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November 12, 2025

Consolidated Financial Results for the Fiscal Year Ended September 30, 2025 (Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 8151
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 Scheduled date of the general meeting of shareholders: December 19, 2025
 Scheduled date to file annual securities report: December 18, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions)

1. Consolidated financial results for the fiscal year ended September 30, 2025 (October 1, 2024 to September 30, 2025)

(1) Consolidated operating results (accumulated total) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	32,559	(7.1)	1,914	(43.1)	1,985	(41.2)	1,195	(52.6)
September 30, 2024	35,042	24.4	3,366	128.6	3,375	87.4	2,522	64.4

Note: Comprehensive income For the fiscal year ended September 30, 2025: ¥ 1,560 million [(34.5%)]
 For the fiscal year ended September 30, 2024: ¥2,383 million [47.9%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit as a percentage of total assets	Ordinary profit as a percentage of net sales
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
September 30, 2025	55.55	55.32	4.3	5.0	5.9
September 30, 2024	112.95	112.46	9.0	8.5	9.6

Reference: Equity in earnings of affiliates: ¥- million for FY2025, (¥15 million) for FY2024

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
September 30, 2025	39,937	28,119	70.1	1,299.65
September 30, 2024	39,134	28,127	71.6	1,300.50

Reference: Equity
 As of September 30, 2025: ¥28,004 million
 As of September 30, 2024: ¥28,002 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at period end
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
September 30, 2025	2,195	(770)	(972)	3,657
September 30, 2024	4,110	(2,892)	(736)	3,091

2. Cash dividends

	Annual dividends per share					Total cash dividends (annual)	Payout ratio (consol.)	Dividends as a % of net assets (consol.)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
September 30, 2024	—	25.00	—	43.00	68.00	1,486	60.2	5.3
September 30, 2025	—	30.00	—	39.00	69.00	1,486	124.2	5.3
September 30, 2026 (forecast)	—	30.00	—	40.00	70.00		58.0	

3. Consolidated financial result forecasts for the fiscal year ending September 30, 2026 (October 1, 2025 to September 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	39,000	19.8	3,600	88.0	3,700	86.4	2,600	117.5	120.66

* Notes

(1) Significant changes in scope of subsidiaries during the fiscal year ended September 30, 2025: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	26,085,000 shares	As of September 30, 2024	26,085,000 shares
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(ii) Number of treasury shares at the end of the period

As of September 30, 2025	4,537,161 shares	As of September 30, 2024	4,553,083 shares
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(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2025	21,524,493 shares	Fiscal year ended September 30, 2024	22,337,836 shares
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(Reference) Non-consolidated financial results

1. Results of non-consolidated financial results for the year ended September 30, 2025

(1) Non-consolidated operating results

(percent indications show percentage of changes from corresponding figures for the previous period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	30,052	(2.8)	2,129	(19.9)	2,262	(14.9)	1,540	(17.9)
September 30, 2024	30,909	18.7	2,659	59.2	2,658	44.7	1,875	15.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2025	71.57	71.28
September 30, 2024	83.95	83.59

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
September 30, 2025	38,609	28,120	72.6	1,301.71
September 30, 2024	37,630	27,910	74.0	1,292.62

Reference: Equity

As of September 30, 2025: ¥28,049 million

As of September 30, 2024: ¥27,832 million

* This financial results report is out of scope of review by certified public accountants or an audit firm.

* Explanation related to the appropriate use of financial result forecasts and other specific matters

The financial result forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Actual results may differ materially from the forecast figures due to various factors.

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1. Overview of operating results

(1) Overview of operating results for the year ended September 30, 2025

From the current fiscal year ended September 30, 2025, until the final year ending September 30, 2027, TOYO Corporation ("the Company") is pursuing growth strategies to achieve its management targets set out in the medium-term management plan "TY2027", of net sales of ¥45 billion and operating profit of ¥4.5 billion as well as an ROE of 11.0%.

During the current fiscal year ended September 30, 2025, in terms of sales, the Advanced Mobility business in particular declined significantly as the planned booking of multiple large domestic and overseas orders was pushed to the following year due to customer-side factors. Additionally, sales were also down in the Sustainable Energy business, which saw a low order backlog at the beginning of the fiscal year. However, the ICT / Information Security and Ocean / Defense & Security businesses grew thanks to solid demand. As a result, consolidated net sales totaled ¥32,559 million (down 7.1% YoY). This broke down as domestic sales of ¥30,886 million (down 2.4% YoY) and overseas sales (mainly to the US and China) of ¥1,672 million (down 50.5% YoY). We expect the deferred orders to boost profits in the next fiscal year and beyond.

In terms of profit, although the gross profit margin was higher compared to last year, operating profit was ¥1,914 million (down 43.1% YoY) due to the significant impact of lower sales, as well as increases in R&D and personnel expenses. Ordinary profit came to ¥1,985 million (down 41.2%) due to non-operating income such as foreign exchange gains; while profit attributable owners of parent was ¥1,195 million (down 52.6%), as changes in the profit mix among operating companies led to a higher consolidated effective tax rate than the statutory effective tax rate.

New orders were a record high of ¥40,151 million (up 19.4% YoY) following significant growth in the Ocean / Defense & Security segment, which received multiple large-scale orders, and order increases were posted across nearly all businesses. The order backlog was ¥24,625 million (up 44.6% YoY), significantly greater than the previous year, due to increases in orders and projects with longer durations.

Following a review of management divisions and the organizational structure, and from the current consolidated period, the group renamed its business segments as follows: the Mechatronics / Noise & Vibration / Sensors segment has become Advanced Mobility, Physics / Energies is now Sustainable Energy, while Life Science is now included under Others. Furthermore, we transferred a product line in the mobility domain from Physics / Energies to Advanced Mobility, which has a similar business scope and where synergies may be generated. Moreover, a product line in the Materials Science (materials testing) field was transferred from Physics / Energies to the Others. Segment information for the previous fiscal year has been prepared in accordance with the revised reportable segment classification method, and year-on-year comparisons below also use restated figures in accordance with the revised segment classification method.

The results by segment were as follows:

(Advanced Mobility)

In the Advanced Mobility business, sales of large overseas evaluation system projects for AD (Autonomous Driving)/ADAS (Advanced Driver Assistance System) development and large domestic projects in the e-mobility field, were delayed until next fiscal year or later due to delays in building and facility construction at customers, so sales decreased. However, sales were strong in noise and vibration measurement-related products. As a result, sales were ¥7,595 million (down 22.7% YoY) and segment profit ¥707 million (down 65.9%).

(Sustainable Energy)

In the Sustainable Energy business, while sales of electrochemical measurement systems and ultra low-temperature and magnetic field measurement systems performed above initial plan, sales overall were down compared to the strong results of the previous consolidated fiscal year due to a smaller order backlog at the year start. In addition to lower sales, segment profit also declined due to higher SG&A expenses including for expanded production capacity at subsidiary L. Tail Co., Ltd., a manufacturer of hydrogen-related equipment. As a result, sales were ¥5,841 million (down 11.3% YoY) and segment profit ¥943 million (down 40.8%).

(ICT / Information Security)

In the ICT / Information Security business, in ICT, sales of core network performance testing products for major communication carriers outperformed plan, while vulnerability scanners, proprietary large-capacity packet capture systems and other products also showed YoY growth. In cybersecurity, service provider orders remained firm and the booking of large government agency contracts boosted sales. As a result, sales were ¥8,120 million (up 8.5% YoY) and segment profit ¥686 million (up 76.8%).

(EMC & Antenna Systems)

In the EMC & Antenna Systems business, while sales declined due to a lower order backlog at the start of the year and an order pushed back to the following fiscal year from delays for a customer in the completion of construction of anechoic chamber, the order backlog at year-end grew, and we expect a recovery next year. Moreover, segment profit decreased due to lower sales and booking of costs associated with new product development. As a result, sales were ¥4,427 million (down 5.4% YoY) and segment profit ¥168 million (down 28.9%).

(Ocean / Defense & Security)

In the Ocean / Defense & Security business, sales increased due to robust demand for defense equipment and the early delivery of a large-scale project originally slated for the following fiscal year. However, segment profits declined from one-off costs on large orders. As a result, sales were ¥2,706 million (up 19.7% YoY) and segment profit ¥251 million (down 45.4%).

(Software Quality & Productivity)

In the Software Quality & Productivity business, sales grew due to solid sales to gaming and automotive-related firms. However, higher SG&A expenses from increased procurement costs impacted by a stronger GBP and from increased headcount for new business expansion weighed down segment profits. As a result, sales were ¥2,382 million (up 11.9% YoY) and segment profit ¥349 million (down 13.9%).

(Others)

In the Others business, while subsidiary LEXI Co., Ltd performed well in the life sciences field, sales in the material science field were down compared to last year, when several large electron microscope projects were booked. Furthermore, in addition to a sales decline, valuation losses on long-term life sciences-related inventory led to a significant decline in segment profits. As a result, sales were ¥1,483 million (down 28.6% YoY) and segment profit ¥29 million (down 74.2%).

(2) Overview of financial position for the year ended September 30, 2025

Assets, liabilities and net assets

Assets as of September 30, 2025 were ¥39,937 million, an increase of ¥802 million compared to the end of the previous fiscal year. The main positive factors were an increase of ¥1,221 million in other current assets, and an increase of ¥566 million in cash and deposits. Meanwhile, the main factors behind the decrease were a ¥827 million decrease in notes and accounts receivable – trade, and contract assets and a ¥212 million decrease in merchandise and finished goods.

Total liabilities increased by ¥810 million compared to the end of the previous fiscal year to ¥11,817 million. The main positive factors were an increase of ¥700 million in short-term borrowings, and an increase of ¥596 million in contract liabilities. Meanwhile, the main negative factors were a ¥263 million decrease in other current liabilities, and a ¥106 million decrease other non-current liabilities.

Net assets decreased by ¥7 million compared to the end of the previous fiscal year to ¥28,119 million. The main positive factors were an increase of ¥172 million in foreign currency translation adjustment, an increase of ¥136 million in deferred gains or losses on hedges, and an increase of ¥101 million in valuation differences on available for sale securities. Meanwhile, the main negative factors were a decrease in retained earnings of ¥376 million, and a decrease in adjustments for retirement benefits of ¥41 million.

(3) Overview of cash flow position in the fiscal year ended September 30, 2025

Cash and cash equivalents (hereinafter referred to as “cash”) at the end of the fiscal year ended September 30, 2025 increased by ¥566 million compared to the end of the previous fiscal year, totaling ¥3,657 million. The status of each type of cash flow is as follows:

(Cash flow from operating activities)

The main factors contributing to an increase in cash were a pre-tax net profit of ¥1,956 million and an increase in trade receivables and contract assets of ¥752 million. However, the main factors for a decrease were payment of corporate taxes of ¥937 million, and a decrease in the provision for bonuses of ¥108 million.

As a result, cash flow from operating activities increased by ¥2,195 million.

(Cash flow from investing activities)

The main factors contributing to an increase in cash were income of ¥517 million from the sale of securities and income of ¥131 million from the sale of non-current assets. However, the main factors for a decrease in funds were expenditure of ¥553 million for the acquisition of investment assets and expenditure of ¥470 million for acquisition

of non-current assets.

As a result, cash flow from investing activities decreased by ¥770 million.

(Cash flow from financing activities)

The main factor contributing to an increase in cash was a net increase in short-term borrowings of ¥700 million. However, the main factors for a decrease were expenditure of dividend payments of ¥1,572 million and ¥100 million for the acquisition of treasury stock.

As a result, cash flow from financing activities decreased by ¥972 million.

(Reference) Cash flow indicators over time

	FY9/21	FY9/22	FY9/23	FY9/24	FY9/25
Equity Ratio (%)	76.1	70.4	70.6	71.6	70.1
Market-Based Equity Ratio (%)	73.5	68.0	73.0	88.8	86.2
Cash Flow to Interest-Bearing Debt Ratio Years	—	—	—	0.5	1.2
Interest Coverage Ratio (x)	3,407.4	—	—	677.3	119.4

Equity Ratio: $\text{Equity} / \text{Total Assets}$

Market-Based Equity Ratio: $\text{Market Capitalization} / \text{Total Assets}$

Cash Flow to Interest-Bearing Debt Ratio: $\text{Interest-Bearing Debt} / \text{Operating Cash Flow}$

Interest Coverage Ratio: $\text{Operating Cash Flow} / \text{Interest Payments}$

*Note: Each indicator is calculated based on consolidated financial figures.

*Market capitalization is calculated by multiplying the year-end stock price by the number of shares issued at year-end (after deducting treasury stock).

*Operating cash flow uses the cash flow from operating activities from the consolidated cash flow statement. Interest-bearing debt includes all debts listed on the consolidated balance sheet that incur interest payments.

*The "Interest Coverage Ratio" for the fiscal year ended September 2023 is not disclosed due to a negative operating cash flow.

(4) Future outlook

Our group has set a long-term vision for FY2030 called "BT600-2030" which targets consolidated net sales of ¥60 billion, operating profit of ¥7.5 billion, and ROE of 15.0%. Currently, we are progressing with the medium-term management plan, "TY2027," that ends in FY2027, which represents the midway point toward FY2030. We will execute a growth strategy around three pillars - business strategy, financial and capital strategy, and sustainability management - to continuously enhance corporate value.

1. Business strategy

We will focus on growing our business mainly in the Advanced Mobility, Sustainable energies, and Defense areas. To further add value and differentiate our products and services, we will promote recurring business models that offer stable earnings and expand proprietary solutions using in-house products. We will also strengthen overseas expansion, including establishing new offices. Additionally, we will proactively pursue M&A opportunities to accelerate our group's growth strategy.

2. Financial and capital strategy

Using funds from operating cash flow, asset sales, and bank borrowings, we plan to allocate over 50% toward growth investments, including M&A. We will actively invest in human capital, facilities, and DX/AI to strengthen our management base, drive business growth, and enhance capital returns.

For shareholder returns, we aim for stable and strategic distributions by maintaining a dividend policy with a DOE (Dividend on Equity) of at least 5%, striving for continuous dividend increases. With regards to share buybacks, most recently, from August 8 to October 3, 2024, we repurchased 936,600 shares for approx. ¥1,500 million, and we will continue to consider repurchases as appropriate taking into account the balance with growth

investments.

3. Sustainability management

Based on the understanding across the company that our business activities align with promoting sustainability, we have identified five priority issues (Materialities) that should be addressed from both a social impact and a management base perspective. In the medium-term management plan "TY2027," we will accelerate our initiatives by setting specific focus areas within the Sustainability Medium-Term Plan "STY2027." The whole company will work together to address key priorities of "contributing to technological innovation," "promoting environmental conservation," and "establishing a sustainable management foundation." Specific goals include expanding sales of solutions that support advanced mobility development and the transition to a decarbonized society, reducing greenhouse gas emissions, increasing the ratio of female managers, and achieving certification as a company promoting health management. We aim to strengthen sustainability initiatives going forward, working toward sustainable corporate value enhancement and a sustainable society.

We positioned the fiscal year ended September 30, 2025 as a period for laying the groundwork for both "TY2027" and "BT600-2030" plans to generate results, and to build the foundations for growth. In the fiscal year ending September 30, 2026, we are advancing each of our growth strategies toward achieving "TY2027."

Regarding our earnings forecasts for the fiscal year ending September 30, 2026, as orders are brisk, with a growing order backlog on the high levels at the year-start, we forecast net sales of ¥39 billion, operating profit of ¥3.6 billion, ordinary profit of ¥3.7 billion, and net profit attributable to owners of parent of ¥2.6 billion.

(5) Policy concerning decisions on profit distribution and dividend forecast

Regarding dividends, in the "TY2027" medium-term management plan (FY9/25 to FY9/27), our dividend policy targets a DOE of at least 5% aiming for stable and continuous dividend increases. For the fiscal year ended September 30, 2025, under the above policy, we forecast a dividend of ¥69 per share. Based on a resolution of the Board of Directors dated May 14, 2025, the interim dividend of ¥30 for the fiscal year ended September 2025 was paid on June 10, 2025. For the fiscal year ending September 2026, we plan for an annual dividend of ¥70 per share (including an interim dividend of ¥30 yen), representing nine years of successive dividend hikes.

2. Basic Policy on Selection of Accounting Standards

Our group currently prepares consolidated financial statements in accordance with Japanese GAAP to ensure comparability across periods and with other companies.

However, regarding the potential adoption of International Financial Reporting Standards (IFRS), we plan to respond appropriately, taking into account relevant conditions both domestically and internationally.

3. Consolidated financial statements and principal notes
(1) Consolidated balance sheet

(Thousands of yen)

	FY2024 (As of September 30, 2023)	FY2025 (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	3,091,691	3,657,789
Notes and accounts receivable - trade, and contract assets	6,228,715	5,401,096
Electronically recorded monetary claims - operating	341,262	427,328
Securities	1,941,892	2,082,301
Merchandise and finished goods	3,997,606	3,785,008
Prepaid Expenses	1,966,625	2,059,602
Other	857,819	2,079,242
Allowance for doubtful accounts	(2,200)	(2,000)
Total current assets	18,423,413	19,490,370
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,340,026	2,338,140
Accumulated depreciation and impairment	(1,450,152)	(1,509,654)
Buildings and structures, net	889,874	828,485
Vehicles	9,562	9,562
Accumulated depreciation	(6,829)	(8,060)
Vehicles, net	2,733	1,501
Tools, furniture and fixtures	4,451,519	4,588,900
Accumulated depreciation and impairment	(3,497,098)	(3,776,198)
Tools, furniture and fixtures, net	954,420	812,702
Land	4,714,388	4,716,725
Construction in progress	6,529,178	6,539,403
Total property, plant and equipment	13,090,595	12,898,819
Intangible assets		
Goodwill	1,561,894	1,482,923
Software	858,458	717,802
Software in progress	22,777	98,348
Other	105,360	88,082
Total intangible assets	2,548,490	2,387,157

	(Thousands of yen)	
	FY2024	FY2025
	(As of September 30, 2024)	(As of September 30, 2025)
Investments and other assets		
Investment securities	2,414,795	2,392,783
Retirement benefit asset	720,998	736,629
Deferred tax assets	812,429	859,356
Long-term time deposits	700,141	700,157
Other	456,444	504,371
Allowance for doubtful accounts	(33,149)	(32,599)
Total investments and other assets	5,071,660	5,160,700
Total non-current assets	20,710,745	20,446,676
Total assets	39,134,159	39,937,046

(Thousands of yen)

	FY2024	FY2025
	(As of September 30, 2024)	(As of September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,683,336	1,744,170
Income taxes payable	591,671	580,372
Contract liabilities	3,020,506	3,616,754
Short-term borrowings	2,000,000	2,700,000
Provision for bonuses	1,091,071	983,290
Provision for bonuses for directors	110,000	63,310
Other	1,386,834	1,123,438
Total current liabilities	9,883,419	10,811,336
Non-current liabilities		
Retirement benefit liability	810,454	799,848
Other	312,677	206,172
Total non-current liabilities	1,123,131	1,006,020
Total liabilities	11,006,550	11,817,357
Net assets		
Shareholders' equity		
Share capital	4,158,000	4,158,000
Capital surplus	4,611,997	4,616,989
Retained earnings	25,242,691	24,866,224
Treasury shares	(5,830,415)	(5,825,821)
Total shareholders' equity	28,182,273	27,815,392
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,401	119,227
Deferred gains or losses on hedges	(94,863)	41,734
Foreign currency translation adjustment	(147,017)	25,248
Remeasurements of defined benefit plans	44,379	3,050
Total accumulated other comprehensive income	(180,099)	189,261
Share acquisition rights	77,998	71,786
Non-controlling interests	47,436	43,249
Total net assets	28,127,608	28,119,689
Total liabilities and net assets	39,134,159	39,937,046

(2) Consolidated statement of income and statement of comprehensive income
Consolidated statement of income

(Thousands of yen)

	FY2024 (October 1, 2023 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Net sales	35,042,582	32,559,176
Cost of sales	19,860,311	18,351,196
Gross profit	15,182,271	14,207,979
Selling, general and administrative expenses	11,816,190	12,293,335
Operating profit	3,366,080	1,914,644
Non-operating income		
Interest income	51,731	40,055
Dividend income	18,236	26,922
Gain on investment partnership management	—	14,446
Foreign exchange gains	—	65,673
Service contract fees	30,052	—
Insurance cancellation refunds	25,231	—
Other	31,996	71,897
Total non-operating income	157,248	218,995
Non-operating expenses		
Interest expenses	6,340	18,822
Expenses for acquisition of treasury stock	2,066	16,748
Loss on investment partnership management	15,964	—
Equity in losses of affiliates	15,530	—
Foreign exchange losses	106,943	—
Settlement payments	—	110,000
Other	1,013	2,873
Total non-operating expenses	147,860	148,444
Ordinary profit	3,375,469	1,985,195
Extraordinary income		
Gain on step acquisition	3,281	—
Gain on sale of fixed assets	3,509,184	19,552
Gain on sale of investment securities	10,054	13,847
Total extraordinary income	3,522,521	33,400

		(Thousands of yen)	
		FY2024	FY2025
		(October 1, 2023 to September 30, 2024)	(October 1, 2024 to September 30, 2025)
Extraordinary losses			
Impairment losses		304,210	—
Loss on disposal of fixed assets		31,650	4,532
Loss on reduction of fixed assets		3,241,737	—
Loss on valuation of investment securities		—	57,974
Total extraordinary losses		3,577,599	62,506
Profit before income taxes		3,320,391	1,956,090
Incomes taxes - current		821,331	900,585
Income taxes - deferred		(23,893)	(133,866)
Total income taxes		797,438	766,719
Profit		2,522,953	1,189,370
Profit (loss) attributable to non-controlling interests		—	(6,224)
Profit (loss) attributable to owners of parent		2,522,953	1,195,595

Consolidated statement of comprehensive income

(Thousands of yen)

	FY2024 (October 1, 2023 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Profit	2,522,953	1,189,370
Other comprehensive income		
Valuation difference on available-for-sale securities	71,128	101,825
Deferred gains and losses on hedges	(224,722)	136,597
Foreign currency translation adjustment	(19,481)	174,303
Remeasurements of defined benefit plans, net of tax	35,885	(41,328)
Share of other comprehensive income of entities accounted for using equity method	(2,068)	—
Total other comprehensive income	(139,258)	371,398
Comprehensive income	2,383,695	1,560,768
(Breakdown)		
Comprehensive income attributable to owners of parent	2,383,695	1,564,956
Comprehensive income attributable to non-controlling interests	—	(4,187)

(3) Consolidated statement of changes in shareholders' equity

Fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Thousands of yen)

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

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

Fiscal year ended September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total equity
Balance at beginning of period	4,158,000	4,611,997	25,242,691	(5,830,415)	28,182,273
Change during period					
Dividends of surplus			(1,572,061)		(1,572,061)
Profit attributable to owners of parent			1,195,595		1,195,595
Purchase of treasury shares				(83,615)	(83,615)
Disposal of treasury shares		4,992		88,209	93,201
Net changes in items other than shareholders' equity					
Total change during period	—	4,992	(376,466)	4,593	(366,880)
Balance at end of period	4,158,000	4,616,989	24,866,224	(5,825,821)	27,815,392

	Other Comprehensive Income					New share rights	Non-controlling interests	Total net assets
	Gains/losses on securities	Hedge gains/losses	FX translation adjustments	Adjustments for retirement benefits	Other comprehensive income			
Equity as of 1 October 2024	17,401	(94,863)	(147,017)	44,379	(180,099)	77,998	47,436	28,127,608
Change during period								
Dividends paid								(1,572,061)
Income attributable to owners of the parent								1,195,595
Acquisition of treasury stock								(83,615)
Cancellation of treasury stock								93,201
Change during period for items other than shareholders' equity	101,825	136,597	172,266	(41,328)	369,361	(6,211)	(4,187)	358,962
Total change during period	101,825	136,597	172,266	(41,328)	369,361	(6,211)	(4,187)	(7,918)
Equity at end of period	119,227	41,734	25,248	3,050	189,261	71,786	43,249	28,119,689

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY2024 (October 1, 2023 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Cash flows from operating activities		
Profit before income taxes	3,320,391	1,956,090
Depreciation	992,067	978,824
Impairment loss	304,210	—
Amortization of goodwill	159,467	200,364
Increase (decrease) in allowance for doubtful accounts	(838)	(781)
Increase (decrease) in allowance for bonuses	303,818	(108,103)
Increase (decrease) in allowance for directors' bonuses	44,000	(46,690)
Increase (decrease) in liabilities related to retirement benefits	13,893	(7,580)
Interest and dividends received	(69,968)	(66,977)
Insurance cancellation refunds	(25,231)	—
Service contract fees	(30,052)	—
Interest paid	6,340	18,822
Settlement payment	—	110,000
Share of loss of entities accounted for using equity method	15,530	—
Gain (loss) from investment partnership management	15,964	(14,446)
Gain (loss) from sales of investment securities	(10,054)	(13,847)
Gain (loss) on valuation of investment securities	—	57,974
Gain (loss) from sales and disposal of fixed assets	(3,477,533)	(15,020)
Loss on reduction of fixed assets	3,241,737	—
Loss (gain) from step acquisition	(3,281)	—
Decrease (increase) in accounts receivable and contract assets	(1,321,597)	752,627
Decrease (increase) in inventories	713,352	239,878
Increase (decrease) in accounts payable	(77,160)	37,584
Increase (decrease) in contract liabilities	(121,339)	530,354
Other	692,797	(1,529,977)
Subtotal	4,686,513	3,079,095
Interest and dividends received	75,210	68,048
Insurance surrender value received	25,231	—
Service contract fees	30,052	—
Interest paid	(5,648)	(17,957)
Corporation tax paid	(709,395)	(937,957)

Corporation tax refund	8,376	3,795
Cash flows from operating activities	4,110,340	2,195,024
Cash flows from investing activities		
Expenditures for acquisition of securities	(677,071)	—
Proceeds from sales of securities	706,146	517,240
Expenditures for acquisition of tangible fixed assets	(1,574,628)	(470,050)
Proceeds from sales of tangible fixed assets	45,104	131,911
Expenditures for acquisition of intangible fixed assets	(400,715)	(407,389)
Expenditures for acquisition of investment securities	(594,633)	(553,328)
Proceeds from sales of investment securities	1,168,544	37,030
Expenditures for acquisition of subsidiary shares resulting in change in scope of consolidation	(1,722,966)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	124,899	—
Other	33,241	(25,618)
Net cash provided by (used in) investing activities)	(2,892,080)	(770,204)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,959,733	700,000
Expenditures for purchase of treasury stock	(1,420,316)	(100,364)
Dividends paid	(1,275,607)	(1,572,061)
Proceeds from exercise of stock options	18	8
Cash flows from financing activities	(736,173)	(972,417)
Exchange rate changes on cash and cash equivalents	(49,797)	113,695
Increase (decrease) in cash and cash equivalents	432,289	566,098
Cash and cash equivalents at beginning of period	2,659,402	3,091,691
Cash and cash equivalents at end of period	3,091,691	3,657,789

(5) Notes to consolidated financial statements
(Notes on going concern assumption)
None.

(Changes in accounting method)

(Application of accounting standards for corporate income tax, inhabitant tax, enterprise tax)

The Company has applied Accounting Standard for Taxes on Corporate income tax, residents tax and enterprise tax (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which corporate income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter of the fiscal year under review. This change in accounting policies is applied retrospectively, and consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the same period of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)
[Segment information]

1. Overview of reportable segments

(1) Method of determining reportable segments

The reportable segments of the Group are the constituent units of the Group for which separate financial information is available, and which the Board of Directors periodically reviews in order to determine the allocation of management resources and evaluate business performance. The Group's main business is the provision of products and solutions related to various measurements both domestically and overseas, the development of its own original products and solutions, and related support, maintenance, repair, and calibration, and it develops strategies for each business and develops business activities.

The constituent units of the Group are therefore composed of segments by technology field, and the seven reportable segments are "Advanced Mobility," "Sustainable Energy," "ICT / Information Security," "EMC & Antenna Systems," "Ocean / Defense & Security," "Software Quality & Productivity," and "Others," based on the similarity of the type and nature of technology.

(2) Products and services belonging to each reportable segment

(Advanced Mobility)

We provide equipment and solutions for measurement, analysis, and experimental data management to support R&D in the areas of “performance (operability, ride comfort, etc.)”, of transportation equipment such as automobiles and trains, as well as “noise and vibration”, and “safety and durability” of industrial machinery. Toward the creation of a new mobility society, we are contributing to the advancement of autonomous driving technology, the improvement of EV (electric vehicle) performance, and even the development of flying cars known as eVTOL (electric vertical take-off and landing).

(Sustainable Energy)

Planning to achieve carbon neutrality by 2050, we provide a wide range of high-precision measurement and evaluation systems, for everything from basic research to product development in energy devices like rechargeable secondary batteries and hydrogen-powered fuel cells, electronic materials such as power semiconductors and organic electronics, supporting the rapidly changing energy infrastructure driven by the diffusion of renewable energy and EVs.

(ICT / Information Security)

In ICT, we offer a wide range of advanced solutions that meet the latest technological standards, including network performance testing and operation visualization systems that ensure quality and secure operations of ICT infrastructure, as well as test systems analysis/monitoring systems that ensure information security. In Information Security, in addition to providing service solutions and engineering services, we deliver new services and value in real time by leveraging the latest IT technologies such as cloud, OSS, machine learning, and big-data analytics.

(EMC & Antenna Systems)

For many years we have been providing evaluation solutions that support compliance with electromagnetic environments in the field of EMC (Electromagnetic Compatibility) for electronic equipment, including automobiles, telecommunications devices, home appliances, and medical equipment; and OTA (Over the Air) measurement systems for connected vehicles and 5G. We also have over 30 years of experience in large parabolic antenna ground systems, offering total solutions from system proposal and sales to installation and maintenance.

(Ocean / Defense & Security)

We supply cutting-edge survey and measurement equipment useful in a wide range of marine-related fields including on the ocean, underwater, on the seabed and in port areas, to a wide range of industries including defense, fisheries, and offshore wind power generation. In the defense sector, we only handle defense equipment that does not have offensive capabilities, and we have developed a product lineup that goes beyond the boundaries of measurement and marine.

(Software & Productivity)

We provide products and services that support the entire software development lifecycle, from quality improvements to productivity enhancements. Additionally, we also supply the latest security solutions required in software development environments to ensure safety and reliability to support progressing global digital transformation (DX) trends.

(Other)

In the medical field, we develop various cutting-edge image-related solutions, such as systems to support the interpretation of chest X-rays and CT images, and our core digital planning tools (preoperative planning support for orthopedic surgery are available in both 2D and 3D software versions. We also offer electron microscopes, our own oil particle counters, and quantum computers, which are expected to become more widespread in the future.

(3) Changes to reported segments

Following a review of management divisions and the organizational structure, and from the current consolidated period, the Mechatronics / Noise & Vibration / Sensors segment has become Advanced Mobility, Physics / Energies is now Sustainable Energy, while Life Science is now included under Others. Furthermore, we transferred a product line in the mobility domain from Physics / Energies to Advanced Mobility, which has a similar business scope and where synergies may be generated. Moreover, a product line in the Materials Science (materials testing) field was transferred from Physics / Energies to the Others. Segment information for the previous fiscal year has been prepared in accordance with the revised reportable segment classification method, and year-on-year comparisons below also use restated figures in accordance with the revised segment classification method.

2. Method of calculating sales, profit or loss for each reportable segment

The accounting methods for the reported business segments are generally the same as those used in preparing the consolidated financial statements.

Profits for reportable segments are based on operating profit.

3. Information on net sales and profits (losses) by reportable segment and breakdown of revenues

Fiscal year ended September 30, 2024 (October 01, 2023, to September 30, 2024)

(Thousands of yen)

	Reportable segments			
	Advanced Mobility	Sustainable Energy	ICT / Information Security	EMC & Antenna Systems
Net sales				
Goods or services transferred at a point in time	9,294,657	6,538,314	5,485,945	4,582,529
Goods or services that are transferred over a period of time	531,811	40,660	1,995,319	98,498
Revenue from contracts with customers	9,826,468	6,578,975	7,481,264	4,681,028
Other revenue*	—	6,135	—	—
Net sales	9,826,468	6,585,110	7,481,264	4,681,028
Segment profit (loss)	2,077,494	1,591,949	388,463	237,351

(Thousands of yen)

	Reportable segments			Total
	Ocean / Defense & Security	Software Quality & Productivity	Others	
Net sales				
Goods or services transferred at a point in time	2,043,259	936,924	1,915,328	30,796,958
Goods or services that are transferred over a period of time	218,290	1,191,794	123,875	4,200,250
Revenue from contracts with customers	2,261,549	2,128,719	2,039,203	34,997,209
Other revenue*	—	—	39,237	45,372
Net sales	2,261,549	2,128,719	2,078,440	35,042,582
Segment profit (loss)	461,421	406,252	114,849	5,277,782

* “Other revenue” includes revenue related to leases, etc.

Fiscal year ended September 30, 2025 (October 01, 2024, to September 30, 2025)

(Thousands of yen)

	Reportable segments			
	Advanced Mobility	Sustainable Energy	ICT / Information Security	EMC & Antenna Systems
Net sales				
Goods or services transferred at a point in time	6,972,118	5,804,070	6,064,039	4,373,983
Goods or services that are transferred over a period of time	623,709	37,695	2,056,733	53,816
Revenue from contracts with customers	7,595,828	5,841,765	8,120,772	4,427,800
Other revenue*	—	—	—	—
Net sales	7,595,828	5,841,765	8,120,772	4,427,800
Segment profit (loss)	707,740	943,224	686,893	168,861

(Thousands of yen)

	Reportable segments			Total
	Ocean / Defense & Security	Software Quality & Productivity	Others	
Net sales				
Goods or services transferred at a point in time	2,488,606	1,117,472	1,322,287	28,142,578
Goods or services that are transferred over a period of time	217,921	1,265,298	124,495	4,379,670
Revenue from contracts with customers	2,706,528	2,382,771	1,446,782	32,522,249
Other revenue*	—	—	36,927	36,927
Net sales	2,706,528	2,382,771	1,483,709	32,559,176
Segment profit (loss)	251,830	349,871	29,634	3,138,056

* “Other revenue” includes revenue related to leases, etc.

4. Differences between the total amount of profit (loss) of reportable segments and the amount in the consolidated statement of income and major breakdown of such differences (reconciliation)

(Thousands of yen)

Profit (loss)	FY9/2024	FY9/2025
Total of reportable segments	5,277,782	3,138,056
Corporate expenses*	(1,911,701)	(1,223,412)
Operating loss in the consolidated statements of income	3,366,080	1,914,644

* “Corporate expenses” mainly include operating expenses that are not attributable to the reportable segments

(Per share information)

	FY2024 (October 1, 2025 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Net assets per share	1,300.50	1,299.65
Basic earnings per share	112.95	55.55
Diluted earnings per share	112.46	55.32

Note 1: The basis for calculating net assets per share is as follows.

	FY2024 (October 1, 2025 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Total net assets on consolidated balance sheet (thousands of yen)	28,127,608	28,119,689
Net assets attributable to common stock (thousands of yen)	28,002,173	28,004,654
Main components of difference (thousands of yen)		
New stock acquisition rights	77,998	71,786
Non-controlling interests	47,436	43,249
Numbers of issued common stock (shares)	26,085,000	26,085,000
Number of treasury shares of common stock (shares)	4,553,083	4,537,161
Number of common shares used to calculate net assets per share (shares)	21,531,917	21,547,839

2: The basis for calculating earnings per share (EPS) and diluted earnings per share (diluted EPS) is as follows.

	FY2024 (October 1, 2025 to September 30, 2024)	FY2025 (October 1, 2024 to September 30, 2025)
Earnings per share (yen)		
Net profit attributable to owners of parents (thousands of yen)	2,522,953	1,195,595
Amount not attributable to common shareholders (thousands of yen)	—	—
Net income attributable to parent company's shareholders for common stock (thousands of yen)	2,522,953	1,195,595
Average number of common shares outstanding during the period (shares)	22,337,836	21,524,493
Diluted earnings per share (diluted EPS)		
Adjustment for net income attributable to parent company's shareholders (thousands of yen)	—	—
Number of common shares used to calculate net assets per share (shares)	97,216	87,681
(of which, stock acquisition right (shares))	(97,216)	(87,681)
Potential shares excluded from the calculation of diluted earnings per share (EPS) due to lack of dilutive effect	—	

(Significant subsequent events)

No significant events