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December 5, 2024

Start date of measures for electronic provision: November 27, 2024

**To Those Shareholders with Voting Rights**

Toshiya Kohno  
President and Chief Executive Officer  
TOYO Corporation  
1-6, Yaesu 1-chome, Chuo-ku, Tokyo

**NOTICE OF THE 72nd ORDINARY GENERAL MEETING OF SHAREHOLDERS**

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We would like to express our gratitude for your continued patronage.

We are pleased to announce the 72nd Ordinary General Meeting of Shareholders of TOYO Corporation (the “Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

<https://www.toyo.co.jp/ir/library/meeting/>

(in Japanese)

Tokyo Stock Exchange (TSE) website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(in Japanese)

(Access the TSE website by using the Internet address shown above, enter the Company’s name “TOYO Corporation” or the Company’s securities code “8151,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”)

If you do not attend the meeting in person, you may exercise your voting rights via the Internet or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Thursday December 19, 2024.

- 1. Date and Time** 10:00 a.m., Friday, December 20, 2024  
(Registration starts at 9:00 a.m.)
- 2. Place** Room B-C, BELLESALLE Yaesu 2F  
(Yaesu First Financial Building)  
3-7, Yaesu 1-chome, Chuo-ku, Tokyo
- 3. Agenda of the Meeting:**
- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the 72nd Fiscal Term (from October 1, 2023 to September 30, 2024) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
  2. Non-consolidated Financial Statements for the 72nd Fiscal Term (from October 1, 2023 to September 30, 2024)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Three Directors
- Proposal No. 3:** Election of Two Corporate Auditors
- Proposal No. 4:** Revisions to the Restricted Share Remuneration Plan for Directors

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Matters relating to this Notice and Reference Documents for the General Meeting of Shareholders

If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on each of the aforementioned websites.

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### <Voting methods>

You are kindly requested to review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights. You can exercise your voting rights by any of the following three methods:

1. By attending the Ordinary General Meeting of Shareholders to be held on Friday, December 20, 2024 at 10:00 a.m. (Japan Time)
2. By postal mail  
Deadline for exercise: Your ballot must reach us by post no later than 5:30 p.m. on Thursday, December 19, 2024 (Japan Time).
3. Via the Internet  
Deadline for exercise: Please enter your vote by no later than 5:30 p.m. on Thursday, December 19, 2024 (Japan Time).

### <Instructions on filling out your Voting Rights Exercise Form>

**Please indicate your approval or disapproval using the method shown below.**

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#### **Proposals 1 and 4:**

- |                    |   |
|--------------------|---|
| If you approve:    | Put a circle in the box marked “賛” [Approve]    |
| If you disapprove: | Put a circle in the box marked “否” [Disapprove] |

#### **Proposal No. 2 and 3:**

- |   |  |
|---|--|
| If you approve all candidates:                    | Put a circle in the box marked “賛” [Approve]   |
| If you disapprove all candidates:                 | Put a circle in the box marked “否” [Disapprove]  |
| If you selectively disapprove certain candidates: | Put a circle in the box marked “賛” [Approve], and also write the candidate number for each candidate you disapprove. |

### <Matters decided for convocation>

- (1) Handling of duplicated exercise of voting rights both in writing and via the Internet  
If you exercise your voting rights both in writing and via the Internet, the vote exercised via the Internet will be treated as valid.
- (2) Handling of duplicated exercise of voting rights via the Internet  
If you exercise your voting rights more than once via the Internet, the last vote will be treated as valid.
- (3) Handling of cases where a vote in writing (by postal mail) does not indicate approval or disapproval of a proposal  
In cases where a vote in writing (by postal mail) does not indicate approval or disapproval of a proposal on the voting form, it will be treated as though approval for the proposal had been indicated.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1: Appropriation of Surplus

TOYO Corporation (the “Company”) regards the return of profits to shareholders as an important management priority, and intends to pay stable and proactive dividends selecting the larger of a dividend on equity (DOE) of 4% or a consolidated dividend payout ratio of 60%.

Based on this policy, the Company proposes that the appropriation of surplus in the current fiscal year should be as follows:

#### Year-End Dividend

- (1) Type of dividend property  
Cash
- (2) Appropriation of dividend property to shareholders and total amount  
Payment of ¥43 per common share  
Total amount of dividend: ¥925,872,431
- (3) Effective date of distribution of surplus  
December 23, 2024

Note: Dividends for the fiscal year ended September 30, 2024

If this proposal is approved, combined with the interim dividend of ¥25 already disbursed, the total amount of the annual dividends for the fiscal year ended September 30, 2024 will be ¥68 per share.

**Proposal No. 2: Election of Three Directors**

Messrs. Mitsuru Onodera, Yoshimichi Imaizumi, and Katsuya Nishi, the three (3) incumbent Directors of the Company, will complete their term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of three (3) Directors.

Having received a recommendation from the Nomination and Compensation Committee, the Board of Directors nominates Directors who have a deep understanding of the Group's corporate philosophy, have excellent management capabilities and leadership qualities, broad perspective and foresight necessary for global management, and who have a strong desire to participate in management decisions to achieve sustainable growth of the Group as a member of society. As for candidates for Outside Directors, we nominate candidates who are expected not only to provide advice from an objective perspective to ensure the validity and appropriateness of decision-making by the Board of Directors, but also to make proactive recommendations based on their extensive experience and knowledge, including expertise in specialized fields, etc., for the execution of business in the Company's business divisions.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary	Number of shares of the Company held
1 Reelection	Mitsuru Onodera (Male) (May 18, 1962)  Term of office as Director: 10 years  Attendance at the Board of Directors meetings: 18/18 (100%)	<p>September 1991 January 2005</p> <p>Joined the Company Department Manager, Information and Communication Technologies 2nd. Sales Department of the Company</p> <p>January 2010</p> <p>Executive Officer, Department Manager, Information and Communication Technologies 2nd. Sales Department of the Company</p> <p>December 2014</p> <p>Director, in charge of Information and Communication Technologies 1st. and 2nd. Sales Department, and Software Solutions of the Company</p> <p>December 2021</p> <p>Director, Executive VP, in charge of Information Systems Solution Division, Software Solutions, and Life Science &amp; Materials of the Company</p> <p>October 2022</p> <p>Director, Executive VP, in charge of Physics and Chemistry Measurement Division, and Software Solutions of the Company</p> <p>December 2023</p> <p>Director, Executive VP, in charge of Mechanical Measurement Division, Physics and Chemistry Measurement Division, Nagoya Branch, and Utsunomiya Sales Office</p> <p>May 2024</p> <p><b>October 2024</b> <b>Director, Executive VP, in charge of Advanced Automotive Solutions, e-Mobility Measurement Division, Software Solutions, and Nagoya Branch.</b> (Responsibilities in the Company) <b>Director, Executive VP, in charge of Advanced Automotive Solutions, e-Mobility Measurement Division, Software Solutions, and Nagoya Branch.</b></p>	<p>29,400 shares</p> <p>Number of potential shares held: 23,600</p> <p>Total: 53,000 shares</p>
Reasons for nomination as candidate for Director	Mr. Mitsuru Onodera has abundant business experience and extensive knowledge in the sales field, and has contributed to improving sales capabilities and securing revenues, among others, in a wide range of business fields, including the Information and Communication Technologies / Cyber Security segment. As he can be expected to use his past experience to continue contributing to enhancing the Company's corporate value, the Company proposes his reelection as Director.		

Candidate No.	Name (Date of Birth)	Career summary	Number of shares of the Company held
2 Reelection	Yoshimichi Imaizumi (Male) (December 29, 1963)  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 18/18 (100%)	<p>April 1987      Joined the Company</p> <p>October 2014    Division Manager, EMC &amp; Microwave Systems of the Company</p> <p>October 2018    Managing Director of TOYO Corporation China</p> <p>December 2020   Executive Officer, Senior Division Manager, EMC &amp; Microwave Systems of the Company</p> <p>January 2021    Executive Officer, Senior Division Manager, EMC &amp; Microwave Systems of the Company, and Chairman of TOYO Corporation China</p> <p>December 2022   Director, in charge of EMC &amp; Microwave Systems Division and Ocean Measurement Technology Division of the Company, and Chairman of TOYO Corporation China</p> <p><b>October 2024    Director, in charge of Sustainable Energy Measurement Division, EMC &amp; Microwave Systems, Ocean Measurement Technologies, and Utsunomiya Sales Office (Current Position)</b></p> <p>(Responsibilities in the Company) <b>Director, in charge of Sustainable Energy Measurement Division, EMC &amp; Microwave Systems, Ocean Measurement Technologies, and Utsunomiya Sales Office</b></p>	<p>21,468 shares</p> <p>Number of potential shares held: 3,300</p> <p>Total: 24,768 shares</p>
Reasons for nomination as candidate for Director	Mr. Yoshimichi Imaizumi has abundant business experience and extensive knowledge in the sales field, and has contributed to improving sales capabilities and securing revenues, among others, mainly in the EMC / Antenna Systems segment. Furthermore, as Chairman of TOYO Corporation China, he has contributed to expanding and promoting the Company's China business. As he can be expected to use his past experience to contribute to enhancing the Company's corporate value, the Company proposes his reelection as Director.		

Candidate No.	Name (Date of Birth)	Career summary	Number of shares of the Company held
3 Reelection  Outside Independent	Katsuya Nishi (Male) (August 3, 1964)  Term of office as Director: 2 years  Attendance at the Board of Directors meetings: 18/18 (100%)	<p>April 1985 June 2009 June 2012 July 2015 June 2016 April 2018 June 2019 June 2021 <b>December 2022</b></p> <p>Joined SANDEN CORPORATION Director, Corporate Officer, and General Manager, Corporate Planning Office of SANDEN CORPORATION Director, Executive Corporate Officer, in charge of Corporate Planning, Accounting, Finance, and General Affairs of SANDEN CORPORATION Director, Executive Corporate Officer, and General Manager, Accounting Division of SANDEN CORPORATION, and Representative Director and President of Sanden of America Inc. Director and Vice President of SANDEN CORPORATION Representative Director and Executive Vice President in charge of Planning, Finance, Accounting, Administration, and Development and Manufacturing Strategy of SANDEN CORPORATION Representative Director and President of SANDEN CORPORATION Retired from the position as Representative Director and President of SANDEN CORPORATION <b>Outside Director of the Company</b> (Responsibilities in the Company) <b>Outside Director of the Company</b></p>	1,000 shares
Reasons for nomination as candidate for Outside Director and overview of expected roles	Mr. Katsuya Nishi has served as Representative Director and President of SANDEN CORPORATION and has many years' experiences in corporate planning, finance, accounting, and corporate management, giving him wide ranging knowledge and experience in these fields. Moreover, as he can be expected to provide appropriate opinions and guidance regarding the Company's overall management, and to be involved in the selection of candidates for officers and decisions on executive compensation, etc. from an objective and neutral standpoint, the Company proposes his reelection as Outside Director.		

- Notes: 1. No conflict of interest exists between the Company and the above candidates for Directors.  
2. Mr. Katsuya Nishi is a candidate for Outside Director.  
3. The Company has registered Mr. Katsuya Nishi as an independent outside director pursuant to the rules of the Tokyo Stock Exchange, Inc. If he is reelected, the Company plans to designate him again as an independent outside director.  
4. If this proposal is approved, the number of the Company's Directors will be eight (8) (of whom three (3) will be Outside Directors).  
5. The number of potential shares held is the number of unexercised stock acquisition rights as stock options for share-based remuneration.  
6. Overview of directors' and officers' liability insurance policy  
The Company has concluded a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act with the directors, officers, etc. of the Company and its consolidated subsidiaries as insured persons, which is scheduled to be renewed in April 2025.  
If this proposal is approved as proposed and each candidate assumes office, the candidates will be insureds.  
(i) Summary of insurance incidents covered  
The policy covers losses that may arise from the insured's assumption of liability incurred in the course of the performance of duties as a director, an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability.  
(ii) Insurance premiums  
Insurance premiums are borne by the Company.

<Policy for the election (nomination) of Directors>

We nominate Directors who have a deep understanding of the Group's corporate philosophy, have excellent management capabilities and leadership qualities, broad perspective and foresight necessary for global management, and who have a strong desire to participate in management decisions to achieve sustainable growth of the Group as a member of society.

As for candidates for Outside Directors, we nominate candidates who are expected not only to provide advice from an objective perspective to ensure the validity and appropriateness of decision-making by the Board of Directors, but also to make proactive recommendations based on their extensive experience and knowledge, including expertise in specialized fields, etc., for the execution of business in the Company's business divisions.

Furthermore, in order to strengthen the supervisory function of business execution, we nominate candidates who meet the following requirements as Independent Outside Directors.

- Oversee management through important decision making by the Board of Directors
- Oversee conflicts of interest between the Company, management, and controlling shareholders, etc.
- Appropriately reflect the opinions of minority shareholders and other stakeholders to the Board of Directors
- Oversee management from an objective standpoint independent of the management
- Candidates who pose no risk of conflict of interest with general shareholders.

<Procedures for the election (nomination) of Directors>

Regarding the procedure for nominating candidates for Directors, after receiving the deliberation and recommendation of the Nomination and Compensation Committee, the Board of Directors will make a resolution and submit it to the General Meeting of Shareholders.

<Criteria for judging independence>

The Company selects candidates for Independent Directors and Corporate Auditors in accordance with the requirements of independence of the Tokyo Stock Exchange, Inc.



Mr. Hironobu Matsuo will complete his term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of two (2) Corporate Auditors, thereby increasing the number of Corporate Auditors by one (1) to strengthen the auditing system.

The candidates for Corporate Auditors are as follows:

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Name (Date of Birth)	Career summary and position in the Company		Number of shares of the Company held
Kumiko Fujiwara (Female) (October 3, 1975)  New appointment Outside Independent	October 2000 May 2004 July 2008 November 2021 October 2022  September 2023	Joined Asahi Audit Corporation (currently KPMG AZSA LLC) Registered as Certificated Public Accountant Established Fujiwara Certified Public Accountant Office (current position) Full-time Outside Corporate Auditor at “and factory, inc.” Outside Audit & Supervisory Board Member at Supreme System Co., Ltd. (currently GROWTH VERSE Co., Ltd.) (current position) Outside Audit & Supervisory Board Member, Feature Co., Ltd. (current position)	0 shares
Attendance at the Board of Directors meetings: -	November 2023	Retired as Full-time Outside Auditor at “and factory, inc.” Appointed as Outside Director (Audit & Supervisory Committee Member) at “and factory, inc.” (current position)	
Attendance at the Board of Corporate Auditors meetings: -	December 2023	Outside Audit & Supervisory Board Member, LOGILESS CO., LTD. (current position)	
	May 2024	Outside Audit & Supervisory Board Member, NEO CAREER CO., LTD. (current position)	
	(Important Concurrent Positions) Representative of Fujiwara Certified Public Accountant Office Outside Audit & Supervisory Board Member, Feature Co., Ltd. Outside Director (Audit & Supervisory Committee Member) of “and factory, inc.”		
Reasons for nomination as candidate for Outside Corporate Auditor	Ms. Kumiko Fujiwara is a qualified certified public accountant and has extensive experience in corporate audits as an auditor at many companies. Therefore, we have determined that she will be able to perform her duties properly as an auditor and we request that she should be appointed as an outside corporate auditor. Although she has no experience of directly participating in the management of a company other than becoming an outside director in the past, we have made a comprehensive judgment that she will be able to perform her duties properly, taking into consideration the foregoing knowledge and practical experience.		

- Notes: 1. No conflict of interest exists between the Company and the above candidates for Corporate Auditors.  
2. Mr. Makoto Shibuya and Ms. Kumiko Fujiwara are candidates for Outside Corporate Auditors.  
3. The Company intends to register Mr. Makoto Shibuya and Ms. Kumiko Fujiwara as Independent Corporate Auditors pursuant to the rules of Tokyo Stock Exchange, Inc., if they are elected for the position.  
4. If this proposal is approved, the number of the Company’s Corporate Auditors will be four (4) (all of whom are Outside Corporate Auditors).  
5. Overview of directors’ and officers’ liability insurance policy  
The Company has concluded directors’ and officers’ liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act with the officers, etc. of the Company and its consolidated subsidiaries as insured persons, which is scheduled to be renewed in April 2025.  
If this proposal is approved as proposed and the candidates assume office, the candidates will be insureds.  
(i) Summary of insurance incidents covered  
The policy covers losses that may arise from the insured’s assumption of liability incurred in the course of the performance of duties as an officer or a person at a certain position, or receipt of claims pertaining to the pursuit of such liability.  
(ii) Insurance premiums  
Insurance premiums are borne by the Company.

<Reference>

The Skills Matrix of the Board of Directors after Proposals No. 2 and No. 3 are approved as proposed is as follows:

**Skills Matrix of the Company's Board of Directors**

In light of the Company's medium- to long-term management direction and business strategy, the expertise and experience held by the Company's officers (so that the Board of Directors of the Company appropriately exercises its decision-making and supervisory functions toward realization of the Medium-term Management Plan) are as below.

	Name	Corporate Management	Science & Technology	Sales/Marketing	Global Business	Finance/Accounting /Human Resources	Legal/Risk Management
Inside Directors	Toshiya Kohno	●	●	●	●		
	Mitsuru Onodera		●	●	●		
	Yoshimichi Imaizumi	●	●	●	●		
	Takeo Kiuchi		●		●	●	
	Toshiaki Matsui	●				●	●
Outside Directors	Katsuya Nishi	●			●	●	
	Miyuki Suka			●	●	●	
	Tomoki Yoda	●		●	●		
Outside Corporate Auditors	Makoto Shibuya	●				●	●
	Kiyo Morikawa		●				●
	Shigehisa Horinokita					●	●
	Kumiko Fujiwara					●	●

#### **Proposal No. 4: Revisions to the Restricted Share Remuneration Plan for Directors**

Our directors' remuneration was approved at the 67th Ordinary General Meeting of Shareholders held on December 19, 2019 as being within 350 million yen per annum (of which the external directors' remuneration would be within 25 million yen, excluding the employee salary portion of the remuneration of the directors who also serve as employees). In addition to the above, at the 69th Ordinary General Meeting of Shareholders held on December 23, 2021, it was approved that the amount of the Restricted Share Remuneration Plan (hereinafter the "Remuneration Plan") for directors (excluding outside directors) would be no more than ¥50 million per annum and that the maximum number of shares would be no more than 0.1 million per annum.

We would like to increase the upper limit of the Remuneration Plan for the directors (not outside directors) as described in [Contents and Reasons of the Revisions]. In addition to the above, we also propose to include outside directors in the scope of the Remuneration Plan as part of the revisions to the Remuneration Plan at this General Meeting of the Shareholders.

At present, there are five directors who are subject to the Remuneration Plan. If the Proposal No. 2 and this Proposal are approved as in the draft proposals, there will be eight directors who qualify for the Remuneration Plan (of whom three are outside directors).

##### **<Contents and Reasons of the Revisions>**

In view of the increase of the corporate value in the course of the medium-term management plan and our share price since the introduction of the Remuneration Plan, we intend to change the amount of the Remuneration Plan to a maximum of ¥200 million per annum (of which outside directors are limited to ¥20 million) and to a maximum of 0.1 million shares per year (of which outside directors are limited to 10,000 shares per year).

Please note that the upper limit of the number of shares for the Remuneration Plan remains up to 0.1 million shares per year and there is no change in this respect.

With the aim of further strengthening governance by promoting the further sharing of value between shareholders and our outside directors, and raising awareness of the need to increase corporate value sustainably, we intend to extend the Remuneration Plan to outside directors.

##### **<Other>**

Apart from the above revisions, there are no changes to the contents of this Remuneration Plan.

(Attached documents)

## Business Report

(From October 1, 2023 to September 30, 2024)

Current Overview of the Company and affiliated companies (the “Group”)

### 1. Overview of consolidated operating results for the year ended September 30, 2024

#### (1) Overview of consolidated operating results

TOYO Corporation (hereinafter “the Company”) has been pursuing growth strategies to achieve its financial results forecasts (net sales of ¥34.5 billion and operating profit of ¥3.35 billion) in the fiscal year ended September 30, 2024, the final year of the medium-term management plan “TY2024,” as well as an ROE of 8.0% or higher, one of the management targets set out in the plan.

In the fiscal year ended September 30, 2024, the Physics / Energies segment remained solid, with evaluation equipment for next-gen batteries and EVs benefiting from active R&D investments in the carbon neutrality field. Furthermore, the Mechatronics / Noise & Vibration / Sensors segment saw a sharp year-on-year rise in sales as the Company booked large-scale evaluation equipment sales for AD (autonomous driving)/ADAS (advanced driving assistance system) developments in the US and Japan. As a result, consolidated sales totaled ¥35,042 million (up 24.4% YoY), a record high. This broke down as domestic sales of ¥31,660 million (up 22.6%) and overseas sales (mainly to the US and China) of ¥3,382 million (up 43.5%).

In terms of profit, the Company saw a substantial year-on-year increase thanks to a boost from top line growth, a change in the business mix and higher gross margin from large high-margin projects. Operating profit came to ¥3,366 million (up 128.6% YoY), ordinary profit was ¥3,375 million (up 87.4%) and profit attributable to owners of parent was ¥2,522 million (up 64.4%).

ROE for the full year was 9.0%, a sharp improvement on the 5.3% in the previous fiscal year.

New orders taken totaled ¥33,628 million (up 9.3% YoY) following significant growth in the Mechatronics / Noise & Vibration / Sensors segment as well as order expansion in the ICT / Information Security segment and the Ocean / Defense & Security segment. However, the order backlog was ¥17,032 million (down 6.2%) due to progress in booking sales in the Physics / Energies segment.

#### (ICT / Information Security)

In the ICT / Information Security business, network performance testing for major communications carriers in the ICT field and new business in mobile mapping systems saw growth. Furthermore, sales were brisk with service providers in the cyber security field. As a result, sales increased by 12.5% year-on-year to ¥7,481 million and segment profit was ¥388 million (up 52.6%).

#### (Mechatronics / Noise & Vibration / Sensors)

In the Mechatronics / Noise & Vibration / Sensors segment, sales and profit rose sharply thanks to the booking of sales for large-scale AD/ADAS development projects in the VILS field (Vehicle-in-the-loop simulation, a testing and evaluation methodology which utilizes both real vehicles and virtual simulations) in Japan and overseas as well as steady performance in noise and vibration equipment. Profit margins also improved following price revisions, resulting in sharp increases in sales and profit. Sales rose by 63.1% YoY to ¥7,664 million and segment profit was ¥1,595 million (up 328.6%).

#### (Physics / Energies)

In the Physics / Energies segment, both net sales and segment profit increased significantly as both basic electrochemical measurement systems and battery charging measurement system projects were very brisk thanks to tailwinds from the Green Innovation Fund, which supports government-backed R&D projects aimed at decarbonization. A further boost was provided from the introduction of a new measurement solution, which delivers an evaluation bench for electric propulsion systems for air mobility. As a result, sales rose 43.7% YoY to ¥9,909 million and segment profit was ¥2,106 million (up 39.1%).

#### (EMC & Antenna Systems)

In the EMC & Antenna Systems segment, despite the boost to sales from the acquisition and consolidation of TOYO EMC Engineering, sales and profits in the segment declined compared to the same period of the previous year due to delays in securing large domestic EMC system projects and delays in sales of in-house developed products. As a result, sales declined by 13.8% YoY to ¥4,681 million and the segment profit was ¥237 million (down 13.4%).

(Ocean / Defense & Security)

In the Ocean Defense & Security segment, sales increased year-on-year thanks to the booking of sales for a large project and steady progress in inspections in other projects also. Furthermore, segment margins improved due to price revisions made in response to the weaker yen. As a result, sales increased 29.7% YoY to ¥2,261 million and the segment profit was ¥461 million (up 69.2%).

(Software Quality & Productivity)

In the Software Quality & Productivity segment, sales were solid to game companies such as version control tools for game development, driving segment sales. However, the gross margin declined due to an impact from yen depreciation, and the selling, general and administrative costs rose in line with an increase in personnel. As a result, net sales increased by 8.4% YoY to ¥2,128 million and the segment profit was ¥406 million (down 3.9%).

(Life Science)

In the Life Science segment, both sales and segment profit increased thanks to steady sales of orthopedic digital planning tools at consolidated subsidiary Lexi Co., Ltd. As a result, net sales increased by 16.5% YoY to ¥916 million and segment profit was ¥82 million (up 162.7%).

# **Consolidated Balance Sheet**

(As of September 30, 2024)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	18,423,413	<b>Current liabilities</b>	9,883,419
Cash and deposits	3,091,691	Notes and accounts payable - trade	1,683,336
Notes and accounts receivable - trade, and contract assets	6,228,715	Income taxes payable	591,671
Electronically recorded monetary claims – operating	341,262	Contract liabilities	3,020,506
Securities	1,941,892	Short-term loan payable	2,000,000
Merchandise and finished goods	3,997,606	Provision for bonuses	1,091,071
Prepaid Expenses	1,966,625	Provision for directors' bonuses	110,000
Other	857,819	Other	1,386,834
Allowance for doubtful accounts	(2,200)	<b>Non-current liabilities</b>	<b>1,123,131</b>
<b>Non-current assets</b>	<b>20,710,745</b>	Net defined benefit liability	810,454
<b>Property, plant and equipment</b>	<b>13,090,595</b>	Other	312,677
Buildings and structures	889,874	<b>Total liabilities</b>	<b>11,006,550</b>
Vehicles	2,733	<b>Net assets</b>	
Tools, furniture and fixtures	954,420	<b>Shareholders' equity</b>	<b>28,182,273</b>
Land	4,714,388	Capital stock	4,158,000
Construction in progress	6,529,178	Capital surplus	4,611,997
<b>Intangible assets</b>	<b>2,548,490</b>	Retained earnings	25,242,691
Goodwill	1,561,894	Treasury stock	(5,830,415)
Software	858,458	<b>Accumulated other comprehensive income</b>	<b>(180,099)</b>
Software in progress	22,777	Valuation difference on available-for-sale securities	17,401
Other	105,360	Deferred gains or losses on hedges	(94,863)
<b>Investments and other assets</b>	<b>5,071,660</b>	Foreign currency translation adjustments	(147,017)
Investment securities	2,414,795	Remeasurements of defined benefit plans	44,379
Net defined benefit asset	720,998	<b>Subscription rights to shares</b>	<b>77,998</b>
Deferred tax assets	812,429	<b>Equity of non-controlling shareholder</b>	<b>47,436</b>
Long-term time deposits	700,141		
Other	456,444		
Allowance for doubtful accounts	(33,149)	<b>Total net assets</b>	28,127,608
<b>Total assets</b>	39,134,159	<b>Total liabilities and net assets</b>	39,134,159

Note: Amounts are rounded down to the nearest thousand yen.

**Consolidated Statement of Income**

(From October 1, 2023 to September 30, 2024)

(Thousands of yen)

Account Title	Amount	
<b>Net sales</b>		<b>35,042,582</b>
<b>Cost of sales</b>		<b>19,860,311</b>
<b>Gross profit</b>		<b>15,182,271</b>
<b>Selling, general and administrative expenses</b>		<b>11,816,190</b>
<b>Operating income</b>		<b>3,366,080</b>
<b>Non-operating income</b>		
Interest income	51,731	
Dividend income	18,236	
Outsourcing fee	30,052	
Insurance cancellation refund	25,231	
Other	31,996	157,248
<b>Non-operating expenses</b>		
Interest expenses	6,340	
Commission for purchase of treasury stock	2,066	
Loss on investments in investment partnerships	15,964	
Share of loss of entities accounted for using equity method	15,530	
Currency exchange loss	106,943	
Other	1,013	147,860
<b>Ordinary income</b>		<b>3,375,469</b>
<b>Extraordinary income</b>		
Gain on step acquisitions	3,281	
Gain on sales of non-current assets	3,509,184	
Gain on sales of investment securities	10,054	3,522,521
<b>Extraordinary losses</b>		
Impairment loss	304,210	
Loss on disposal of non-current assets	31,650	
Loss on reduction of non-current assets	3,241,737	3,577,599
<b>Income before income taxes</b>		<b>3,320,391</b>
Income taxes - current	821,331	
Income taxes - deferred	(23,893)	797,438
<b>Net income</b>		<b>2,522,953</b>
<b>Net income attributable to owners of parent</b>		<b>2,522,953</b>

Note: Amounts are rounded down to the nearest thousand yen.



### Consolidated Statement of Changes in Net Assets

(From October 1, 2023 to September 30, 2024)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	4,158,000	4,603,500	23,995,345	(4,496,633)	28,260,212
Changes of items during the period					
Dividends of surplus			(1,275,607)		(1,275,607)
Net income attributable to owners of parent			2,522,953		2,522,953
Purchase of treasury stock				(1,421,741)	(1,421,741)
Disposal of treasury stock		8,497		87,959	96,457
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	8,497	1,247,345	(1,333,782)	(77,938)
Balance at the end of current period	4,158,000	4,611,997	25,242,691	(5,830,415)	28,182,273

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(53,726)	129,858	(125,467)	8,494	(40,841)	94,580	—	28,313,950
Changes of items during the period								
Dividends of surplus								(1,275,607)
Net income attributable to owners of parent								2,522,953
Purchase of treasury stock								(1,421,741)
Disposal of treasury stock								96,457
Net changes of items other than shareholders' equity	71,128	(224,722)	(21,550)	35,885	(139,258)	(16,582)	47,436	(108,403)
Total changes of items during the period	71,128	(224,722)	(21,550)	35,885	(139,258)	(16,582)	47,436	(186,341)
Balance at the end of current period	17,401	(94,863)	(147,017)	44,379	(180,099)	77,998	47,436	28,127,608

Note: Amounts are rounded down to the nearest thousand yen.

# **Non-consolidated Balance Sheet**

(As of September 30, 2024)

(Thousands of yen)

Account Title	Amount	Account Title	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>14,995,839</b>	<b>Current liabilities</b>	<b>8,972,442</b>
Cash and deposits	781,892	Notes payable - trade	18,691
Notes and accounts receivable - trade, and contract assets	5,673,088	Accounts payable - trade	1,334,503
Electronically recorded monetary claims - operating	323,082	Accounts payable - other	511,729
Securities	1,941,892	Income taxes payable	537,681
Merchandise	3,726,217	Contract liabilities	2,705,269
Advance payments - trade	401,168	Short-term loan payable	2,000,000
Prepaid Expenses	1,949,907	Provision for bonuses	1,051,000
Other	200,788	Provision for directors' bonuses	110,000
Allowance for doubtful accounts	(2,200)	Other	703,566
<b>Non-current assets</b>	<b>22,635,159</b>	<b>Non-current liabilities</b>	<b>747,870</b>
<b>Property, plant and equipment</b>	<b>12,505,926</b>	Provision for retirement benefits	673,738
Buildings	526,794	Asset retirement obligations	45,352
Structures	3,697	Other	28,780
Vehicles	2,503		
Tools, furniture and fixtures	783,623	<b>Total liabilities</b>	<b>9,720,313</b>
Land	4,661,388	<b>Net assets</b>	
Construction in progress	6,527,920	<b>Shareholders' equity</b>	<b>27,910,149</b>
<b>Intangible assets</b>	<b>944,323</b>	Capital stock	4,158,000
Software	874,365	Capital surplus	4,611,997
Software in progress	22,777	Legal capital surplus	4,603,500
Other	47,180	Other capital surplus	8,497
<b>Investments and other assets</b>	<b>9,184,909</b>	Retained earnings	24,970,566
Investment securities	2,395,705	Legal retained earnings	581,208
Shares of subsidiaries and associates	2,743,905	Other retained earnings	24,389,358
Investments in capital of subsidiaries and associates	390,200	General reserve	17,000,000
Long-term loans receivable	1,400	Retained earnings brought forward	7,389,358
Long-term loans receivable from subsidiaries and associates	712,671	Treasury stock	(5,830,415)
Insurance funds for directors	219,648	<b>Valuation and translation adjustments</b>	<b>(77,461)</b>
Prepaid pension costs	659,357	Valuation difference on available-for-sale securities	17,401
Deferred tax assets	786,767	Deferred gains or losses on hedges	(94,863)
Long-term time deposits	700,000	<b>Subscription rights to shares</b>	<b>77,998</b>
Other	608,403		
Allowance for doubtful accounts	(33,149)	<b>Total net assets</b>	<b>27,910,685</b>
<b>Total assets</b>	<b>37,630,999</b>	<b>Total liabilities and net assets</b>	<b>37,630,999</b>

Note: Amounts are rounded down to the nearest thousand yen.

**Non-consolidated Statement of Income**

(From October 1, 2023 to September 30, 2024)

(Thousands of yen)

Account Title	Amount	
<b>Net sales</b>		<b>30,909,362</b>
<b>Cost of sales</b>		<b>18,133,433</b>
<b>Gross profit</b>		<b>12,775,928</b>
<b>Selling, general and administrative expenses</b>		<b>10,116,104</b>
<b>Operating income</b>		<b>2,659,824</b>
<b>Non-operating income</b>		
Interest income	5,996	
Interest on securities	18,544	
Dividend income	18,232	
Rent on real estate	19,989	
Insurance cancellation refund	25,231	
Other	21,399	109,394
<b>Non-operating expenses</b>		
Interest expenses	3,770	
Commission for purchase of treasury stock	2,066	
Loss on investments in investment partnerships	15,964	
Currency exchange loss	88,765	
Other	62	
<b>Ordinary income</b>		<b>2,658,590</b>
<b>Extraordinary income</b>		
Gain on sales of non-current assets	3,509,184	
Gain on sales of investment securities	10,054	3,519,239
<b>Extraordinary losses</b>		
Impairment loss	304,210	
Loss on disposal of non-current assets	19,364	
Loss on reduction of non-current assets	3,241,737	3,565,312
<b>Income before income taxes</b>		<b>2,612,516</b>
Income taxes - current	746,701	
Income taxes - deferred	(9,512)	737,188
<b>Net income</b>		<b>1,875,327</b>

Note: Amounts are rounded down to the nearest thousand yen.

# Non-consolidated Statement of Changes in Net Assets

(From October 1, 2023 to September 30, 2024)

(Thousands of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of current period	4,158,000	4,603,500	—	4,603,500	581,208	17,000,000	6,789,637	24,370,846
Changes of items during the period								
Dividends of surplus							(1,275,607)	(1,275,607)
Net income							1,875,327	1,875,327
Purchase of treasury stock								
Disposal of treasury stock			8,497	8,497				
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	8,497	8,497	—	—	599,720	599,720
Balance at the end of current period	4,158,000	4,603,500	8,497	4,611,997	581,208	17,000,000	7,389,358	24,970,566

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of current period	(4,496,633)	28,635,712	(53,726)	129,858	76,131	94,580	28,806,424
Changes of items during the period							
Dividends of surplus		(1,275,607)					(1,275,607)
Net income		1,875,327					1,875,327
Purchase of treasury stock	(1,421,741)	(1,421,741)					(1,421,741)
Disposal of treasury stock	87,959	96,457					96,457
Net changes of items other than shareholders' equity			71,128	(224,722)	(153,593)	(16,582)	(170,175)
Total changes of items during the period	(1,333,782)	(725,563)	71,128	(224,722)	(153,593)	(16,582)	(895,739)
Balance at the end of current period	(5,830,415)	27,910,149	17,401	(94,863)	(77,461)	77,998	27,910,685

Note: Amounts are rounded down to the nearest thousand yen.