business Division of the Company
Jun. 2021 Managing Executive Officer, General Manager of Power Equipment & System Business Division
of the Company
Jun. 2022 Director and Managing Executive Officer of the Company
Jun. 2024 Director and Senior Managing Executive Officer of the Company (to present)



Mamoru Iso
Director and Managing
Executive Officer

General Manager of Metering
Business Division; General
Manager of Hasuda Division;
Deputy Project Manager of
Power Distribution Equipment
Business/Metering Business
Reform Project

Apr. 1987 Joined Toko Electric Corporation
Jun. 2013 General Manager of Quality Assurance Department, Saitama Division, Toko Electric Corporation
Apr. 2014 General Manager of Information & Network Department of the Company
Jun. 2018 Executive Officer, General Manager of Information Systems Department of the Company
Feb. 2019 Executive Officer, General Manager of DX Kaizen Promotion Division; General Manager of Digital
Transformation Promotion Department of the Company
Jun. 2021 Managing Executive Officer, General Manager of DX Kaizen Promotion Division; General
Manager of Kaizen Promotion Department of the Company
May 2023 Managing Executive Officer, General Manager of Metering Business Division; General Manager
of Hasuda Division of the Company
Apr. 2025 Managing Executive Officer, General Manager of Metering Business Division; General Manager
of Hasuda Division; Deputy Project Manager of Power Distribution Equipment Business/
Metering Business Reform Project of the Company
Jun. 2025 Director and Managing Executive Officer, General Manager of Metering Business Division;
General Manager of Hasuda Division; Deputy Project Manager of Power Distribution Equipment
Business/Metering Business Reform Project of the Company (to present)



Yoshinori Kaneko
Outside Director

Jul. 2013 General Manager of Musashino Sub-Branch, Tama Branch, Tokyo Electric Power Company,
Incorporated
Jul. 2015 General Manager of Corporate Planning Office, Power Grid Company; Corporate Planning
Office, Corporate Management & Planning Unit, Tokyo Electric Power Company, Incorporated
Apr. 2016 Director and Vice President in charge of management reform; General Manager of Business
Planning Office, TEPCO Power Grid, Incorporated
Jun. 2016 Director and Vice President in charge of management reform, TEPCO Power Grid, Incorporated
Jun. 2017 Director and Nominating Committee Member of Tokyo Electric Power Company Holdings,
Incorporated
Representative Director and President, TEPCO Power Grid, Incorporated (to present)
Director of the Company (to present)



Yasuhiro Mishima
Outside Director

Jan. 1999 General Manager of Molding Department, Tsutsumi Plant, Toyota Motor Corporation
Jan. 2002 Senior Vice-President of Toyota Motor Thailand Co., Ltd.
May 2009 Standing Advisor of Futaba Industrial Co., Ltd.
Jun. 2009 Representative Director and President of Futaba Industrial Co., Ltd.
Jun. 2016 Advisor of Futaba Industrial Co., Ltd.
Director of the Company (to present)



Akira Uemura
Outside Director

Apr. 2008 Executive Officer and General Manager of Industrial Business Division, Hitachi Software
Engineering Co., Ltd. (currently Hitachi Solutions, Ltd.)
Apr. 2009 Executive Officer and General Manager of Telecommunications and Industrial Business Division,
Hitachi Software Engineering Co., Ltd. (currently Hitachi Solutions, Ltd.)
Vice-President Executive Officer, Nippon Securities Technology Co., Ltd.
Apr. 2010 President, Nippon Securities Technology Co., Ltd.
May 2010 Adviser, Nippon Securities Technology Co., Ltd.
Jun. 2019 Director of the Company (to present)
Jun. 2020 Director of the Company (to present)
Jun. 2025 Director, TOHO SYSTEM SCIENCE CO., LTD. (to present)



Tatsuya Wakayama
Director (Full-Time Audit
and Supervisory Committee
Member)

Apr. 1986 Joined TAKAOKA ELECTRIC MFG. CO., LTD.
Apr. 2014 General Manager of Kyushu Branch of the Company, Social Infrastructure Sales Group
Manager of Kyushu Branch, TAKAOKA ELECTRIC MFG. CO., LTD.
Jun. 2015 General Manager of Chubu Branch of the Company
Jun. 2017 General Manager of Corporate Planning Department of the Company
Jun. 2018 Executive Officer, General Manager of Corporate Planning Department of the Company
Jun. 2020 Managing Executive Officer, General Manager of Corporate Planning Department of the
Company
Jun. 2021 Director and Managing Executive Officer, General Manager of Corporate Planning Department
of the Company
Jun. 2022 Director and Managing Executive Officer of the Company
Jun. 2024 Director and Full-Time Audit and Supervisory Committee Member of the Company (to present)



Yuichiro Takada
Outside Director (Audit and
Supervisory Committee
Member)

Apr. 2008 Senior Managing Executive Officer, in charge of Head Office Business Departments I, II and III,
Head Office Business Division, Sumitomo Mitsui Banking Corporation
Oct. 2009 Executive Deputy President, Nikko Cordial Securities Inc.
Apr. 2011 Executive Deputy President, SMBC Nikko Securities Inc.
Apr. 2012 Chairman, Sakura Information Systems Co., Ltd.
Jun. 2016 Auditor of the Company
Jun. 2018 Director, SHIBAURA MECHATRONICS CORPORATION
Jun. 2020 Director, Audit and Supervisory Committee Member of the Company (to present)



Kishiko Wada
Outside Director (Audit and
Supervisory Committee
Member)

Apr. 1996 Registered as attorney-at-law, Joined Fuji Godo Law Office (to present)
Jul. 2015 Director of Toshiba Plant Systems & Services Corporation
Jul. 2016 Chairperson of Nomination and Compensation Committee, Toshiba Plant Systems & Services
Corporation
Mar. 2021 Auditor of L is B Corp. (to present)
Apr. 2021 Vice President of Dai-ichi Tokyo Bar Association
Managing Director of Kanto Federation of Bar Associations
Jun. 2022 Director, Audit and Supervisory Committee Member of the Company (to present)
Corporate Auditor of SUNDRUG Co., Ltd. (to present)



Seiji Moriya
Outside Director (Audit and
Supervisory Committee
Member)

Jun. 2013 General Manager of Office of Audit Committee, Tokyo Electric Power Company, Incorporated
Apr. 2016 Managing Director, TEPCO Fuel & Power, Incorporated
Jun. 2017 Director, Tokyo Electric Power Company Holdings, Incorporated
Representative Director and President, TEPCO Fuel & Power, Incorporated
Sept. 2018 Director; Representative Executive Officer and Executive Vice President; Chief Financial Officer;
Assistant to President, Tokyo Electric Power Company Holdings, Incorporated
Apr. 2022 Director; Representative Executive Officer and Executive Vice President; Chief Risk Officer;
Assistant to President, Tokyo Electric Power Company Holdings, Incorporated
Jun. 2023 Director; Chairman of Audit Committee, Tokyo Electric Power Company Holdings, Incorporated
(to present)
Jun. 2024 Director, Audit and Supervisory Committee Member of the Company (to present)

Executive Officers, Executive Fellow, and Audit and Supervisory Committee Aide

Senior Managing
Executive Officer

Kaoru Okame

CHRO (Human Resources and Infrastructure area);
In charge of Organizational Culture Reform, Corporate
Affairs Department, Employee Relations & Human
Resources Department, and Human Resource
Development Center

Managing
Executive Officer

Osamu Sato

CFO (Finance area), CRO (Risk Management area);
In charge of Internal Audit Department, Risk
Management and Compliance Department, Legal
Department, and Finance & Accounting Department

Managing
Executive Officer

Kazuyasu Asakura

General Manager of Power Equipment & System
Business Division; General Manager of Oyama
Division, Deputy Project Manager of Extra-high-voltage
Receiving and Substation Business Reform Project

Managing
Executive Officer

Akio Shinno

CIO (New Business Creation area);
General Manager of GX Solution Business Division

Managing
Executive Officer

Hiroto Suzuki

Project Manager of Extra-high-voltage Receiving and
Substation Business Reform Project; Project Manager
of Power Distribution Equipment Business/Metering
Business Reform Project
In charge of Sales Reform, Branches, and Applied
Optics Inspection System Business Division

Executive Officer

Hidehiko Asakawa

CDO (Digital and Information area), CKO Assistant;
General Manager of DX Kaizen Promotion Division;
CKO

Executive Officer

Koji Yokote

CSO (Strategy area);
General Manager of Corporate Planning Department;
Extra-high-voltage Receiving and Substation Business
Reform Project;
CKO

Executive Officer

Yasuhiro Muneakawa

General Manager of Finance & Accounting Department
CKO

Executive Officer

Takahiro Otsuka

General Manager of Strategic Technology Institute;
Deputy General Manager of GX Solution Business
Division;
CKO

Executive Officer

Manabu Aoki

CGO (Global Expansion area);
Deputy General Manager of Power Equipment &
System Business Division

Executive Officer

Isao Sugimura

General Manager of Electric Equipment Business
Division; Deputy Project Manager of Power Distribution
Equipment Business/Metering Business Reform
Project;
CKO

Executive Officer

Michio Takahashi

General Manager of Risk Management and
Compliance Department
CKO

Executive Officer

Satoshi Nomura

General Manager of Human Resource Development
Center, Attached to Human Resource Development
Center;
Seconded to Research Promotion Organization,
Kanagawa Institute of Technology;
CKO

Executive Fellow

Mitsuhiro Ishihara

Deputy General Manager of Applied Optics Inspection
System Business Division

Audit and
Supervisory
Committee Aide

Kenji Kashima

Skill Matrix

Listed below shows the expertise and experience of Directors.

Name	Corporate Management	Human Resources	Finance	Information Technology / Digital	Manufacture / Technology / Research and Development / Quality Assurance	Investment / M&A	Sales / Marketing	Global Management	Legal Affairs
Takashi Ichinose	○	○							
Kunihiko Mizumoto	○				○	○			
Mamoru Iso	○			○	○				
Yoshinori Kaneko	○							○	
Yasuhiro Mishima	○				○			○	
Akira Uemura	○			○					
Tatsuya Wakayama	○	○					○		
Yuichiro Takada	○		○						
Kishiko Wada	○								○
Seiji Moriya	○		○			○			

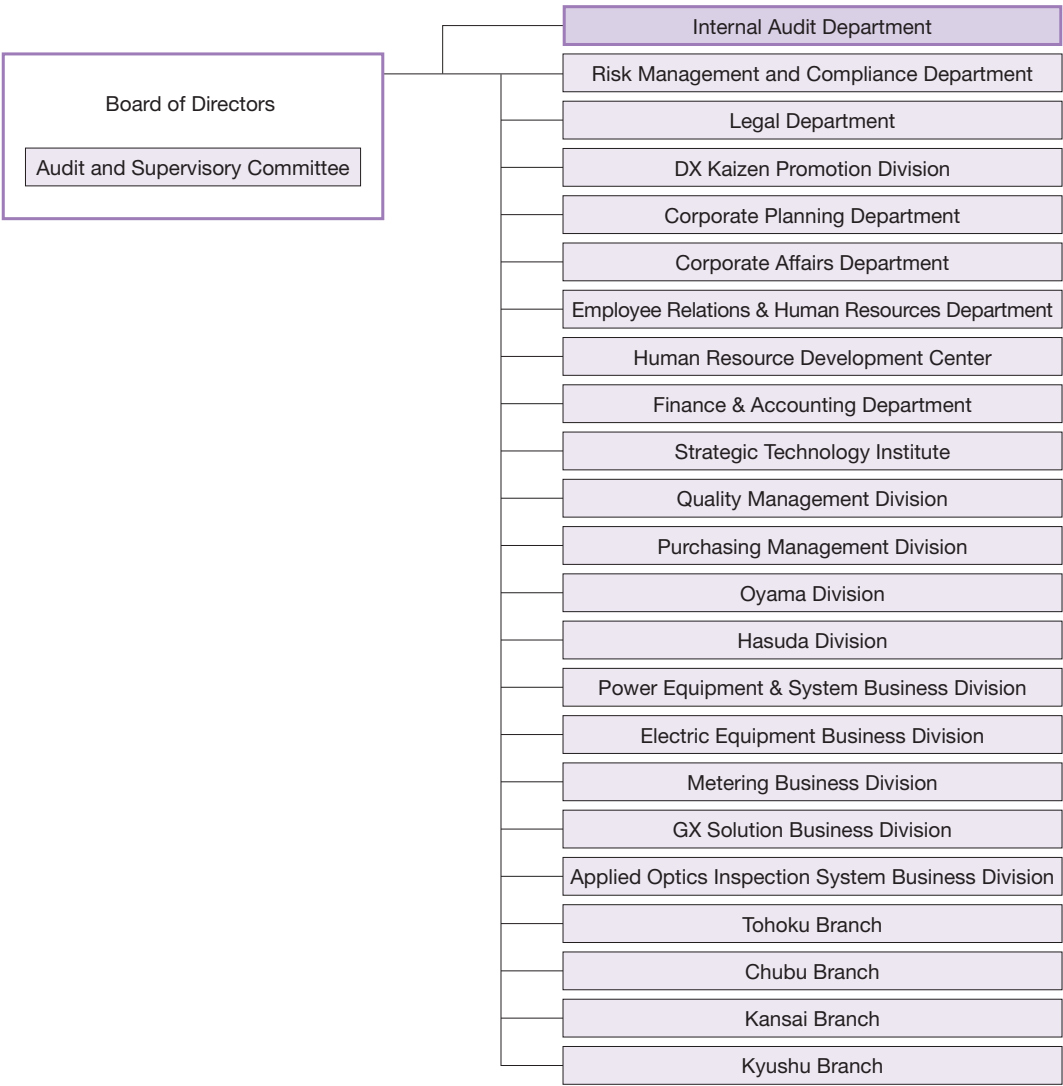
Attendance Status of Directors

The attendance status of individual Directors in fiscal 2024 was as follows.*1

Position	Name	Board of Directors		Audit and Supervisory Committee		Nomination and Compensation Committee	
		Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended
President and Representative Director	Takashi Ichinose	16	16	—	—	7	7
Director and Senior Managing Executive Officer	Kunihiko Mizumoto	16	16	—	—	—	—
Outside Director	Yoshinori Kaneko	16	15	—	—	—	—
Outside Director	Yasuhiro Mishima	16	16	—	—	7	7
Outside Director	Akira Uemura	16	16	—	—	7	7
Director (Full-Time Audit and Supervisory Committee Member)	Tatsuya Wakayama*2	16	16	14	14	—	—
Outside Director (Audit and Supervisory Committee Member)	Yuichiro Takada	16	16	17	17	7	7
Outside Director (Audit and Supervisory Committee Member)	Kishiko Wada	16	16	17	17	7	7
Outside Director (Audit and Supervisory Committee Member)	Seiji Moriya*3	12	12	14	14	—	—

*1 Mamoru Iso was appointed as Director and Managing Executive Officer on June 27, 2025, so his attendance status is not stated above.
*2 Tatsuya Wakayama retired from his position as Director (excluding those who are Audit and Supervisory Committee Members) on June 27, 2024 and was appointed as a Director (Full-time Audit and Supervisory Committee Member) on the same day.
*3 Seiji Moriya was appointed as an Outside Director (Audit and Supervisory Committee Member) on June 27, 2024, and so his attendance status after his appointment is stated.

Organization Chart (As of the date of publication of the Integrated Report)



Performance Highlights

Consolidated Management Indicators, Etc.

Financial Indicators	9th Fiscal Year (March 2021)	10th Fiscal Year (March 2022)	11th Fiscal Year (March 2023)	12th Fiscal Year (March 2024)	13th Fiscal Year (March 2025)
Net sales (million yen)	91,939	91,936	97,752	107,378	106,624
Operating profit (million yen)	3,382	4,625	4,847	8,247	6,094
Ordinary profit (million yen)	3,402	4,172	4,704	8,017	6,302
Profit attributable to owners of parent (million yen)	1,408	3,279	2,919	4,668	3,824
Comprehensive income (million yen)	1,883	3,827	3,773	6,447	4,137
Net assets (million yen)	52,528	55,558	58,460	63,839	66,456
Total assets (million yen)	101,015	100,242	106,322	116,627	113,652
Net assets per share (yen)	3,047.67	3,187.31	3,329.49	3,631.96	3,798.71
Basic earnings per share (yen)	87.29	203.17	180.78	290.29	238.37
Equity ratio (%)	48.7	51.3	50.6	49.9	53.6
Return on equity (ROE) (%)	2.9	6.5	5.5	8.3	6.4
Return on assets (ROA) [profit basis] (%)	1.4	3.3	2.8	4.2	3.3
Price-to-earnings ratio (times)	18.09	7.28	13.00	8.86	8.78
Cash flows from operating activities (million yen)	7,055	4,140	2,245	5,938	5,039
Cash flows from investing activities (million yen)	(1,906)	(1,460)	(1,923)	(2,308)	(3,747)
Cash flows from financing activities (million yen)	1,229	(5,781)	(2,202)	1,181	(3,349)
Cash and cash equivalents at end of period (million yen)	15,122	12,448	10,659	15,475	13,432

(Notes) 1. Diluted earnings per share is not stated as there are no shares with a dilutive effect.
2. In calculating net assets per share, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares that are deducted from the total number of shares issued at the end of the period. In addition, in calculating the amount of basic earnings per share, these shares are included in treasury shares that are deducted in the calculation of the average number of shares outstanding during the period.
3. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. since the beginning of the 10th Fiscal Year. Accordingly, the major management indicators for the fiscal years from the 10th Fiscal Year are indicators after the application of the accounting standard, etc.

Non-financial Indicators (Consolidated)

Non-financial Indicators	9th Fiscal Year (March 2021)	10th Fiscal Year (March 2022)	11th Fiscal Year (March 2023)	12th Fiscal Year (March 2024)	13th Fiscal Year (March 2025)
R&D Expenditure (million yen)	3,001	2,962	3,044	3,238	3,758
Capital investment (million yen)	1,926	1,635	2,117	2,445	4,054
Number of employees (person) [Average number of temporary employees excluded]	2,639 [557]	2,592 [575]	2,536 [558]	2,521 [587]	2,547 [621]
Annual total actual working hours (hours/year/person)*1	2,251	2,308	2,335	2,501	2,470
Work stoppage accidents frequency rate*1	0.00	0.17	0.00	0.00	0.48

*1 The calculation period is January to December of the previous fiscal year.

Non-financial Indicators (Non-consolidated)

Non-financial Indicators	9th Fiscal Year (March 2021)	10th Fiscal Year (March 2022)	11th Fiscal Year (March 2023)	12th Fiscal Year (March 2024)	13th Fiscal Year (March 2025)
Percentage of female workers in managerial positions (%)*2	—	—	1.5	1.9	2.6
Rate of male workers taking childcare leave (%)*3	—	—	33.3	14.3	45.8
Wage gap between male and female employees among all employees (%)*2	—	—	70.6	73.3	73.9

*2 Items disclosed from the 11th Fiscal Year. Figures are calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).
*3 Items disclosed from the 11th Fiscal Year. Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the ratio of taking childcare leave, etc. was calculated in accordance with Article 71-4, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

	9th Fiscal Year (March 2021)	10th Fiscal Year (March 2022)	11th Fiscal Year (March 2023)	12th Fiscal Year (March 2024)	13th Fiscal Year (March 2025)
GHG emissions (in Japan) (t-CO ₂)	15,555	15,535	17,181	16,389	19,497
Total amount of waste (in Japan) (t) * Production site area	1,865	1,954	1,864	1,949	1,790
Water usage (in Japan) (thousand t) * Production site area	128	149	166	160	154

Corporate Development

The TAKAOKA TOKO Group was established through the business integration in 2012 (with full integration in 2014) of Takaoka Electric Mfg. Co., Ltd. and Toko Electric Corporation, which have a history and track record of supporting the stable supply of electricity for nearly 100 years. By fully integrating the two companies, we accelerate business reform and corporate development aiming for increasing corporate value, and create a sustainable value creation story together with all stakeholders.

Main History of Toko Electric Corporation



Toko Building around 1945

1939 Changed the company name to Toko Electric Corporation

1938 Toden Denkyu Co., Ltd., Shibaura Denki Kogyo Co., Ltd., and Toden Denki Shohin Co., Ltd., merged to form Toden Denkyu Co., Ltd.

1928 Established Toden Denkyu Co., Ltd. in Ryogoku, Fukagawa-ku, Tokyo, Japan

1918 Established Takaoka Electric Mfg. Co., Ltd. in Takaoka Town, Nagoya City



Factories when the company was located in Takaoka

Main History of Takaoka Electric Mfg. Co., Ltd.

1962 Constructed a factory for the equipment manufacturing departments in Hasuda City, Saitama

1958 Began contracted business of expired electricity meter replacement



Immersion-proof LED lighting

1948 Began the manufacture and sales of fluorescent lamp

1962 Constructed a new factory dedicated for power transformers in Oyama City, Tochigi

1940 Moved the company headquarters to Tokyo



Disconnecter

1971 Developed Japan's first 6 kV solid insulated switchgear



Solid insulated switchgear

1969 Began the manufacture and sales of 6 kV molded type voltage transformers



6 kV voltage transformers for power supply/demand (Molding voltage and current transformers (VCT))



Automatic switch

1971 Began the manufacture and sales of high-voltage air switches

1980 Shibaura Shiki Co., Ltd. changed its name to Toko Kizai Corporation

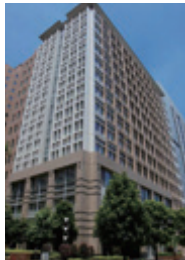
1978 Developed the MUDIC monitoring system for extra-high voltage receiving and substation equipment



MUDIC

1981 Delivered a centralized substation monitoring and control system

1982 Spun off the molding-related division to establish TAKAOKA CHEMICAL CO., LTD.



Oval Court Osaka Mark East

2004 Completed the construction of Oval Court Osaka Mark East

2009 Began the sales of STINC Established Toshiba Toko Meter Systems Co., Ltd.



STINC

2005 Established Toko Electric (Suzhou) Co., Ltd.



Smart meter

2014 Completed construction of a smart meter production plant (assembly & warehouse buildings) in Hasuda district, Saitama

2013 Began the agency business for American-based SEL

2013 Installed a 1.5 MW solar energy equipment in Oyama factory

2010 Constructed a new disconnector factory in Oyama factory and established a distribution network verification test station

2007 Delivered a quick charger for electric vehicles

2004 Began the sales of Top Runner Program (High efficiency voltage transformer)



Pole mounted transformers

2002 Established MintWave Co., Ltd., as the first IT company dedicated for thin client system in Japan



Thin client system



3D Visual Inspection System

1997 Constructed the Hamamatsu Techno Center in Hamamatsu City, Shizuoka Acquired the US patent for the 3D Visual Inspection System and then began the sales of the device

1990 Takaoka Koji Co., Ltd. changed its name to Takaoka Engineering Co., Ltd.

2024 Established the Risk Management and Compliance Department to create a responsible structure to oversee safety, risk, and compliance activities for the entire group

2020 Transitioned from a company with company auditors to a company with audit and supervisory committee

2017 Established the Metering Business Division, integrating sales and production functions for the metering business

2015 Toko Koun Corporation changed its company name to WATT LINE SERVICE Co., Ltd.

2023 Established the Human Resource Development Center to effectively utilize human capital and improve corporate value

2022 Transitioned from the First Section to the Prime Market segment due to the revision of the market classification of the Tokyo Stock Exchange Established the GX Solution Business Division to provide versatile solutions toward the realization of carbon neutrality

2019 Established the DX Kaizen Promotion Division and the Quality Management Division to accelerate digitalization activities and improve Kaizen activities and quality control functions

April 2014 Established TAKAOKA TOKO CO., LTD., through full integration

2025 Completed construction of the Smart meter assembly & delivery center for final assembly and pairing of second-generation smart meters in Hasuda district, Saitama



Corporate Profile

Company Name	TAKAOKA TOKO CO., LTD.	Established	October 1, 2012
Address	8F, Toyosu Prime Square, 5-6-36, Toyosu, Koto-ku, Tokyo 135-0061, Japan	Capital	8 billion yen
TEL	+81-3-6371-5000	President and Representative Director	Takashi Ichinose
FAX	+81-3-6371-5436		

Stock Information (As of March 31, 2025)

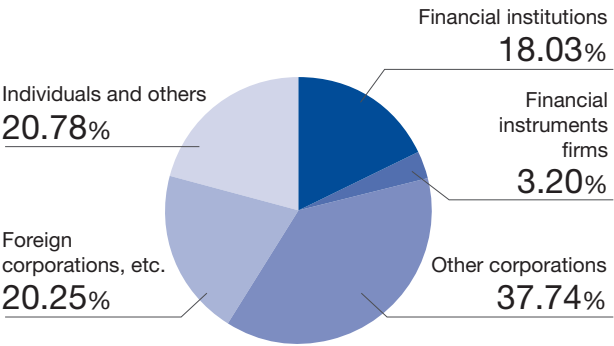
Stock Exchange Listing	Prime Market of the Tokyo Stock Exchange
Total Number of Authorized Shares (Shares)	40,000,000
Total Number of Issued Shares (Shares)	16,276,305
Number of Shareholders (Person)	10,611

Major Shareholders (As of March 31, 2025)

Name	Number of shares owned (1,000)	Shareholding ratio (%)
TEPCO Power Grid, Incorporated	5,671	34.97
The Master Trust Bank of Japan, Ltd. (Trust account)	1,454	8.96
Custody Bank of Japan, Ltd. (Trust account)	738	4.55
MSIP CLIENT SECURITIES	309	1.91
TAKAOKA TOKO Employees' Stock Holding Association	280	1.73
RE FUND 107-CLIENT AC	258	1.59
TAIJU LIFE INSURANCE COMPANY LIMITED	209	1.29
Meiji Yasuda Life Insurance Company	200	1.23
DFA INTL SMALL CAP VALUE PORTFOLIO	169	1.04
Japan Custody Bank, Ltd. (Trust Account E)	164	1.01

(Note) Shareholding ratios are calculated after deducting treasury shares (61,920 shares).

Status by Type of Shareholders



Main Sites

Domestic Locations

Head Office	8F, Toyosu Prime Square, 5-6-36, Toyosu, Koto-ku, Tokyo, Japan
Ueno Area Office	4F, Imas Sunny Bldg., 1-11-9, Ueno, Taito-ku, Tokyo, Japan
Oyama Area Office	1440, Nakakuki, Oyama-shi, Tochigi, Japan
Hasuda Area Office	4008, Sakuragaoka, Kurohama, Hasuda-shi, Saitama, Japan
Hamamatsu Area Office	1-1-1, Shinmiyakoda, Hamana-ku, Hamamatsu-shi, Shizuoka, Japan
Nagoya Area Office	80, Nagare, Jimokuji, Ama-shi, Aichi, Japan

Branches

Tohoku Branch/Chubu Branch/Kansai Branch/Kyushu Branch

Sales Offices

North Kanto Office
Yokohama Office
Niigata Office
Hokkaido Office
Chugoku Office
Shikoku Office
Shinjuku Office
Kobe Office

Global Locations

Philippines Representative Office
Hanoi Representative Office

Group Companies

Electric Equipment Business

Takaoka Engineering Co., Ltd.
TAKAOKA CHEMICAL CO., LTD.
Toko Kizai Corporation
Takaoka Densetsu Co., Ltd.
Applied Technical Systems Joint Stock Company

GX Solution Business

MintWave Co., Ltd.

Metering Business

WATT LINE SERVICE Co., Ltd.
Toko Electric (Suzhou) Co., Ltd.
Toshiba Toko Meter Systems Co., Ltd.
CTI Electric Co., Ltd.
TACTICO, Ltd.

