Aichi tokei

"Measurement" and beyond



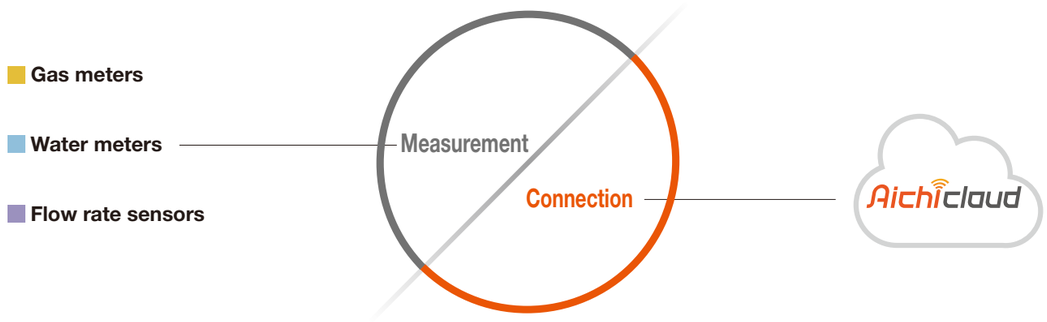
Integrated Report 2026

Vision Story



Since its founding in 1898, the Aichi Tokei Denki Group has developed precision processing technologies in clockmaking. Building on this foundation, we have centered our business on fluid measurement technology, particularly water meters and gas meters, and have provided products and services that foster strong relationships of trust with our customers.

Amid rapidly changing environmental and social conditions, we are committed to supporting society and contributing to positive change through “measuring technology” and “connecting technology.”



Corporate Philosophy

We create new value to serve customers and society and continue to earn reliability from all.

Mission

Creating a People- and Earth-friendly Tomorrow

Vision

Contributing to a sustainable society through measurement and connection technologies

Editorial policy

Aichi Tokei Denki has issued an integrated report since fiscal 2023 to help stakeholders and society gain a deeper understanding of its initiatives for medium- to long-term growth and sustainable value creation. In addition, we strove to offer specific details on the progress of the Medium-term Management Plan 2026 launched in fiscal 2024, our business plans, and our efforts to strengthen both financial and non-financial aspects of ESG in an integrated manner.

Scope

Aichi Tokei Denki (parent company and consolidated subsidiaries)

* Some information is for parent company only.

When issued

October 2026

Period covered

April 1, 2025–March 31, 2026

(includes some information on activities before and after this period)

Reference guidelines

International Financial Reporting Standards (IFRS)
Foundation’s International Integrated Reporting Framework
Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation

Environment Social Governance
Guidance for Collaborative Value Creation

Proper use of earnings forecasts and other notes

Forward looking statements, including earnings forecasts appearing in this report, are based on information available at the time the report was written and certain information judged to be rational. They are not intended as promises that we are sure to achieve, and actual earnings may differ dramatically for various reasons.

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At a Glance

Aichi Tokei Denki by the Numbers (The figures are for FY2025.)

Aichi Tokei Denki develops and manufactures fluid measurement devices, most notably gas meters, water meters, and flow rate sensors. We also operate a wide range of businesses, such as monitoring and control based on measurement data for water supply and sewage systems. With continuous refinement of our accumulated measurement technologies and the latest IoT technologies in our connection technologies, and active pursuit of new markets like medical care, agriculture, and new energy, we continue to provide products and services that contribute to solving social issues.

Net sales

59,116 million yen

Ordinary profit/Operating margin

5,208 million yen /8.0 %

Overseas sales

3,958 million yen

Capital adequacy ratio

74.8 %

Dividend per share

113 yen

Annual sales volume

Gas meters
Approx. 2,000,000 units



No.1 industry share

Water meters
Approx. 2,000,000 units



No.1 industry share

Number of “Aichi Cloud” gas meters connected

Aichicloud
Approx. 1,550,000 units
(as of the end of March 2026)

Establishment

128th anniversary
(1898)

Number of employees (consolidated)

1,719

Paternity leave utilization rate

92.3%

R&D expenses

1,292 million yen

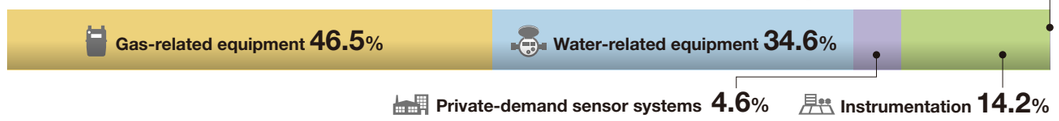
Number of patents

123

Turnover rate due to personal reasons

2.4%

Sales composition ratio Net sales 59,116 million yen





Data delivery service

Gas meters (for city gas and LP gas)

Gas-related equipment — Net sales 27,484 million yen ➡P.26

We develop and manufacture various gas meters for city gas, LP gas, and applications ranging from residential to industrial use. Our strengths lie in structural designs that bring about accurate weighing over the long term and high manufacturing quality. Additionally, we offer the Aichi Cloud data delivery service, which collects various data—primarily usage—into the cloud, contributing to the business streamlining and rationalizing of gas companies’ operations.



Data delivery service

Electromagnetic water meters

Water-related equipment — Net sales 20,470 million yen ➡P.28

We develop and manufacture small water meters for residential use, large meters for industrial use, and electromagnetic water meters in-house, and support fair and equitable tariff transactions through reliable manufacturing. Additionally, we provide measuring devices, such as hot water meters and heat meters, for buildings and commercial facilities.

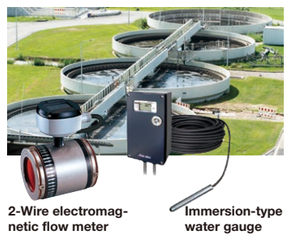


Ultrasonic flow rate meters for air

Small electromagnetic flow rate sensors

Private-demand sensor systems — Net sales 2,706 million yen ➡P.30

We develop and manufacture flow rate meters, flow rate sensors, and systems to meet the measurement needs of manufacturing sites and devices. There are different types of products and measurement targets, such as flow rate meters that measure the amount of factory air used and flow rate sensors built into hemodialysis equipment. These solutions are expected to contribute to effective use of energy, improved production efficiency and quality, and cost reduction.



2-Wire electromagnetic flow meter

Immersion-type water gauge

Instrumentation — Net sales 8,399 million yen ➡P.30

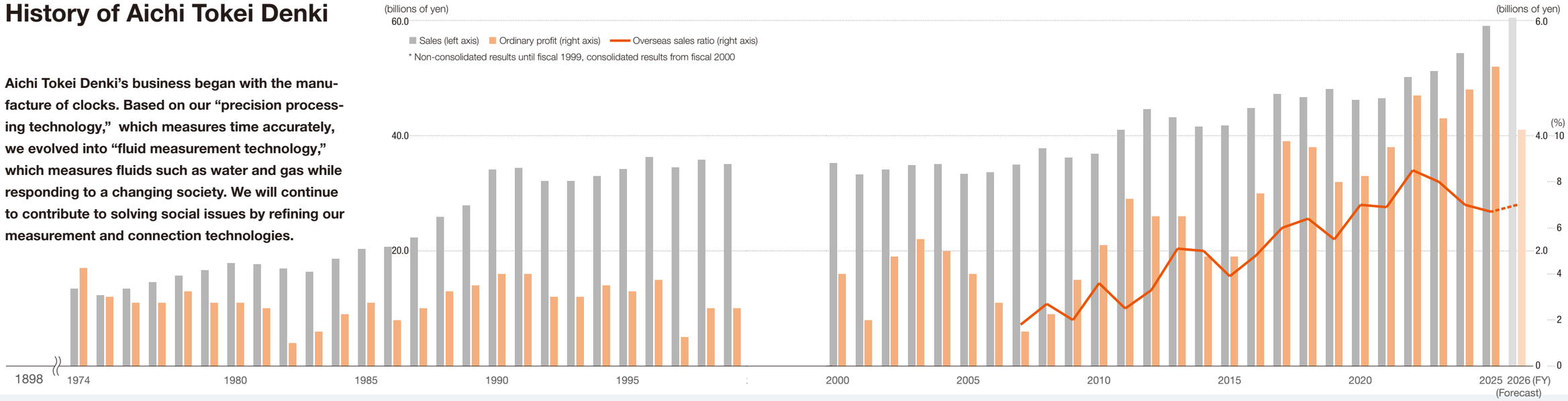
We provide monitoring and control for water supply, sewerage, and agricultural and industrial water facilities based on measurement data such as water levels, flow rates, and water quality. We have developed a comprehensive service from various measurement equipment required for this measurement to the design, construction, and maintenance of monitoring and control systems, contributing to the realization of more stable lifelines.

Precision Machining Related Business (Die Sales)

Others — Net sales 54 million yen

History of Aichi Tokei Denki

Aichi Tokei Denki’s business began with the manufacture of clocks. Based on our “precision processing technology,” which measures time accurately, we evolved into “fluid measurement technology,” which measures fluids such as water and gas while responding to a changing society. We will continue to contribute to solving social issues by refining our measurement and connection technologies.



History of technological deployment and development

1898
Established AICHI TOKEI MFG. CO., LTD.



1912
Changed the company name to Aichi Tokei Denki Co., Ltd.
The technical strengths we developed in clockmaking technology were highly appreciated, and the electrical division business expanded rapidly. We changed our name as we began to engage in a wide range of businesses other than clockmaking.

Turning Point

1927
Started production of water meters



Turning Point

1950
Started production of gas meters
Started gas meter production as the second pillar of the business along with the water meter business. The measurement principles of membrane gas meters that were popular around this time are still standard technology.



1961
Start manufacturing machine tools
We started manufacturing machine tools by utilizing the machine tool technology we developed in our previous business. We expanded into areas other than water and gas meters and aimed to diversify.



1983
Launched microcomputer meter
We launched a microcomputer-mounted gas meter that can automatically detect earthquakes and abnormalities and shut off the gas supply. This dramatically improved the safety of gas.



Launched the world’s first 2-wire electromagnetic flow rate meter
At a time when the power consumption of general electromagnetic flow rate meters was tens of watts, we developed a technology that reduced power consumption to one-hundredth. Realized the world’s first 2-wire system.

1985
Launched a small flow rate sensor
Utilized vane wheel-type measurement technology for water meters for a small flow rate sensor for management. Even now, it has been repeatedly improved and has become a best-selling product.

Turning Point

1992
Launched world’s first battery-powered electromagnetic water meter



1993
Closure of the clock business

2002
Full-scale entry into the instrumentation field
Organized a specialized department for system construction such as water and sewage facilities and agricultural water. Undertook the overall renovation of facilities such as water and sewerage, and became one of our basic businesses.

2008
Developed a flow rate meter “TRX” to “visualize” usage of air in factories
Contributes to energy saving in factories by measuring the flow rate of compressed air in the factory. In 2011, we received the Aichi Environmental Award for Excellence.



2011
Integration of Japanese LP gas businesses
Established joint venture Irex Co., Ltd. with Ricoh Elemex Corporation. Absorbed Irex Co., Ltd. in 2015.

Turning Point

2010
Established overseas plants
China Dalian Plant (Dalian City)
Vietnam Hai Phong Plant (Haiphong City)



2013
Launched ultrasonic meter for LP gas
We added an ultrasonic gas meter to our lineup of membrane gas meters. It is even lighter and more compact than the membrane type.

Closure of the machining tools business

2021
Launched environmentally friendly dry-dial type water meter
Aiming to make products that are more environmentally friendly, we launched a new type of dry water meter SD Series that is 50% lighter and more compact than the current product.

Contributing to a sustainable society through measurement and connection technologies

Turning Point

2019
Start operation of Aichi Cloud



Started “Water Meter Business”

Utilizing precision gear technology developed in clockmaking, we were one of the first companies in Japan to engage in the production of water meters and started a business that plays a part in the development of social infrastructure. In December 1927, we received a license from the Minister of Commerce and Industry for the production of water meters, and the following year, in 1928, we received orders from the cities of Nagoya and Tokyo. In the early Showa period, we started the “measurement business” that is indispensable to our Company today. Since then, the water meter business has gradually become a major part of our Company.

Launched electromagnetic water meters as a global pillar

By adopting electromagnetic water meters, we further enhanced our low power consumption technology and achieved an extremely low power consumption of less than 1/10,000th compared to conventional products. We are the first company in the world to commercialize an electromagnetic water meter with a built-in lithium battery that can be used continuously for 10 years. Since there are no moving parts such as vane wheels or obstacles that prevent the flow of liquid, electromagnetic water meters are positively regarded as a groundbreaking product with features such as excellent durability and stable measurement accuracy over a long period of time, and they are still a pillar of our global expansion today.

Global expansion through the establishment of overseas factories

In 2010, we opened our first overseas factories in Dalian, China and Haiphong, Vietnam. This allowed us to diversify our procurement methods such as for raw materials and avoid risks by decentralizing our production bases.

In addition, it has greatly contributed to the expansion of our sales channels in China, Vietnam, and the ASEAN region, leading to an increase in overseas sales.

Leveraging LPWA communication technology to collect Big Data

In recent years, LPWA, a wireless communication technology for IoT, has evolved rapidly, and we have entered the era where devices around the world are connected to the Internet. In November 2019, we launched Aichi Cloud, a data delivery service that utilizes the measurement data of various measurement instruments that we offer to the market, such as gas and water meters.

Social movements

1913
Emergence of Made in Japan water meters

1920
Nagoya City adopts city-wide water fee measurement system

1951
Transition from the Weights and Measures Act to the Measurement Act (Former Measurement Act)

1959
Ise Bay Typhoon

1973
Mandatory installation of gas meters

1993
Enforcement of the New Measurement Act

1995
Great Hanshin-Awaji Earthquake
Enforcement of the Product Liability Act (PL Act)

2002
Establishment and enforcement of the Basic Act on Energy Policy

2008
Financial crisis

2011
Great East Japan Earthquake

2017
Full liberalization of gas retail market

2020
The COVID-19 pandemic spread worldwide

2024
Noto Peninsula earthquake

2025
Second Trump administration

Stakeholder Engagement / Coexistence with Regions

Aichi Tokei Denki actively and fairly discloses corporate information in order to promote communication with all stakeholders. We strive to increase transparency and facilitate smooth communication by providing timely and appropriate information to our customers, suppliers, shareholders, investors, communities, and employees. We also work to enrich dialogue with our stakeholders and actively provide feedback on the content of such dialogue to the Board of Directors.

Value Creation Process➡P.12

	Stakeholder engagement	Means of dialogue	Department in charge	Outcomes
Customers	We have built a wealth of experience and achievements in responding to a wide variety of customer requests. We provide products that satisfy our customers with a wealth of product variations, reliable quality control, and production capacity.	• Daily sales activities • Customer Center • Website	• Sales Department • Production Department • R&D Headquarters	➡P.31
Suppliers	We are working to increase the added value of the entire supply chain by working with secondary level suppliers via our direct suppliers, and we are also working to collaborate beyond our existing business relationships and company scale.	• Process audit • Conduct surveys • Briefings for suppliers • Website	• Procurement Management Division • Quality and Environment Division	➡P.40
Shareholders/ Investors	Through dialogue with shareholders and investors, we aim to enhance corporate value by deepening mutual understanding of each other’s views and positions, and taking appropriate measures and making improvements based on that understanding.	• Shareholders’ Meeting • Earnings Briefings • Individual Meetings • Company Briefings • Integrated Report • Website	• General Affairs Division • Management Planning Office • Accounting Division	➡P.20
Communities	At our head office building, we conduct evacuation drills with local residents as a Regional Disaster Prevention Cooperative Business Operator. We also contribute to the local community by offering workplace experience programs for elementary and junior high school students and cleaning activities around our head office.	• Regional Disaster Prevention Cooperative Business Operator registration • Naming Rights Partner • Cleaning activities • Website • Acceptance of elementary and junior high school students for tours	• General Affairs Division • Human Resources Division • Management Planning Office • Each sales office	➡P.36
Employees	We strive to create a safe and vibrant work environment where employees can be healthy physically and mentally and fully exert their abilities. In addition, we are committed to promoting work-life balance and aim to become a “company that is easy and rewarding to work for.”	• Internal Newspaper “Aichi Tokei Denki News” • Employee training • Establishment of a whistleblowing and consultation desk • Engagement survey	• Human Resources Division • Legal Intellectual Property Office	➡P.34

Dialogue with Shareholders and Investors

Implementation status for the fiscal year ended March 2026

Classification	Implementation details	Responders
For institutional investors, securities analysts	Financial results briefing: 2 (June, December)	President and Representative Director Senior Executive Officer Management Planning Office
	Individual meetings: 44	Senior Executive Officer Management Planning Office Accounting Division
For Individual Investors	Company information sessions: 2 (both in September)	President and Representative Director Management Planning Office

The President and Representative Director responds appropriately to dialogue with institutional investors, individual investors, and other stakeholders. The content of such dialogue is reported to the Board of Directors as necessary, and discussions are held to enhance corporate value. We will continue to strengthen our IR Activities by increasing opportunities for dialogue and striving to disclose information in a timely and appropriate manner.

IR Activities

To help shareholders and investors gain an accurate understanding of our business activities, growth strategy, and future potential, we are working to enhance opportunities for dialogue through our IR activities. In fiscal 2025, we exhibited at the Nagoya Stock Exchange IR Expo 2025 and the Nikkei/TSE IR Fair 2025, attracting many individual investors and shareholders to our booth. At the Nikkei/TSE IR Fair, President Kunishima gave a company presentation on our strengths and growth potential going forward. These two events not only helped visitors deepen their understanding of the Company but also gave us valuable opportunities to hear directly from shareholders and investors. Going forward, we will use feedback obtained through dialogue to improve our IR activities and further deepen relationships of trust with stakeholders.



Nikkei/TSE IR Fair 2025

Dialogue with Employees

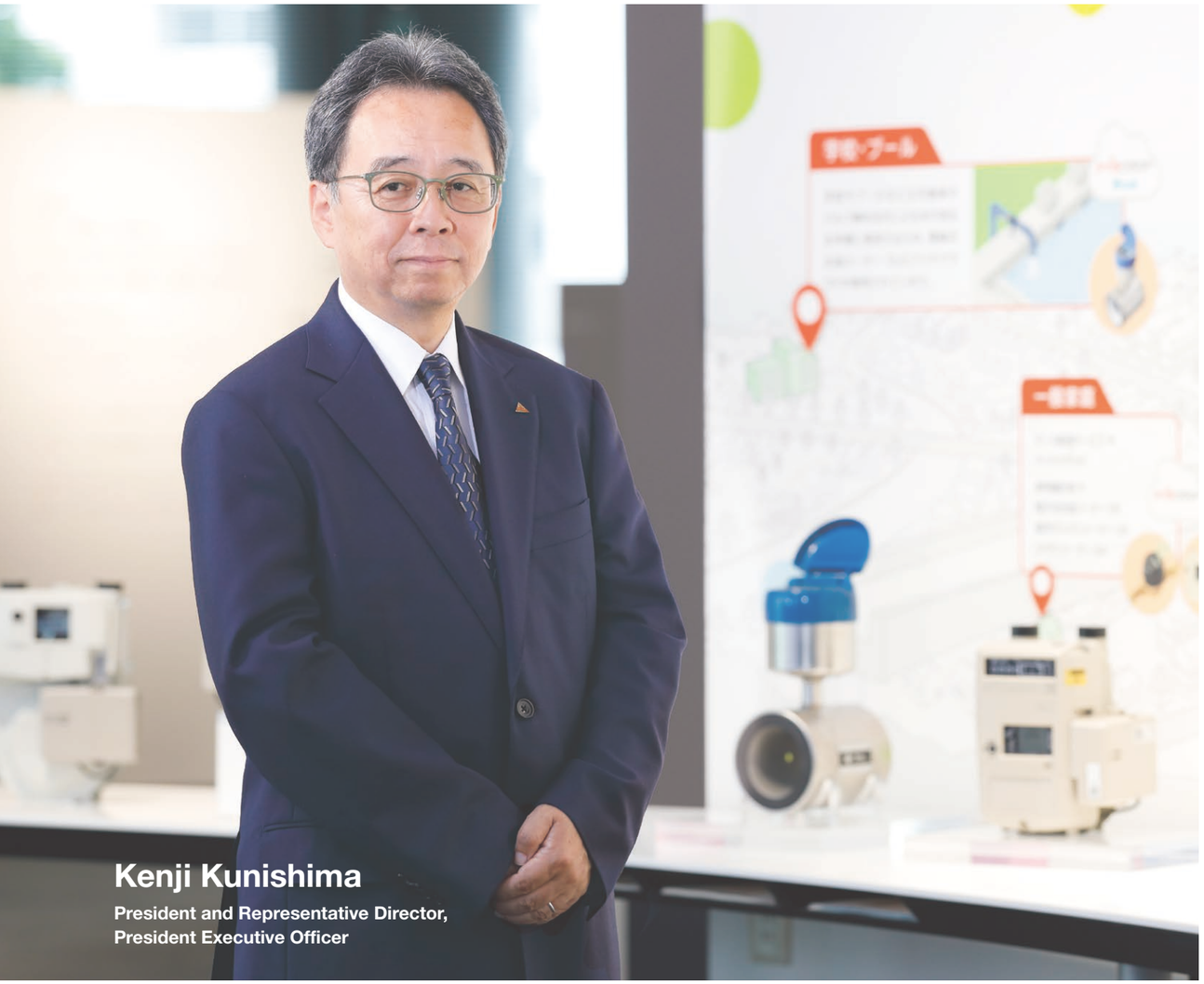
We encourage employees to identify issues in their day-to-day work and take the initiative to improve them. To support this, we operate a President’s Award Program that encourages improvement proposals, quality enhancement, greater operational efficiency, and new inventions and intellectual property. Each year, we select outstanding cases and QC circles from submissions in the categories of “Proposals,” “QC,” “Inventions,” and “Kaizen” that have demonstrated measurable benefits, and present the winners with certificates and monetary awards. The proposal “Switching QC15 Filling from Manual Work to a Filling Machine,” which won the Diamond Award in the FY2025 Annual Effectiveness Awards, mechanized the filling process, reducing labor hours, stabilizing quality, and reducing defects. It also helped lessen the burden on workers and improve safety, and was highly rated for identifying an issue from an on-site perspective and following through with an effective improvement.

Through this program, we encourage each employee to take greater initiative and embrace continuous improvement, thereby fostering a greater sense of fulfillment at work and strengthening our on-site capabilities.



FY2025 President’s Award Ceremony

President’s Message



Kenji Kunishima
President and Representative Director, President Executive Officer

Turning Trust into Value

—Our Stable Growth Model Today and the Choices Ahead—

Fiscal 2025 was a strong year, helped by favorable market conditions. Yet I do not see our performance as simply the result of a favorable demand cycle. I believe it reflects the fact that our sustained efforts to strengthen our on-site capabilities, develop our people, and shift toward profit-conscious management are beginning to bear fruit. Aichi Tokei Denki has long supported social infrastructure through its “measuring technology.” Building on the trust we have earned, we will continue to create new value and pursue sustainable growth.

Stable Growth Underpinned by Strong On-site Capabilities and a Focus on Profitability

In fiscal 2025, favorable market conditions, including replacement demand for LP gas meters and redevelopment demand in urban areas, helped us deliver results above plan.

In particular, instrumentation was a major contributor to our performance. Our ability to win large-scale projects is one tangible achievement, but it did not happen overnight. Years of work to develop SEs (system engineers), help them obtain qualifications, and build a track record of completed projects are now beginning to bear fruit.

Instrumentation is not a business where growth comes simply from winning projects. We must complete each project safely and reliably and earn high evaluations from customers, which leads to the next project. As we build a track record, our evaluation scores improve, opening the door to larger projects. That requires developing engineers and steadily building their experience. In fiscal 2025, those accumulated efforts translated into actual orders and profits. In that sense, the quality of every project we deliver is an important asset that builds future competitiveness.

Some large-scale projects involve engineers for several years, so how we allocate people across projects is critical. If we focus only on winning orders, we can place excessive strain on our teams and risk compromising quality. That is why we take a long-term view, balancing the projects we pursue with human resource development while carefully considering the development and experience of our SEs and our overall staffing capacity.

In the past, there were times when we prioritized sales and accepted projects with low profit margins. Today, our approach is different: we select projects where we can secure an appropriate profit margin and bid only after preparing sound cost estimates.

Sales matter, of course, but profitable growth matters more. Profit is what allows us to keep investing in our people, capital expenditures, and new technologies. Those investments strengthen our competitiveness, which in turn generates further profit. Creating this virtuous cycle is the kind of management we are aiming for.

Another factor behind these results is closer collaboration between sales personnel and our SEs to improve estimating accuracy. By analyzing the characteristics of each project and applying the lessons from past experience, we have become more precise in the projects we pursue, which has also helped improve profit margins. These steady improvements take time, but they are strengthening our competitiveness.

➡P.2 At a Glance

Building on “Measuring Technology” to Expand Our Business Domains

One of our strengths is the breadth of our measurement technologies, which allows us to offer the right products and services for each market, including water, gas, private-demand sensor systems, and instrumentation.

In recent years, we have been extending our business beyond measuring devices into the use of the data they generate. Aichi Cloud, our data delivery service, is one example of how we are using measurement data to create new value.

In instrumentation, we have strengthened our ability to handle large-scale projects, enabling us to win a broader range of projects than before. Behind the growth of these newer business areas is our ongoing investment in developing people and strengthening our technical capabilities.

My idea of “stable growth” is not necessarily about increasing sales dramatically. It is about refining our technologies, developing our people, securing profits, and channeling those profits into the next round of investment, thereby building a stronger company step by step. It may not be dramatic growth, but this steady, grounded approach is what ultimately leads to sustainable growth in corporate value. To me, that is the Aichi Tokei Denki way of management.

We are more than a provider of measuring devices. We want to extend the value we offer into services that use the data generated through “measuring” to help customers streamline their operations and manage their facilities. Aichi Cloud is the first step in that direction. By combining products and services, we want to deepen our relationships with customers and create new value.

➡P.12 Value Creation Process
➡P.14 Value Creation Process Explanation

President’s Message

We will make Aichi Tokei Denki stronger by steadily developing our technologies and people while continuing to build trust.



Steady Transformation through the Medium-term Management Plan

I believe Medium-term Management Plan 2026 is broadly on track at this stage. We have met our targets for net sales, profits, and ROE, and initiatives ranging from capturing domestic demand to improving productivity are yielding results. We also encountered unexpected challenges, including responding to defects in certain products, but even taking those into account, I feel that the Company has steadily grown stronger.

The biggest change I have seen through the Medium-term Management Plan is that a commitment to “profitable growth” is taking root across the Company. As that mindset is gradually shared throughout the organization, the very way the Company operates is beginning to change. I see that as a major achievement.

We have also responded to rising costs by revising prices with the understanding of our customers, while increasing production volumes and improving efficiency through on-site improvements. These steady efforts have helped improve profitability and underpin the results of the Medium-term Management Plan.

Our way of working has also changed. Overtime has fallen significantly compared with the past, but I do not believe this has weakened our competitiveness. Employees are increasingly thinking about how to work more effectively within limited time and how to raise productivity, and that shift in mindset is also contributing to the Company’s growth.

➡ P.19 Medium-term Management Plan 2026 Overview

Turning Trust into New Value and Building the Foundation for Future Growth

Looking ahead, we recognize that it will be difficult to achieve substantial growth through our existing measuring equipment business alone. That makes it all the more important to use our “measuring technology” as a starting point for creating new value.

Cloud services are one example. Today they are centered on LP gas, but we are now beginning a full-scale rollout for city gas as well. By expanding beyond measuring devices into services that make use of the data we collect, we will broaden our business domains and deliver new value.

We also continue to see overseas markets as important growth opportunities. In China, some parts of the business face challenges as the market environment changes, but our business through the joint venture is making steady progress. In the ASEAN region, markets are expected to expand alongside economic growth, and we want to develop our business by deepening relationships with local customers. More broadly, we will take a long-term approach to market development while adapting to the characteristics of each country and region.

➡P.24 Feature: Global Expansion Built Through Co-Creation
➡P.31 Technological Foundation and Intellectual Property Strategy

Developing the People Who Will Support Our Growth

At Aichi Tokei Denki, we want the people who have grown through experience within the Company to be the ones who support its future, rather than relying on executives brought in from outside. That is why I want to give younger employees opportunities to take on challenges and to learn and grow from failure as well as success. Neither engineers nor the next generation of management talent can be developed overnight. That is why I believe that working in different departments and taking on a variety of roles is important for personal growth. Looking beyond a single specialty and accumulating a range of experiences helps people develop the perspective to see the Company as a whole.

Investment in people does not produce immediate results, but over the long term, I am convinced that it has become our greatest source of competitiveness.

➡P.34 Promoting Human Capital Management

Message to Stakeholders

For many years, as a company that supports social infrastructure, Aichi Tokei Denki has placed the highest priority on relationships of trust with our customers and local communities. That trust was not built overnight. I believe it is the result of approaching each and every job with integrity, day after day. We will continue to live up to that trust by putting quality first and providing products and services that people can use safely and with confidence.

Sustainable growth also depends on being a company where each employee can see their own growth and feel secure about building a long career. We will further advance human resource development and workstyle reform, and continue creating an environment in which every employee can make full use of their capabilities.

To our shareholders and investors, we want to demonstrate long-term growth in corporate value by consistently delivering steady, profitable growth.

Our aim is not to make the Company bigger overnight. It is to make it stronger by steadily developing our technologies and people and continuing to build trust. I believe that this accumulation of effort will enable Aichi Tokei Denki to remain a company chosen by customers, shareholders and investors, local communities, and employees for generations to come. We will continue to create new value from our foundation in “measuring technology” and strive to be a company that contributes to society.

➡P.6 Stakeholder Engagement/Coexistence with Regions

Value Creation Process

Corporate Philosophy We create new value to serve customers and society and continue to earn reliability from all.

Inputs

Financial Capital
- Equity ratio: 74.8%
- Interest-bearing liabilities: 700 million yen
- Net assets: 52,583 million yen

Human Capital
- Consolidated employees: 1,719
  Non-consolidated employees: 1,182
- Career-track position training hours: 15.1 hours per person

Intellectual Capital
- “Measuring technology” (precision measurement and multiple measurement methods)
- “Connecting technology” (IoT and cloud)
- Expertise accumulated across multiple measurement methods
- Know-how in designing for long service life and high accuracy
- Number of patents: 123
- Brands: 78
- Number of industry-academia-government joint R&D projects: 24 cumulative, 9 ongoing
- Domestic intellectual property: 255
- Foreign intellectual property: 110

Manufacturing Capital
- Number of domestic and overseas manufacturing bases: (7 domestic bases, 2 overseas bases)

Social and Related Capital
- Relationships of trust with suppliers (partner companies)
- Affiliated companies
- Collaboration with local communities
- Long-term relationships of trust with city gas companies and local governments
- Customer base with infrastructure needs

Natural Capital
- Energy consumption: 3,318kL
  (Fiscal 2025 performance based on the Act on the Rational Use of Energy: crude oil equivalent)
- Amount of water used: 59,000m³
- Raw materials
  Copper alloy purchase amount: 1,357t
  Resin material purchase amount: 611t

(Results for the Fiscal Year Ended March 31, 2026)

Business Model ➡P.14

Expand the Value We Provide



Strengths of Aichi Tokei Denki

Advanced research and development and technical capabilities in fluid measurement	Strengthening data integration and utilization capabilities to turn measurement data into value	Reliable manufacturing and thorough quality control	Customer-centric

Medium-term Management Plan 2026 ➡P.19

Vision The Company will contribute to the creation of a sustainable society through “measuring technology” and “connecting technology.”

Business Strategy	Expansion of markets and business fields	Strengthen the competitiveness of core businesses
Financial and Capital Strategy	Increasing corporate value	
Sustainability Strategy		

Outputs

Businesses and products

Gas-related equipment



Household city gas meters

Water-related equipment



Electromagnetic water meters

Private-demand sensor and system

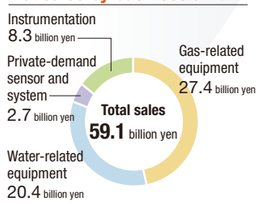
Ultrasonic flowmeters for air

Instrumentation



Integrated monitoring and control systems

Net sales by business unit



Net sales by product and service

Domestic and overseas net sales

(Results for the Fiscal Year Ended March 31, 2026)

Outcomes

Shareholders, Investors ➡P.20
- TSR 240.8% (10 years)
- Dividend total 1,736 million yen

Customers ➡P.31
- Reliability relationships
- Improvement of business efficiency
- Ability to provide multiple technologies

Employees ➡P.34
- Employee satisfaction 3.39/5
- Employment
- Wellbeing
  - Enhanced childcare system
  - Designated as a Health & Productivity Management Outstanding Organization
  - Days of paid annual leave taken: 14.4
  - Low voluntary retirement rate 2.4%
    Zero retirement due to marriage/childbirth
- Enhanced production systems
- Stable earnings

Suppliers, Collaborative Research Partners ➡P.31, 40
- Number of patent applications (annual): 4
- Number of patents registered (annual): 14
- Number of new joint research projects (annual): 4
- R&D expenses (annual) 1,292 million yen
- Fair and equitable transactions
- Sustainable supply chain

Environment, Communities ➡P.36, 38
- Scope 1 and 2 CO_2 emission reduction rate of 62.7%
  (Fiscal 2025 vs. Fiscal 2013)
- 3Rs performance for major products
  - City gas meters
    89% reuse rate, 4% recycling rate
  - PD type water meters
    84% reuse rate
  - SD type water meters
    50% reduce rate
- SuMPO EPD certified
- Community safety and disaster prevention

(Results for the Fiscal Year Ended March 31, 2026)

Impacts

Foundation for a fair and equitable society
- Accurate measurement = fair billing
- Maintaining infrastructure reliability

Advancing social infrastructure
- Stable supply of water and gas
- Improved safety during disasters
- Smart infrastructure

Resource and energy efficiency
- Reduced water loss
- Optimized gas use
- Improved energy efficiency in factories

Addressing labor shortages
- Automated meter reading and monitoring
- Labor saving requirements for on-site operations
- Greater efficiency through DX

Contributing to carbon neutrality
- Reduced CO_2 emissions (energy-saving equipment)
- Data-driven operational optimization
- Reduced weight and longer service life

“Measurement” and beyond

Value Creation Process Explanation

At Aichi Tokei Denki, we strive to refine our R&D and technical capabilities in fluid measurement, as well as our connection technologies, guided by our vision of contributing to a sustainable society through measurement and connection technologies. Leveraging these strengths, we also aim to bolster the competitiveness of our core businesses while expanding our business areas in order to contribute to solving social issues, starting with energy conservation.

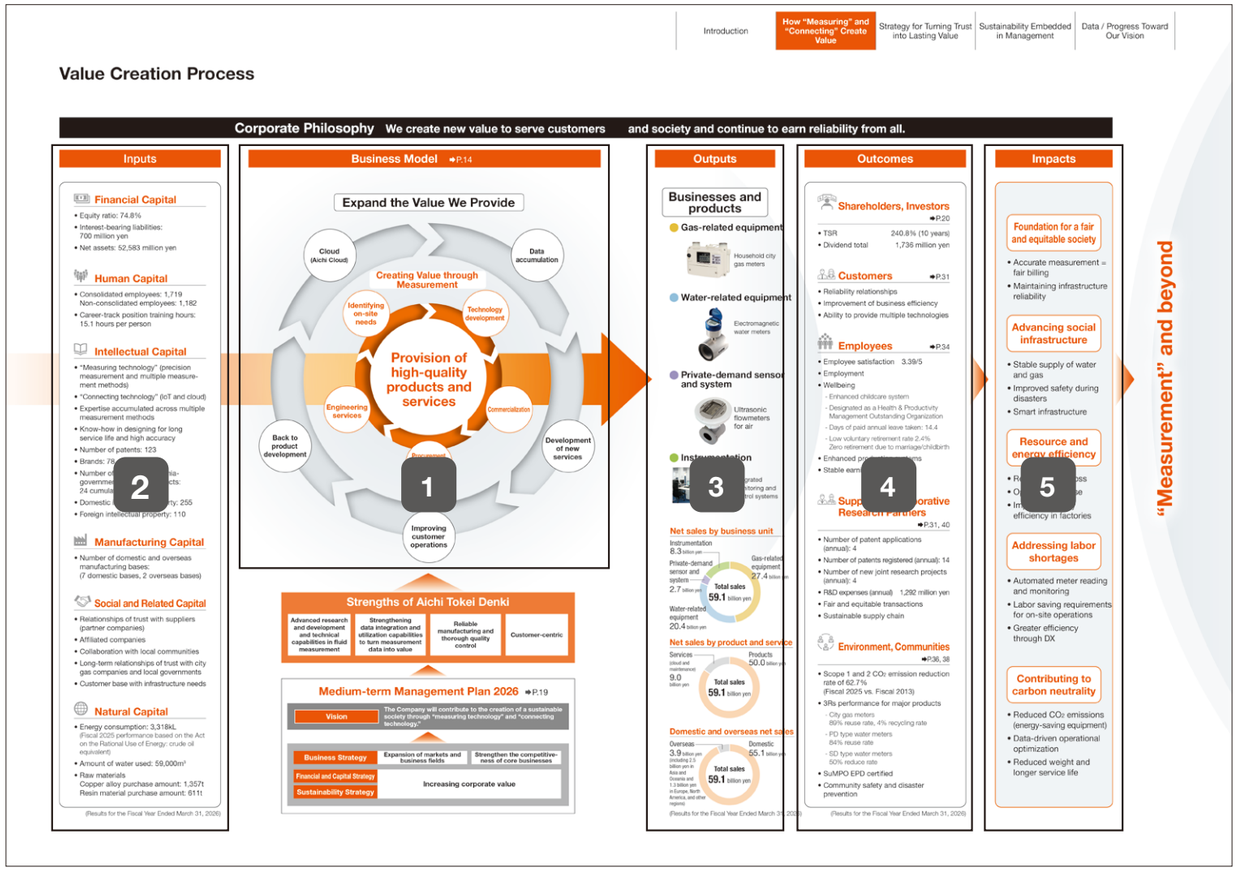
1 Business Model

Aichi Tokei Denki possesses advanced R&D and technical capabilities in fluid measurement, from technology and product development through production technology development, and has continued to refine its “measuring technology.” We are also expanding the scope of our business by integrating this expertise with our “connecting technology” (communications technology), including through the rollout of new data delivery services. Through reliable manufacturing and rigorous quality control made possible by our in-house procurement and manufacturing capabilities, we provide high-quality products and services tailored to customer needs.

Through a manufacturing cycle that begins with on-site needs and leads from technology development to commercialization, we create value through measurement. We then use data accumulated through our products and services to improve customers’ operations and develop new services, thereby expanding the value we provide.

2 Inputs

We are maintaining a sound financial capital position that will enable us to respond to the risks and opportunities associated with future changes in the environment, with equity capital of 52.5 billion yen and an equity ratio of 74.8%. We have amassed technology and know-how over our 128-year history, holding as intellectual capital 123 patents, 78 trademarks, and 54 design rights. In addition, our human capital of 1,719 employees on a consolidated basis represents a management resource indispensable to serving, and earning the trust of, our customers and society. Our sustainability strategy under Medium-Term Management Plan 2026 focuses on increasing employee engagement, strengthening human resource development, and promoting DE&I. We also have a system established, enabled by the manufacturing capital we possess across nine locations both in Japan and overseas, to provide customers with high-quality products in a timely manner. In terms of social and relationship capital, our relationships with suppliers and local communities are also important in co-creating value. As a manufacturer, we also recognize the importance of contributing to natural capital by reducing our environmental impact, and have adopted it as a material issue.



3 Outputs

The products and services generated from our business model are primarily developed across four businesses: gas-related equipment, water-related equipment, private-demand sensor systems, and instrumentation. The greatest feature of our products is their wide variety, from water and gas meters that support social infrastructure to industrial equipment with fluid measurement technology at the core, and they cover a total of approximately 200 types and 5,000 items. In particular, at approximately 30% our mainstay water meters and gas meters enjoy the top share in both markets. We will provide products with Quality, Cost, Delivery (QCD) that satisfy our customers, through reliable quality control and production capabilities based on our experience and achievements.

4 Outcomes

To measure is to understand a given situation, which is essential for effective energy use and for efforts to realize a decarbonized society in the future. To connect is to not only aim for efficiency and streamlining of operations for businesses but also contribute to increasing resilience during times such as disasters.

Aichi Tokei Denki provides products and services based on its “measuring technology” and “connecting technology,” helping customers improve operational efficiency and maintain stable infrastructure operations. In doing so, we create value for our stakeholders through returns to shareholders and investors, more fulfilling work for employees, fair and equitable relationships with suppliers and collaborative research partners, reduced environmental impact, and contributions to local communities.

5 Impacts

Through its “measuring technology” and “connecting technology,” Aichi Tokei Denki supports the social infrastructure that enables the fair and safe use of gas and water. We will contribute to more advanced social infrastructure, greater resource and energy efficiency, solutions to labor shortages, and the realization of carbon neutrality.

Risks, Opportunities, and Material Issues

Aichi Tokei Denki analyzed the external environment to achieve sustainable growth, categorized risks into nine areas and identified opportunities within each. Based on these findings, we identified material issues requiring medium to long term attention. We will continue to enhance effectiveness through Group-wide initiatives.

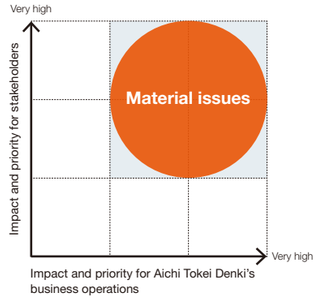
Specific Process

1 Identification of Issues

We identify issues from risks and opportunities identified through analysis of international guidelines and standards as well as social, market, and company conditions.

2 Assessing the Importance of Issues

We map the identified issues on two axes: impact and priority for stakeholders, and impact and priority for Aichi Tokei Denki’s business operations, and evaluate their importance accordingly.



3 Development and Implementation of Promotion Plans

The divisions working on each issue take the lead in setting promotion plans to achieve goals. They periodically review implementation status at Senior Executive Committee meetings and improve initiatives as needed.

Field	Major risks			Opportunities	Response	
		Potential	Impact		Description	Time axis
1 Quality	Recalls and damage to customer trust due to product defects	Medium	Large	Improve customer satisfaction and strengthen brand power through quality improvement	• Continue design quality improvement activities • Maintain and improve our quality management system • Continued quality-focused training	Short to medium term
2 Market Environment	Rapid shifts in customer needs, intensifying competition, and cost pressures due to rising raw material prices	Medium	Large	Opportunities to develop sustainable and high value-added products, new energy measurement markets (e.g., hydrogen)	• Market trend research, analysis, and cross-departmental information sharing • Forward-looking technology development • Explore new markets and expand overseas sales • Development of digitization-compatible products • Improve productivity with DX promotion • Advance price pass-on strategy	Medium to long term
2 Overseas Business	Political risk, regulatory changes, local labor issues	Large	Medium	Opportunities to develop high value-added products and expand earnings by leveraging emerging market growth	• Monitoring of local trends and political information • Monitoring of regulatory and certification requirements in various countries and regions • Strengthening labor management systems and ensuring strict compliance with local laws	Short to medium term
2 Information and Communication	Leaks of confidential information and stoppages of production due to cyberattacks	Medium	Large	Improved productivity and quality through promotion of DX	• Strengthening security investments • Cyber training, internal IT education	Short to medium term
2 Finance	Adverse effects on finances due to stock market fluctuations	Medium	Medium	Strengthening financial position	• Promoting initiatives to enhance capital efficiency	Short to medium term
3 Environment	CO_2, industrial waste, and chemical emissions during manufacturing processes	Medium	Large	Securing competitive advantage by developing and implementing environmental impact reduction technologies. Entry into decarbonized product markets	• Monitoring of CO_2, waste, and chemical emissions • Thorough compliance with environmental laws and ordinances • Implementing environmental education	Medium to long term
4 Disaster	Operational shutdowns and supply chain disruptions due to earthquakes, floods, etc.	Medium	Large	Securing supply reliability by enhancing our BCP	• Updating our BCP regularly • Conducting disaster drills and tabletop simulations • Strengthening supply chain resilience (digitalization and improving information gathering capabilities) • Promoting the introduction of disaster resistant equipment	Short term
5 Human Resources	Loss of and difficulty of securing talent	Medium	Large	Innovation through diverse talent utilization	• Improve productivity via promotion of DX (enabling business operations with labor saving) • Strengthen human resource development • Promote DE&I (women’s empowerment, recruit mid-career people, improve the environment for diverse work styles) • Increase employee engagement	Short to medium term
6 Compliance	Reputation risk from legal violations, corruption, and fraud	Medium	Large	Build trust by strengthening our compliance culture	• Thorough adherence to laws, regulations, and internal policies, and conduct compliance training regularly • Establishment and operation of a whistleblowing and consultation desk	Short to medium term

Material Issues	Action	Results for FY2025	Targets
1 Continuous Improvement in Quality, Safety, and Reliability	We continuously pursue safe and secure products and corporate operations by improving reliability in areas such as product quality and information security.	• Strengthening production readiness for developed products (product traceability, process FMEA, specification agreements for purchased parts) • Enhancing quality control in the manufacturing process (utilizing DX to prevent human error, rebuilding the system for collecting quality information from the field and implementing countermeasures)	• Reduction in the number of market complaints (compared to the previous year) • Reduction in the number of serious quality defects (compared to the previous year) • Maintenance and improvement of the achievement rate of departmental quality objectives under ISO 9001 (compared to the previous year)
2 Expansion of Markets and Business Fields	We accurately capture changes in the market environment and are advancing our attempts to expand markets and business fields with DX and technology development.	• Gas meters for China continue to face challenges, while water meters for North America and ASEAN and flow sensors for Europe and North America are performing well (overseas sales: 3,958 million yen; overseas sales percentage: 6.7%) • Reached 1.55 million meters connected to Aichi Cloud • R&D expenses: 1,292 million yen	• Overseas sales: 5,500 million yen (Medium-term Management Plan: Through March 2027) • Number of “Aichi Cloud” data distribution services users (number of meters connected): 2.0 million (Medium-term Management Plan: Through March 2027) • Expansion of R&D investment
3 Climate Change Action and Environmental Burden Minimization	We accelerate efforts to reduce our environmental burden and transition to a decarbonized society, fulfilling our responsibilities as a manufacturer while establishing a competitive advantage.	• CO_2 emissions reduction (compared to FY2013): 62.7% reduction • Promoted the development of natural areas at the Okazaki Plant • Acquisition of Aichi Biodiversity Company Certification • Nature-positive Declaration	• Reduce CO_2 emissions by at least 1% each year • Achieve carbon neutrality by 2050 • Ensure that at least half of the Company’s automobile fleet is comprised of hybrid vehicles by fiscal 2028
4 Business Continuity and Supply Chain Resilience	We are working to build a resilient business continuity framework by establishing a BCP and strengthening our supply chain.	• Completion of supply chain visualization • Conducted BCP tabletop exercises	• Evaluation of supply chain vulnerabilities and establishment of multiple procurement routes or consideration of alternatives for the top 30% of high-risk suppliers • Implementation of BCP simulations and review of related documentation (ongoing)
5 Have Both Diversity and Productivity	We advance the creation of an environment where a diverse workforce can thrive, and foster human resource development, thereby achieving both DE&I and productivity improvement.	• Employee engagement 3.39/5 • Male employees taking childcare leave: 92.3% • Certified as a Health & Productivity Management Outstanding Organization 2026 • Development of DX promotion personnel: 10 employees • Kurumin 2021 certification • Aichi Female Empowerment Company Certification	• Increase employee engagement Engagement assessment results up 0.1 points or more Percentage of male employees taking paternity leave 100% • Strengthen human resource development Career-track training hours up 10% • Percentage of women among new graduate hires (career-track positions) 30% or more on average over 3 years Formulate a human rights policy and conduct due diligence • Further development of DX promotion personnel
6 Enhance Compliance and Governance	We position governance and compliance at the core of our management, achieving highly transparent organizational operations.	• Compliance training (1 session/month) Implementation rate: 100% • Evaluation of effectiveness of the Board of Directors: average score increased from 4.2 (fiscal 2024) to 4.4 (out of 5 points)	• Compliance training (once per month): 100% implementation rate • Compliance survey collection rate: 90% or higher • Evaluation of effectiveness of the Board of Directors: rating of 4.5 points or higher

Medium-term Management Plan

Review of the Previous Medium-term Management Plans

	Medium-term Management Plan 2017 Fiscal 2015-2017	Medium-term Management Plan 2020 Fiscal 2018-2020	Medium-term Management Plan 2023 Fiscal 2021-2023
Vision	・Strengthen the core businesses and contribute to the realization of a “safe, secure, and comfortable” life plan. ・We will provide products that create new value with the keywords of “Measurement Technology,” “Smart Technology,” and “Solutions.” ・We aim to become a company that respects ESG (Environment, Social, and Corporate Governance) in our corporate activities and that is loved and needed by society.	・We will pursue customer value with the keywords of “Measurement Technology,” “Smart Technology,” “Solutions,” and provide new products. ・We will further expand to overseas markets, and expand our products and technologies to the world. ・We will become a company that respects ESG (environment, social, corporate governance) in our corporate activities and that is loved by society.	・We will pursue customer value with the keywords of “Measurement Technology,” “IoT Technology,” and “Solutions,” and provide new systems and services. ・We will continue to make our efforts for overseas markets more responsive, and we will expand our products and technologies to the world. ・We will become a company that respects ESG (environment, social, corporate governance) in our corporate activities and that is trusted by society.
Backbone of the Plan	Basic Strategy **Improving the profitability of the core businesses:** Improving the profitability of water meters, increasing sales and profits during the demand period of LP gas meters, increasing sales in the instrumentation market **Taking on the challenge of market expansion and new businesses:** Taking on the challenge of new products through technology seeds and expanding to overseas markets **Strengthening our management capabilities:** Sustainable growth, increasing our corporate value, and shifting to a slim management structure	Basic Strategy **Taking on the challenge of market expansion and business area expansion:** Promoting local production and local sales and finding new partners at overseas bases, strengthening the structure in the instrumentation field, expanding the product lineup in the factory utilities market, and considering measurement data delivery services **Improve competitiveness and profitability in our core business areas:** Driving down costs for our core products, prioritizing quality in our manufacturing, and promoting technology transfer and next-generation development **Strengthening management capabilities:** Improving the productivity of staff departments, group management with an overall optimal orientation, and ESG-focused management to achieve sustainable growth and increase corporate value	Basic Strategy **Take on the challenge of market expansion and business area expansion:** Promote smart products and expand data delivery services, strengthen product competitiveness for overseas markets and strengthen relationships with partners, strengthen sales, construction, and maintenance capabilities of sensors and systems for public facilities **Improve competitiveness and profitability in our core business areas:** Improve price competitiveness, improve customer satisfaction, respond to smart meter production **Strengthen our management capabilities:** Improve staff department productivity, overall optimal group management, increase corporate value
Reflections	・Although sales did not reach the plan, sales and profits reached record highs. ・Sales increased significantly due to an increase in demand for household LP gas meters and gas meters for overseas use, and an increase in orders for large properties in the instrumentation field. ・Increased sales of high-value-added products and additional measures to reduce costs in response to rising raw material prices contributed to profits.	・Sales and ordinary profit fell short of the plan due to the decline in the instrumentation field due to natural disasters and the decline in overseas demand due to the impact of US-China trade friction. Profit for the period achieved the plan due to gains from the sale of shares. ・The measurement data delivery service, for which we took on the challenge of market expansion and business area expansion, has grown in the household LP gas meter field, and we expect it to expand in the future.	・Achieved substantial growth in net sales; maintained profit levels in excess of plans, achieved plans for all indicators ・Expanded data delivery services mainly in the LP gas market ・Secured progress in expanding sales mainly in China and North America; increase in overseas sales ・Acquired a share of the smart meter market and put in place a system to increase production ・Took positive steps to diversify the composition of the Board of Directors, achieved an increase in market capitalization
Issues	・Respond to the decline in profitability of core businesses, such as the decline in demand for household gas and water meters due to the decline in the population in Japan ・Respond to customer environmental changes such as the liberalization of energy markets in the gas business and revisions to laws related to the water business ・Respond to growing business opportunities such as conversion to natural gas in China and infrastructure development in the ASEAN region ・Consider the use of smart technologies such as the advancement of data communication technology and changes in services ・In the face of labor shortages, there is an urgent need to enhance manufacturing technology and improve productivity to respond to the evolution of manufacturing	・Respond to customer environmental changes such as the liberalization of energy markets in the gas business and revisions to laws related to the water business ・Respond to changes in the market environment, such as radical digitalization and decarbonization (carbon neutrality) ・Respond to growing business opportunities in China and the ASEAN region ・Respond to diversified customer value by expanding the use of IT/IoT technology and AI technology ・Manufacturing that enhances manufacturing technology and optimal production across the group	・Further expand business by upgrading data delivery services ・Secure the competitiveness of products in overseas markets; expand efforts in existing markets ・Increase productivity by optimizing production sites and production facilities ・Strengthen measures aimed at increasing corporate value

(billions of yen)	FY2015		FY2016		FY2017		FY2018		FY2019		FY2020		FY2021		FY2022		FY2023	
	Plan	Results	Plan	Results	Plan	Results	Plan	Results	Plan	Results	Plan	Results	Plan	Results	Plan	Results	Plan	Results
Sales	42.2	41.7	45.2	44.7	48.2	47.2	47.4	46.7	48.9	48.1	48.0	46.2	46.7	46.4	47.7	50.1	49.5	51.2
Ordinary profit	2.4	1.9	2.8	3.0	3.2	3.8	3.9	3.8	4.1	3.2	4.1	3.2	3.5	3.8	3.7	4.6	3.9	4.2
Profit	1.5	1.4	1.8	2.2	2.1	2.7	2.7	2.8	2.8	2.3	2.8	2.9	2.5	2.7	2.6	3.4	2.7	3.1
ROE* (%)	7.1	6.6	7.8	9.8	8.5	10.9	9.6	10.1	9.2	7.9	8.6	9.3	4.6	5.1	4.9	6.4	5.1	5.4
	Increase to 8% or more within the period						Maintain at least 8% within the period						Made ROA a priority indicator					
Dividend payout ratio	30% or more on average over 3 years																	

* ROA for fiscal 2021–2023

Medium-term Management Plan 2026 Overview

Vision Aichi Tokei Denki will contribute to the creation of a sustainable society through “measuring technology” and “connecting technology.”

Business strategy	Expand markets and business fields	• Create new value in the measuring field • Accelerate the pace of global expansion
	Strengthen the competitiveness of core businesses	• Balance improved profitability and solving social issues • Achieve business reform through DX
Financial and capital strategy	Increase corporate value	• Invest in growth • Upgrade and expand shareholder returns • Reduce cross-shareholdings • Promote sustainability measures • Further strengthening governance
Sustainability strategy		

Evaluation and Challenges of Fiscal 2025

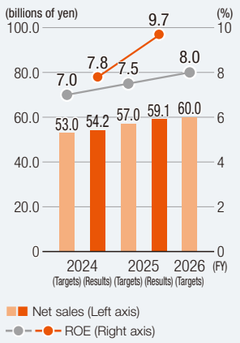
In fiscal 2025, the second year of the Medium-term Management Plan, we achieved our targets, with both sales and profits increasing and net sales, operating profit, ordinary profit, and profit attributable to owners of parent all reaching record highs. Net sales increased 8.9% year-on-year to 59.1 billion yen, driven by robust demand primarily in the domestic market. In terms of profitability, despite recording expenses to address defects in certain products, operating profit increased 19.5% year-on-year to 4.7 billion yen due to higher sales and a favorable product sales mix. Ordinary profit increased 9.3% year-on-year to 5.2 billion yen. Profit attributable to owners of parent increased 35.9% year-on-year to 4.8 billion yen, due in part to gains on the sale of investment securities recorded as extraordinary income. ROE was 9.7%, significantly exceeding the 7.5% target.

In terms of our business strategy, we accelerated market expansion by expanding the Aichi Cloud data delivery service as part of our efforts to create new value in the measurement field. Connections to Aichi Cloud continued to grow steadily, surpassing 1.55 million by the end of March 2026. We also made efforts to accelerate global expansion, with sales increasing particularly for water meters in North America and flow sensors in Europe and North America in fiscal 2025.

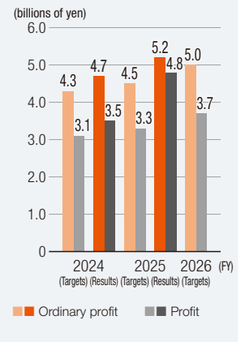
In terms of our financial and capital strategy, we increased the dividend payout ratio to 36.2% and the annual dividend to 113 yen.

In terms of our DX strategy, we steadily advanced initiatives such as training DX leaders in each department. In March 2026, we were certified as a “DX Certified Business Operator” under the DX Certification System established by the Ministry of Economy, Trade and Industry (METI).

Net sales/ROE



Ordinary profit/Profit



Financial and Capital Strategy and Total Shareholder Return (TSR)

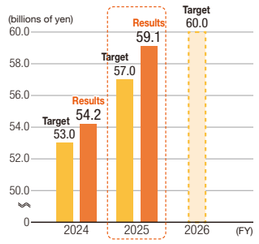
Financial Situation

As of March 31, 2026, total assets stood at 70.2 billion yen, up 12.1% from the previous fiscal year, and net assets stood at 52.5 billion yen, up 12.4%. The equity ratio increased 0.2 percentage points to 74.8%. Operating cash flow totaled 2.8 billion yen. After capital expenditures for gas meter production equipment, construction of an office building at the Okazaki Plant, and seismic reinforcement of the head office plant, free cash flow was 0.4 billion yen. We will continue to make the investments needed for sustainable growth while maintaining a sound financial base.

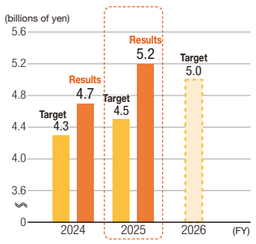
Financial Strategy in Medium-term Management Plan 2026

Under Medium-term Management Plan 2026, the pillars of our financial and capital strategy for sustainably enhancing corporate value are increased growth investment, stronger shareholder returns, and the continued reduction of cross-shareholdings. Leveraging our stable financial base, we will allocate funds with a focus on capital efficiency.

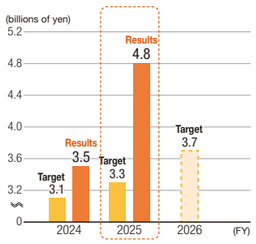
Net sales



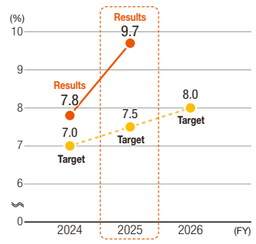
Ordinary profit



Profit

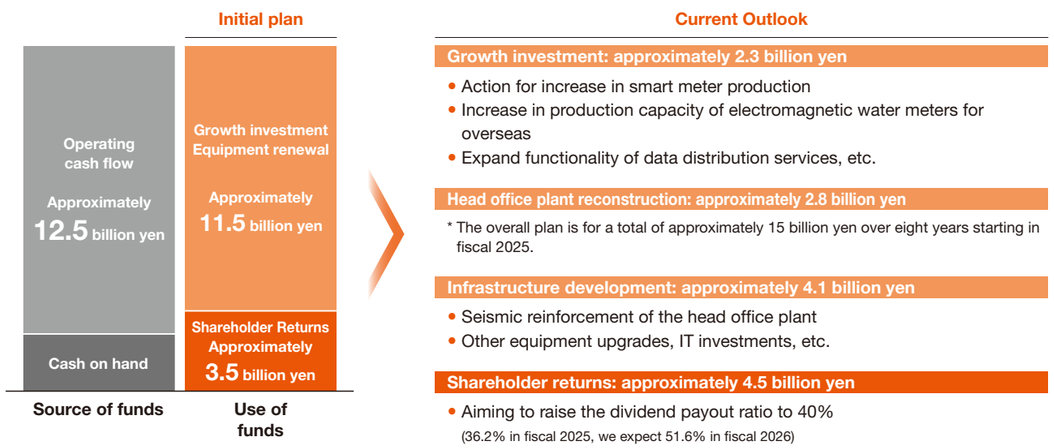


ROE



(1) Cash allocation

We will appropriately allocate cash generated from operating activities and cash on hand among growth investment, infrastructure renewal, and shareholder returns. We will steadily invest in initiatives that will strengthen future earnings capacity, including reconstruction of the head office plant and expansion of production capacity.



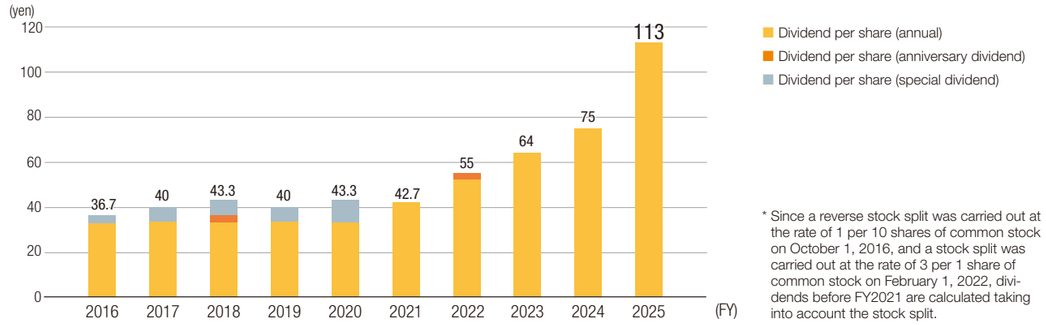
(2) Shareholder returns

Shareholder return policy and dividend performance

Because our business, centered on measurement equipment, is closely tied to public investment, we place importance on maintaining a stable management foundation over the long term. At the same time, we provide stable shareholder returns in line with profit growth, while balancing financial soundness with investment for future growth.

Under Medium-term Management Plan 2026, we aim to raise the dividend payout ratio to 40% during the plan period. In fiscal 2025, the annual dividend per share was 113 yen and the payout ratio was 36.2%, up substantially from 75 yen and 32.6%, respectively, in fiscal 2024. By translating profit growth into returns to shareholders, we aim to enhance shareholder value over the medium to long term.

Dividend per share*



* Since a reverse stock split was carried out at the rate of 1 per 10 shares of common stock on October 1, 2016, and a stock split was carried out at the rate of 3 per 1 share of common stock on February 1, 2022, dividends before FY2021 are calculated taking into account the stock split.

	FY2022	FY2023	FY2024	FY2025	FY2024-2026
					Target
Dividend per share (annual)	55 yen	64 yen	75 yen	113 yen	Payout ratio 40% during the period of the Medium-term Management Plan
Payout ratio	24.4%	30.9%	32.6%	36.2%	

Dividend for fiscal 2026

As disclosed on July 31, 2026, profit for fiscal 2026 is expected to decline due to additional expenses for defect countermeasures. As these are temporary expenses, however, we plan to maintain the initially forecast annual dividend of 120 yen per share. As a result, the payout ratio is expected to rise from 39.9% in the initial forecast to 51.6%.

Share Repurchases, Reverse Stock Split, and Stock Split

In addition to dividends, we also undertake share repurchases to enhance shareholder returns and capital efficiency, taking into account our financial position, share price levels, opportunities for growth investment, and other factors.

As part of our capital policy, we also consider the investment unit and liquidity of our shares. In 2016, we changed the trading unit to 100 shares and conducted a one-for-ten reverse stock split to raise the investment unit to at least 50,000 yen. Following the subsequent rise in our share price, in 2022 we conducted a three-for-one stock split to lower the investment unit, improve the investment environment, and enhance liquidity. We will continue to consider appropriate capital policy measures.

Financial and Capital Strategy and Total Shareholder Return (TSR)

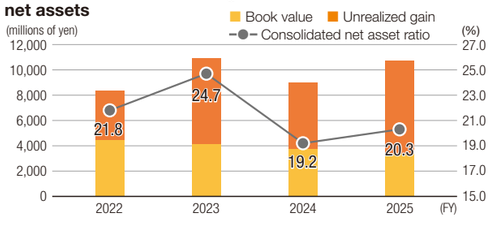
(3) Reduce cross-shareholdings

With regard to cross-shareholdings, we continue to review the purpose of holding these shares and their economic rationality, and are steadily reducing them. In fiscal 2024, the ratio of cross-shareholdings to consolidated net assets was 19.2%, achieving the Medium-term Management Plan target of “less than 20%” in the first year of the plan. Although we continued reducing cross-shareholdings in fiscal 2025, the ratio rose above 20% due to higher share prices. We will continue to reduce cross-shareholdings further to improve capital efficiency.

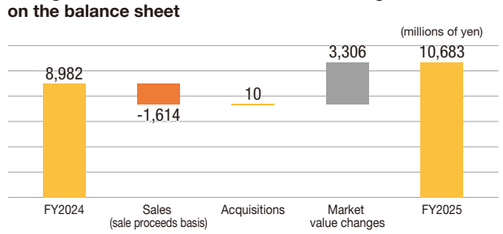
Trend of cross-shareholdings

		FY2022	FY2023	FY2024	FY2025
Number of issues (stocks)	Listed shares	40	40	36	33
	Unlisted shares	40	40	40	37
	Deemed shares held	2	1	—	—
	Total	82	81	76	70
Amount recorded on the balance sheet (millions of yen)	Listed shares	6,263	8,780	8,489	10,197
	Unlisted shares	489	490	492	486
	Deemed shares held	1,625	1,644	—	—
	Total	8,378	10,915	8,982	10,683
Consolidated net asset ratio		21.8%	24.7%	19.2%	20.3%

Trend of cross-shareholdings and ratio to consolidated net assets



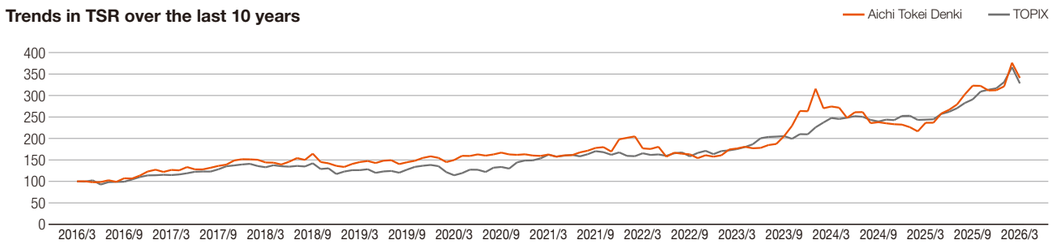
Changes in the amount of cross-shareholdings recorded on the balance sheet



Cost of Shareholders’ Equity and TSR

We recognize our cost of shareholders’ equity to be approximately 7–8%. ROE was 9.7% in fiscal 2025, exceeding our cost of shareholders’ equity. By maintaining and expanding this equity spread, we aim to improve TSR over the medium to long term. We will continue to regard medium- to long-term improvement in TSR as an important priority while advancing profit growth, improvements in capital efficiency, and stable shareholder returns in a coordinated manner.

Trends in TSR over the last 10 years



Share performance (total shareholder return)

	1 year	3 years		5 years		10 years	
	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative	Annual
Aichi Tokei Denki	53.9%	111.5%	28.4%	124.9%	17.6%	240.8%	13.0%
TOPIX	34.6%	87.4%	23.3%	102.2%	15.1%	228.2%	12.6%

* TSR: Total return on investment calculated by combining capital gains and dividends The values in the graph are indexed to the market price based on TSR using the closing price data as of the end of March 2016 as 100 (the holding period is until the end of March 2026)

Efforts to Increase Corporate Value

To sustainably enhance corporate value, we will pursue stronger earnings capacity through business growth, improved capital efficiency, enhanced shareholder returns, and strengthened IR/SR activities in an integrated manner. By improving both ROE and PER and thereby raising PBR, we aim to enhance our valuation in the market.

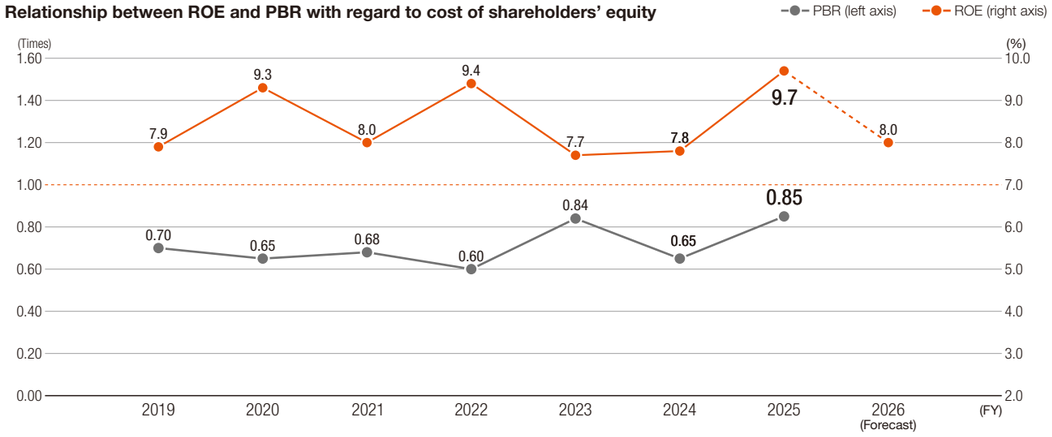
		Strategy	Main Initiatives
PBR	ROE	Business strategy	**Steadfastly implement Medium-term Management Plan 2026** • Create new value in the measuring field • Accelerate the pace of global expansion • Promote the development of environmentally friendly products • Achieve business reform through DX
		Financial strategy	**Invest in growth and strengthen shareholder returns** • Promote the effective use of cash • Target a payout ratio of 40% during the period of the Medium-term Management Plan **Continuously reduce cross-shareholdings** • Target a consolidated net asset ratio of less than 20% at an early stage
	PER	IR strategy	• Promote dialogue with shareholders and investors through various means, including financial results briefing sessions • Actively disclose non-financial information through various means, including the Company’s website and integrated report • Disclose financial data in English

Improving Capital Efficiency

ROE was 9.7% in fiscal 2025, already exceeding the 8.0% target for the final year of Medium-term Management Plan 2026. At the same time, we recognize that it is important not only to achieve a high ROE in a single fiscal year, but also to maintain profitability above the cost of capital on a sustained basis.

To this end, in addition to enhancing the profitability of our core businesses, we will make growth investments in areas such as data delivery services and overseas markets, while improving capital efficiency through reductions in cross-shareholdings and appropriate shareholder returns. We will also deepen dialogue with shareholders and investors and enhance information disclosure to promote understanding of our businesses and growth strategies, thereby narrowing the perception gap with the market and optimizing our cost of capital.

Relationship between ROE and PBR with regard to cost of shareholders’ equity



Feature Global Expansion Built Through Co-Creation

Enhancing Product Competitiveness and Sharing Value with Customers in Each Region

Building on the measurement technologies and reliable quality we have developed in Japan, Aichi Tokei Denki is steadily strengthening its presence in global markets.

Across social infrastructure fields such as water, gas, and energy, we provide products and services tailored to the needs of each country and region. Through these efforts, we contribute to the realization of a sustainable society while expanding our overseas bases and developing businesses rooted in local markets. By sharing value with customers, we aim to achieve further growth.

North America: Measurement solutions for advanced water management needs



In North America, the efficient use of water resources and renewal of aging infrastructure have become major social challenges. Aichi Tokei Denki helps municipalities and water utilities address these challenges by providing high-accuracy, durable electromagnetic water meters.

Since 2006, our electromagnetic water meters have been adopted by major water utilities across North America, starting with New York City. We have continued to strengthen solution proposals aimed at improving meter-reading efficiency and enabling future data utilization.

Our highly reliable measurement technology contributes to reducing non-revenue water and operating costs, supporting local water infrastructure from the ground up.

Taiwan: A long-standing partnership built on consistent quality and trust



In Taiwan, where quality and reliability are highly valued, Aichi Tokei Denki’s city gas meters have earned strong evaluations and trust over many years. By offering products with specifications suited to local needs and providing attentive support, we have steadily built a solid track record.

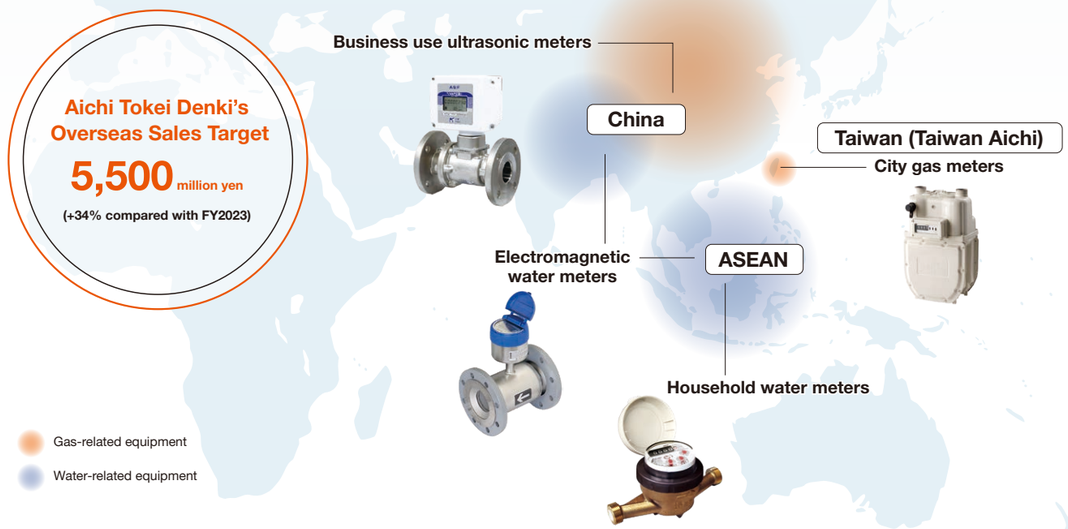
Going forward, we will further deepen relationships with existing customers while exploring new applications and markets to strengthen our market presence.

China: Sharpening technological value and differentiation in a growth market



As urbanization advances rapidly in China, there is growing demand for more sophisticated gas infrastructure. Since July 2024, Aichi Tokei Denki has manufactured and sold natural gas ultrasonic gas meters through its joint venture in Shenzhen. By providing new value tailored to local needs, we are strengthening our presence in this growth market.

Even amid intense price competition, we differentiate ourselves through advantages in quality and performance, while using our local base to respond quickly and further enhance customer satisfaction.



Co-Creation and New Challenges with Partners in the ASEAN Market

In the ASEAN region, rapid urbanization and population growth are making the development of water infrastructure and efficient water management increasingly important. In recent years, rising purchasing power has also driven greater demand for high-value-added electromagnetic water meters.

We are improving products to suit the specifications and operating environments of each country while optimizing our production system, including suppliers. By building a cost-competitive supply structure, we are working to expand the market.

Developing markets through collaboration with local partners



Business practices, regulations, and the state of infrastructure differ by country and region across ASEAN, making cooperation with locally rooted partners essential. Working with trusted sales partners and technical partners, Aichi Tokei Denki accurately identifies local needs and has built an integrated framework spanning product proposals through after-sales service.

Premier Water Services Sdn. Bhd., which distributes our SU Series electromagnetic water meters in Malaysia, is an important partner supporting our business across ASEAN.

With deep knowledge of local regulations, business practices, and infrastructure, the company handles everything from sales and installation to maintenance of our products. Leveraging its strong network, Aichi Tokei Denki provides proposals tailored to customer needs and rapid support, while working to enhance service quality and strengthen capabilities through technical collaboration and human resource development.

Through this collaborative framework, we are steadily expanding our business foundation as a trusted presence in each country.

Message from our local partner in Malaysia

Malaysia’s water infrastructure is now at a major turning point, and accurate measurement and efficient operations are becoming more important than ever. Against this backdrop, our collaboration with Aichi Tokei Denki Co., Ltd. is extremely valuable to us.

In addition to providing high-quality water meters, together we have developed solutions tailored to local challenges through technical support and the sharing of know-how.

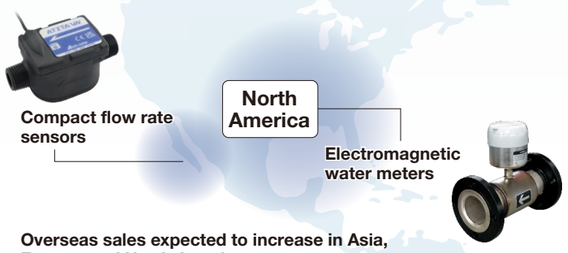
We look forward to further deepening our partnership with Aichi Tokei Denki and contributing to the effective use of water resources and the realization of a sustainable society.



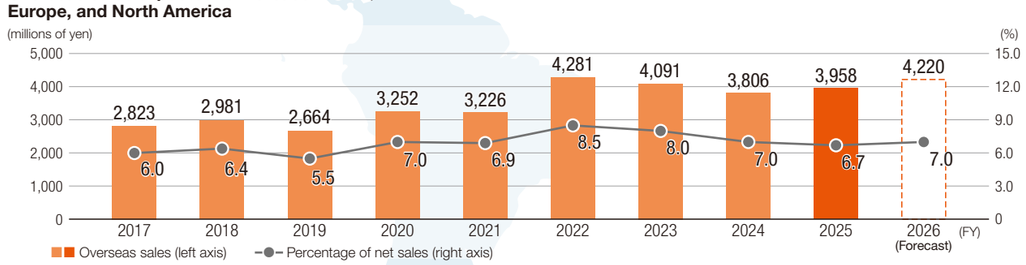
Desmond Lim
President, Premier Water Services Sdn. Bhd.

Toward the Next Stage of Growth

Under Medium-term Management Plan 2026, Aichi Tokei Denki positions expansion in overseas markets as one of its key growth strategies. Going forward, we will continue to provide products and services tailored to the needs of each country and region and collaborate with local partners, further strengthening the trust we have built in each market. At the same time, we will help address challenges facing water infrastructure, leading to further expansion of our overseas business and sustainable growth.

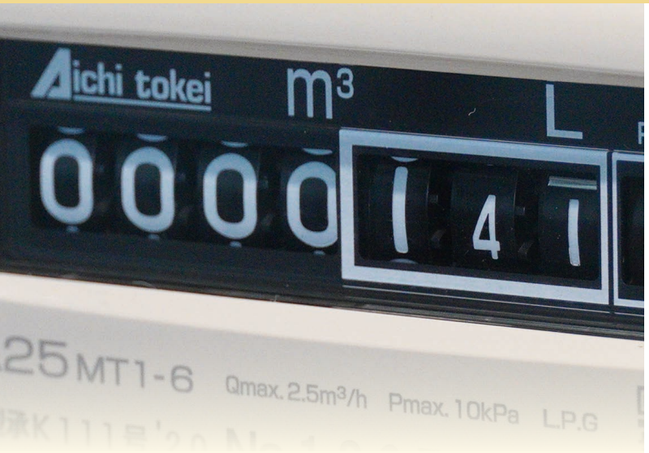


Overseas sales expected to increase in Asia, Europe, and North America



Strategy and Overview for Each Business Field

Gas-related Equipment



Gas is used in a wide range of applications, such as hot water supply, cooking, heating, and industrial processes, making it an indispensable part of daily life and economic activities. A stable supply of gas and a high level of safety are directly related to the stability and development of society, and ensuring this is a pressing issue. Aichi Tokei Denki is playing its part in addressing this issue and contributing to a sustainable energy supply, through the development, manufacture, and sale of gas meters. We have annual sales of approximately 2.0 million units for both residential and industrial use, and enjoy the top market share in the industry.

Key Customers
Gas companies (city gas and LP gas) and their affiliated companies

Strengths of Aichi Tokei Denki

Precision machining technology cultivated in clockmaking

The source of Aichi Tokei Denki’s technology is the high-level precision machining technology we cultivated in clockmaking and other fields. We use this technology to create high-quality die-cast aluminum molding housings to prevent gas leakage, resulting in highly accurate meters.

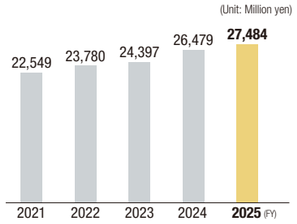
Reliable technology leading to safety and security

Current mainstream gas meters accurately measure gas using a measurement membrane that reciprocates under the pressure of gas flow. From 1983, we installed microcomputers and added safety functions to detect abnormal gas leaks and shut off the gas supply. The recent introduction of ultrasonic gas meters has contributed to further safety and security. Gas meters are also measuring instruments that have a legal expiration date and need to be updated periodically.

Wide range of gas measurement technologies

Accurate gas metering and safe and reliable supply are essential elements for gas utilities. We offer a wide range of measurement technologies, including membrane, turbine, and ultrasonic meter types, to meet a variety of needs from residential to industrial applications.

Trend in net sales



Main Products

City gas meters



LP gas meters



Turbine meters/Roots gas meters



Pressure-measuring instruments and governors



Market and Business Environment

City gas market	Gas meter market share
• Household demand in Japan: about 32 million • Number of businesses in Japan: about 190 • The introduction of smart meters has begun, primarily by major city gas companies.	Top share in Japan (total for city gas and LP gas)
LP gas market	
• Household demand in Japan: about 22 million • Number of businesses in Japan: about 15,000 • More than 60% of total households already have cloud devices (services). This figure is expected to reach 65% by fiscal 2026.	

With the introduction of smart meters progressing in the city gas market, our Company promotes the sale of smart meters as well as the expansion of cloud services for users of city gas. We contribute to improvements in operational efficiency by automatically linking various data collected via the cloud with core systems used in the daily operations of gas companies.

In the LP gas field, where gas meter communications have already been established for more than 60% of all customers, we are seeing steady results, with our cloud service already adopted by many gas companies. In fiscal 2025, we held a DX-themed seminar in Tokyo for executives from gas companies. Representatives from approximately 40 gas companies attended, and we presented the current state of the LP gas industry and the challenges it faces. We are considering holding similar seminars in fiscal 2026 and beyond.

Progress of Medium-term Management Plan 2026

Net sales of gas-related equipment in fiscal 2025 increased 3.8% year on year to 27.48 billion yen. Sales of LP gas-related equipment increased as replacement demand for household LP gas meters entered a recovery phase and sales of Aichi Cloud-related products remained strong. For city gas-related equipment, exports to China increased, while sales in the domestic market declined.

In the city gas field, Aichi Cloud began communicating with smart meters in February 2025, and in March 2026 we launched a new service that also connects to our Company’s load measurement devices.*1 In fiscal 2026, we will introduce multi-carrier support*2 to further improve communication stability. Going forward, we will propose ways for gas companies to use the various data collected from smart meters and load measurement devices.

In the LP gas field, we introduced a redesigned household ultrasonic LP gas meter as a new product, with improved ease of installation compared with the previous model and new features. Among our IoT-related offerings, Aichi Cloud continued to expand, bringing cumulative service subscriptions to approximately 1.55 million. Multi-carrier support has been completed in the LP gas field, and we continue to offer ancillary services such as the “delivery prediction system” and “web statement service,” with usage growing steadily.

Our sales strategy for fiscal 2026 will build on the fiscal 2025 strategy while focusing on expanding sales of cloud-related services. Sales projections anticipate a 5.1% increase, driven by increased replacement demand for household LP gas meters and steady demand for city gas meters in both Japan and overseas markets.

TOPICS Initiatives for creating new value

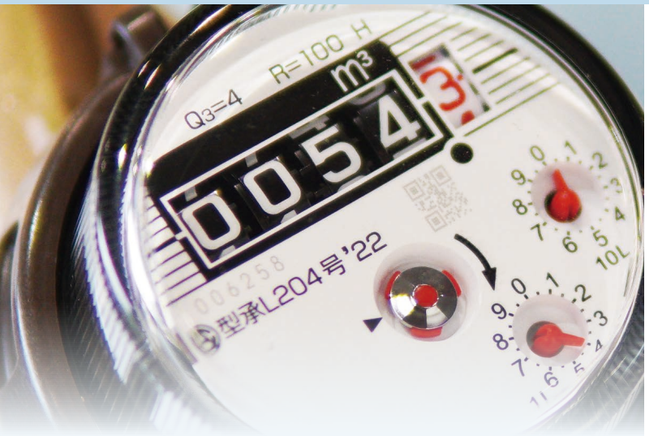
“Gas Smart Meter” and “Next-Generation Governor Miharu” Development Projects Win Two FY2025 Technology Grand Awards

Aichi Tokei Denki received two Technology Grand Awards from the Japan Gas Association in fiscal 2025, for “Development of a Gas Smart Meter to Drive DX in the City Gas Business”*3 and “Development of Next-Generation Governor Miharu”.*4 Governor Miharu also received the Invention Encouragement Award*4 at the FY2025 Chubu Regional Commendation for Invention organized by the Japan Institute of Invention and Innovation. Gas smart meters and Governor Miharu need to be widely adopted to enhance safety and strengthen resilience. Aichi Tokei Denki will develop a product lineup offering features such as battery operation and low power consumption, broad area coverage and reliable communications, and robust security, thereby helping solve social issues.

*1 A device that connects to meters at factories and other sites to measure usage and maximum hourly usage.
*2 Communication services provided by multiple telecommunications carriers.
*3 Award jointly received by gas companies, device manufacturers, communication terminal manufacturers, telecommunications carriers, and multiple meter manufacturers.
*4 Award received jointly with TOHO GAS NETWORK CO., LTD. Governor Miharu is a monitoring system comprising a digital self-recording pressure gauge installed on governors and other equipment used to regulate city gas pressure, a gas alarm unit, and a communication unit.

Strategy and Overview for Each Business Field

Water-related Equipment



Aichi Tokei Denki started manufacturing water meters in 1927. Currently, we sell approximately 2 million units annually, and along with gas meters, we have the top market share in the industry. As the shortage of water resources becomes increasingly severe around the world, we are constantly pursuing technologies to accurately measure this precious resource and are engaged in developing and improving various water meters, starting with smart meters.

Key Customers

Water utilities (Nagoya City Waterworks & Sewerage Bureau, Tokyo Metropolitan Government Bureau of Waterworks, etc.)

Developers, construction equipment companies, management companies, etc.

Strengths of Aichi Tokei Denki

Responding to increasingly diverse needs

Aichi Tokei Denki is committed to developing and improving products that leverage the latest wireless and DX technologies, such as the LoRa wireless metering system and Aichi Cloud, in order to respond to a wide range of diversifying needs, including labor-saving measures and improved revenue collection rates through water leak detection.

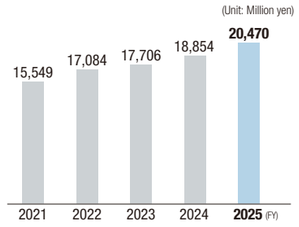
Electromagnetic water meter technology

Aichi Tokei Denki has developed an electromagnetic water meter that achieves ultra-low power consumption of less than 1/10,000th of conventional levels by adopting the world’s first residual magnetic excitation method. This meter can also measure continuously for 10 years by using a built-in lithium battery. It has been well received in various markets around the world for its high durability and robustness, and because it can operate in submerged environments despite its compact and lightweight design.

Initiatives in new measurement technologies

The electronic water meter ER has been made significantly smaller and lighter than its previous models, improving operability and reducing environmental burden. Aichi Tokei Denki is not only improving existing products, but is also working to develop smart meters that apply new measurement technologies.

Trend in net sales



Main Products

Electromagnetic water meters



Local water meters



Remote water meters



Wireless communication display units/transmitters for water meters



Market and Business Environment

Public sector (for water utilities)	Market share
• Japan’s demand customers: about 60 million • Water meters newly installed or replaced by business operators nationwide (about 1,700 businesses) • Nationwide increase in smart meters and data delivery services provided	Top share in Japan
Private sector	
• Japan: Newly installed or replaced water meters in commercial facilities, multi-purpose buildings, housing complexes, etc., for management and billing purposes. Lineup features a wide variety of models, such as small, large, communication-enabled, and electromagnetic types. • Overseas: We are exporting high-value-added products (electromagnetic water meters) to North America, China, ASEAN, the Middle East, and other regions.	

Public sector: Water utilities are facing issues, such as a decrease in water supplied due to population decline, a shortage of meter readers due to a decline in the working population, and aging facilities. They are also being called upon to provide new residential services. Against this social backdrop, we expect to install more smart meters, which can collect various types of data. Aichi Cloud, to which smart meters are connected, provides data delivery services, such as remote meter reading, leak detection from water usage visualization, and monitoring services. We will continue to introduce products and provide support to promote wider adoption of smart meters.

Private sector: There is growing interest—both in Japan and overseas—in precious water resources. In this social climate, there is a growing demand for water meters that measure water accurately, and our diverse lineup of products is performing well in the market.

Progress of Medium-term Management Plan 2026

In fiscal 2025, net sales increased 8.6% year on year to 20.47 billion yen. Demand remained solid in both the domestic public and private sectors, while exports also increased, led by water meters for North America.

In fiscal 2026, in addition to our existing multi-carrier support, we will add wireless communication terminals offering convenient two-way communication and replaceable batteries to our lineup as we continue to promote broader adoption of smart meters and Aichi Cloud. We will also respond promptly to moves to extend the test validity period for non-mechanical water meters and flexibly address future regulatory changes and market conditions by leveraging our technological strengths.

We will uncover needs not only in the public-demand market, but in the private-demand market too, and make new proposals. We will also further expand sales by improving our products and developing new measurement technologies that meet the specifications, delivery schedule, and costs that customers demand. In addition, as part of our environmental initiatives, we will proactively switch to eco-friendly SD and ER water meters.

For overseas markets, to expand sales channels in ASEAN and other regions, we will aim to further increase sales by reexamining the markets and establishing cooperative relationships with local partners.

TOPICS Initiatives for creating new value

Water Smart Meter Demonstration Tests to Create New Value

In January 2026, Aichi Tokei Denki signed an agreement with Tokai City, Aichi Prefecture, to conduct a demonstration test involving the installation of water smart meters. We installed water smart meters to explore ways to reduce meter-reading costs and make water operations planning more efficient through the early detection of leaks and taps left running. We will verify the communication performance and reliability of wireless automatic meter reading and analyze the relationship between data collected by smart meters and daily activities, with the aim of developing new offerings such as monitoring and healthcare services. In April 2026, we also signed an agreement with Hirakata City, Osaka Prefecture, to conduct a demonstration test of water smart meters. The test is intended to identify issues involved in introducing water smart meters and explore the creation of new added value through data utilization.

Through these initiatives with local governments, we will work to address local challenges and create new value.



Signing ceremony for the agreement with Tokai City

Strategy and Overview for Each Business Field

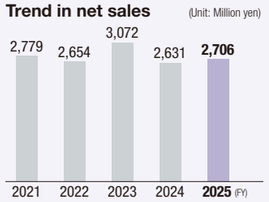
Private-demand Sensor Systems

Key Customers　For plants and manufacturers of medical and agricultural equipment

Aichi Tokei Denki offers optimal equipment and systems, such as flow meters and monitoring systems, that contribute to energy conservation and environmental measures required in the industrial sector, including improvement of plant DX and equipment operating efficiency, and CO_2 reduction. For equipment integration, we meet customer needs in a wide range of fields and applications, including dialysis equipment and pesticide spraying equipment.



Trend in net sales (Unit: Million yen)



Main Products

Ultrasonic flow meters for fuel gas



Ultrasonic flow meters for air



Small electromagnetic flow meters for chemical solutions (planned for launch)



Electromagnetic flow meters



Market and Business Environment, Strengths

In the plant market, soaring energy prices have led to higher costs, making it important to improve equipment efficiency, thereby saving energy and reducing environmental impact. Accurate flow measurement is required to lower costs and calculate CO_2 reductions achieved with efficiency improvements in air compressor operating rates and combustion in boilers and industrial furnaces. We will leverage our core ultrasonic flow measurement technology to expand our market share.

Progress of Medium-term Management Plan 2026

In fiscal 2025, we expanded sales of various sensors and systems for liquids and gases, primarily electromagnetic and ultrasonic flow meters based on our core technologies, for energy and resource conservation management and environmental measures at factories. Although sales in the domestic market declined, sales of flow sensors to Europe and North America increased, resulting in a 2.9% year-on-year increase in net sales for Private-demand Sensor Systems.

In fiscal 2026, we aim to respond to changing social infrastructure needs, strengthen proposals related to SDGs and carbon neutrality in the plant market, secure new projects by promoting applications in the flow sensor field, and achieve early market introduction of hydrogen flow meters that contribute to the use of hydrogen energy.

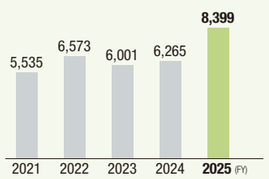
Instrumentation

Key Customers　Government offices, water and sewage facilities, agricultural water facilities, etc.

For public facilities, including those for water supply and sewage, as well as those for agricultural water, we are building systems that connect multiple measurement devices, such as electromagnetic flow meters and water gauges, via communication infrastructure, and monitor and control the various facilities. In addition, we handle a large number of public works projects, including the sale of measuring instruments. We support social infrastructure by providing maintenance services after installation.



Trend in net sales (Unit: Million yen)



Main Products

2-wire electromagnetic flow meters



Immersion-type water gauge



Information communication-terminal devices



Monitoring and control systems Operation support systems



Market and Business Environment, Strengths

We develop various monitoring and control systems and measuring instruments in-house, offering a product lineup that can meet customers’ specific requirements. In addition, we have engineers stationed at locations across Japan and provide comprehensive services ranging from the installation of measuring instruments to the design, construction, and maintenance of monitoring and control systems.

Progress of Medium-term Management Plan 2026

We have continued to strengthen our sales organization and our proposal and construction capabilities to secure large-scale projects and expand orders. As work progressed on multi-year projects carried over from the previous fiscal year, net sales in fiscal 2025 increased 34.1% year on year.

With multi-year construction projects now the norm, achievement of our plans is increasingly dependent on the number of large-scale projects we secure. We are therefore pursuing further large-scale orders to maintain a steady pipeline of projects.

Technological Foundation and Intellectual Property Strategy

Related Material Issues: Expansion of Markets and Business Fields

Related SDGs: 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES

As a research and development company, Aichi Tokei Denki develops next-generation measuring devices by leveraging advanced measurement technologies and intellectual property that we continuously create and protect. Through innovation in measurement, we seek to help solve social issues and realize a sustainable society.

Technology Development Strategy

We have refined our electromagnetic and ultrasonic measurement technologies and low-power-consumption technologies to commercialize innovative measuring devices. We will continue to deepen and apply these core technologies while actively exploring new ones to further advance our measurement solutions.

Our development efforts extend beyond the Company. In addition to industry-academia collaboration with universities and other institutions, we actively undertake joint demonstration projects with local governments and companies. Through these initiatives, we will verify technologies and pursue real-world implementation with an eye to both current needs in the field and future demand, delivering new value that contributes to society at large.

Building on this technological foundation and collaborative framework, we are strategically advancing the development of smart meters and related products as the market transitions to smart metering. At the same time, we are developing technologies that anticipate future social needs, such as hydrogen measurement, to lead the way in opening new markets and creating value in the measurement field.

Connection Technologies × AI Technology—Addressing Social Issues by Combining Smart Technology for Meters with Measurement Data Made Valuable

Our Company uses IoT technology to introduce smart technology into measuring devices, such as gas and water meters and sensors, and leverages AI technology for measurement data to create new value. We believe the synergistic effects of combining the two will help us respond to customer needs and social issues that were difficult to address with conventional technologies, and lead to the creation of added value for our products.

TOPICS　Initiatives for Creating New Value

Participation in the low-carbon hydrogen model town demonstration project and use of hydrogen meters

We are participating in the Ministry of the Environment’s Low-Carbon Hydrogen Model Town Demonstration Project in Chita City. The project positions hydrogen stations—of which Aichi Prefecture has the largest number in Japan—as regional hydrogen supply hubs. It aims to supply low-carbon hydrogen at low cost from a hydrogen station in Chita City not only to fuel cell vehicles, but also for a wide range of community uses, including fuel cells installed at public facilities and homes, hydrogen boilers, hydrogen water heaters and stoves, and hydrogen-fueled cremation furnaces.

By delivering low-carbon hydrogen produced and procured using local resources through the existing LPG distribution network and new hydrogen containers, the project aims to develop previously untapped demand and create new demand for hydrogen. It will also coordinate with plans under consideration in the Chubu region for the large-scale import and distribution of hydrogen from overseas. Through these efforts, the project aims to scale up the hydrogen supply chain, reduce hydrogen supply costs, enable hydrogen stations to operate independently, and establish a business model that can be rolled out to hydrogen stations throughout Aichi Prefecture and across Japan.

We will provide hydrogen meters for this project. By using them to manage hydrogen consumption and support commercial transactions based on the amount used by hydrogen boilers, fuel cells, and other equipment, we aim to identify practical challenges in implementing a hydrogen society and help address them. The demonstration project is scheduled to continue through fiscal 2029.



Ultrasonic hydrogen gas meters

Technological Foundation and Intellectual Property Strategy

Technology Trends in Electromagnetic Flow Meters to Meet Diverse Market Needs

Leveraging our advanced electromagnetic flow meter technology, we launched the world’s first battery-powered electromagnetic water meter. Since then, we have developed a variety of other electromagnetic flow meters, including a small electromagnetic flow rate sensor suitable for incorporation into equipment; a non-full electromagnetic flow meter capable of measuring a wide range of flow rates from non-full to full; and a capacitance-type electromagnetic flow monitor that overcomes the problem of foreign objects and deposits adhering to the electrodes, a drawback of electromagnetic flow meters.

Among these products, our SU Series electromagnetic water meters have enjoyed enduring demand since their launch in Japan in 1992. Today, they are highly regarded not only in Japan but also in North America, China, and ASEAN markets such as Thailand and Vietnam, and are marketed globally.

The SU Series incorporates our proprietary ultra-low power consumption technology. Key technologies include magnetic circuit design based on a residual magnetic excitation method and micro-signal processing using analog and digital circuits. To further advance these technologies, we are also enhancing analysis and simulation capabilities specialized for electromagnetic flow meters, including fluid analysis, electromagnetic field analysis, and circuit simulation.

In recent years, we have expanded the lineup of our ATZTA VN Series small electromagnetic flow rate sensors, developing products for a wide range of settings and applications beyond water supply, including agriculture, medical care, and food production. The VN Series now comprises 25 models, offering a broad lineup that meets market needs in regions around the world.



IoT Strategy

Promoting smart metering in the gas and water sectors

As a leading manufacturer of gas and water meters, we are actively promoting smart metering to help improve the resilience of social infrastructure. By helping customers, including gas utilities, water utilities, and companies, streamline operations and detect abnormalities early, our solutions enhance safety and disaster response capabilities, contributing to more resilient social infrastructure.

Expansion of the Aichi Cloud data delivery service

We launched the Aichi Cloud data delivery service for LP gas in 2019, and the number of connections surpassed 1.55 million as of the end of March 2026. We subsequently launched Aichi Cloud for water in 2021 and for city gas in February 2025, completing the lineup of three Aichi Cloud services. Following LP gas, connections to both the city gas and water services are growing steadily.

Under the Medium-term Management Plan 2026, we aim to achieve a cumulative 2 million connections to the Aichi Cloud data delivery service by the end of March 2027.



Maximizing data value through integration with AI technology

In the years ahead, as social issues such as labor shortages caused by the declining birthrate and aging population become more complex and values increasingly diverse, we will combine the big data accumulated across the three Aichi Cloud services with rapidly evolving AI technology to create new value and address challenges faced by society and businesses. By harnessing the power of data and technology to accelerate problem solving, we will contribute to building a sustainable society in which everyone can live with peace of mind and enjoy a fulfilling life.

Intellectual Property Strategy

With the aim of creating new value, we are actively working to strengthen our intellectual capital. By appropriately securing the rights for the results of our research and development, we have contributed to improving corporate profitability and maintaining our competitive advantage. Going forward, we will continue to strive to improve our corporate value through the protection and utilization of our intellectual property.

Basic policy on intellectual property strategy

Maximization of profit from our own businesses

Utilizing the intellectual property rights that we have acquired, we ensure freedom in our business and develop business to our advantage.

Respect for other companies’ intellectual property rights

While properly understanding the value of intellectual property rights, we will strive to reduce business risks without infringing on the rights of other companies.

Open/closed strategy for technology

We will strategically decide whether to apply for a patent for any new technology we develop or to keep it secret and handle appropriately as know-how.

Number of intellectual property rights held (as of March 31, 2026)

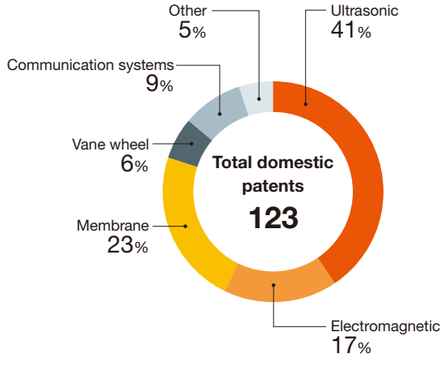
Japan			Overseas (North America, China, Europe, etc.)		
Patents and utility model rights	Design rights	Trade-marks	Patents and utility model rights	Design rights	Trade-marks
123	54	78	33	16	61

Intellectual property strategies for technology development

We conduct the management of intellectual property that maintains an awareness of both “offensive” and “defensive” stances. When on the “offensive,” we analyze the patent application trends of other companies and proactively file patent applications for core technologies to give us an advantage in our business. When on the “defensive,” we not only acquire rights for our core technologies, but also for peripheral and improved technologies necessary for commercialization, thereby continuously protecting our core technologies. We are focusing on strengthening our competitive advantage in our business from both offensive and defensive perspectives.

Extensive domestic patent portfolio

Our domestic patents currently in force, a key source of our competitiveness, are broken down by technology field as follows.



Promoting Human Capital Management

Related Material Issues
Have Both Diversity and Productivity

Related SDGs

To realize sustainable growth, Aichi Tokei Denki is promoting human capital management as part of its sustainability strategy under Medium-term Management Plan 2026. We have set numerical targets to increase employee engagement, strengthen human resource development, and promote DE&I, and are pushing forward efforts to achieve each of these.

Promoting Human Capital Management

As a pillar of our sustainability strategy in Medium-term Management Plan 2026, we are promoting human capital management. To measure our progress, we have been assessing all employees’ engagement, and making efforts to improve by reviewing the results and identifying issues on a departmental basis.

In addition to increasing training hours, we have established a human resource development policy that empowers employees to realize our corporate philosophy of reliability, creativity, and service. We actively recruit mid-career employees, and they now account for 20.0% of our executive officers and 25.0% of our Internal Directors. In terms of promoting DE&I, we are developing management candidates with measures such as providing support to employees returning from childcare leave.

KPI for human capital under Medium-term Management Plan 2026

KPI		FY2025	Target
Increase employee engagement	Engagement assessment result	3.39/5	Up 0.1 points or more (above 3.45)*
Strengthen human resource development	Career-track position training hours	15.1 hours per year/person	Up 10% (above 13.3 hours)*
DE&I	The percentage of women among new graduate hires (career-track positions)	28.8% (2024-2026 new graduate average)	30% or more on average over 3 years
	Human rights initiatives	Publication of a human rights policy and implementation of human rights due diligence	Continued implementation of human rights due diligence

*Compared to FY2023

Increasing Employee Engagement

We believe that employee engagement assessments can inform departmental strategies by helping each department understand its current situation and identify issues, thereby contributing to higher organizational productivity and employee retention.

We measure seven categories that influence employee engagement, and the Company scored above the average of other companies in all seven. Based on the fiscal 2024 analysis, which indicated that managers were not providing sufficient intentional and systematic development for their subordinates, we implemented measures including training for managers on supporting the growth of their subordinates. As a result, the fiscal 2025 scores were the highest of the three most recent assessments.

Employee engagement results

2024	2025	Target (by 2026)
3.33/5 (0.02pt↓)	3.39/5 (0.06pt↑)	Up 0.1 points or more*

*Compared to FY2023

Our strengths, particularly among the items where we exceed the average of other companies	Our issues, compared to other companies
・Subordinate support ・Task design ・Workplace culture ・Labor environment	・Human resource initiatives

- All figures exceeded the average of other companies.
- Figures for human resource initiatives also improved from the previous fiscal year.

Please see our website for details on initiatives related to Aichi Tokei Denki’s health management.
WEB https://www.aichitokei.net/sustainability/society/health/

Strengthening Human Resource Development

Following the establishment of the type of talent we aim to develop, we significantly revised our human resource development training programs. In addition to rank-based training by grade and role and specialized training by job function, we introduced new courses including training for mid-career hires, elective business training, and career and life planning training.

Compared with the training available to non-management employees, managers have traditionally had fewer training opportunities. We are therefore expanding our training programs for managers.

Training conducted in FY2025

Course name		Number of participants	Training duration (hours)
Training for managers	Training for newly appointed managers	5	16
	Coaching-based training to support subordinate development	170	1.7
	DE&I promotion training	170	1.3
Pre-assignment training for overseas assignees		1	60
New hire training in Vietnam		26	24
(Sub-) Leader training		43	8

Diversity, Equity & Inclusion (DE&I)

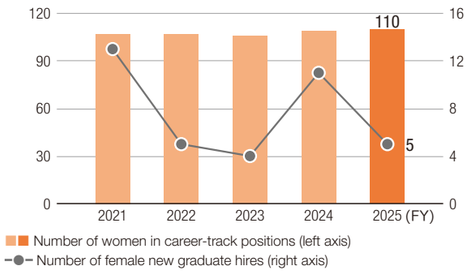
We believe that promoting DE&I by embracing differences in values regardless of gender, age, race, nationality, or other attributes helps create a workplace where everyone can work comfortably, which in turn supports the recruitment and retention of human resources.

The Company provides training to promote women’s advancement. In fiscal 2025, 170 employees participated in training for managers, while 68 women participated in training for female employees. In July 2025, the Company was appointed by Aichi Prefecture as an “Aichi Women’s Empowerment Promotion Leader.”

We employ people with disabilities on a full-time basis and work to create an environment where they can work with confidence and high motivation. By consolidating general administrative tasks from across departments and assigning them to employees with disabilities, we have also improved operational efficiency across the Company.

We will continue promoting DE&I in ways that enable diverse employees to thrive and respect diverse ways of working.

Number of female employees (career-track positions, new graduate hires)



COLUMN Human capital initiatives: Health and Productivity Management and workstyle reform for diverse life stages

Aichi Tokei Denki regards the decline in the workforce resulting from Japan’s declining birthrate and aging population as a risk to human capital management. We are promoting workstyle reform, improving operational efficiency through DX, and developing workplaces and systems that support diverse work styles. We also place emphasis on health and productivity management, and the Company and all of our domestic consolidated subsidiaries were certified as Health & Productivity Management Outstanding Organizations 2026. Our initiatives also include the regular provision of health information, the introduction of a health support app, smoke-free company premises, and mental health measures.

We are also working to enable employees to work in ways suited to their diverse life stages. In fiscal 2025, childcare leave uptake rates were 100% for women and 92.3% for men. From before childbirth until a child completes sixth grade of elementary school, we provide programs such as reduced working hours for childcare and child nursing leave to help employees balance childbirth and childcare with work.

Environmental Management

Related Material Issues
Climate Change Action and Environmental Burden Minimization

Related SDGs

Under our environmental philosophy, Aichi Tokei Denki promotes environmentally-conscious business activities and contributes to society through products and activities that are in harmony with the environment. Based on this philosophy, in product design, we prioritize the 3Rs (reduce, reuse, and recycle) and aim to reduce environmental impact throughout the entire product life cycle. We also strive to reduce greenhouse gas (GHG) emissions, curb the use of environmentally harmful substances in manufacturing activities, conserve energy and resources, and contribute to biodiversity conservation and symbiosis with nature.

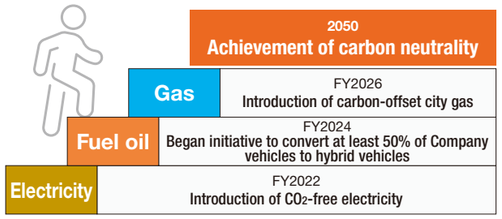
Initiatives to Become Carbon Neutral

The Aichi Tokei Denki Group is continuing its Carbon Neutral Challenge 2050 to contribute to measures that combat global warming. Led by the Sustainability Committee, we are strengthening collaboration throughout our supply chain and working to reduce GHG emissions and environmental impact.

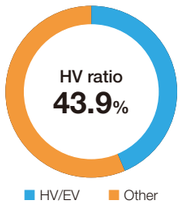
In fiscal 2026, we began using carbon-offset city gas.

These initiatives build on our introduction of CO_2-free electricity in fiscal 2022 and efforts under Environmental Vision 2028 to convert at least 50% of Company vehicles to hybrid vehicles. In this way, we are implementing measures targeting the three major energy sources associated with CO_2 emissions: electricity, gas, and fuel oil.

Progress to date



Company vehicle hybridization (as of March 31, 2026)



Total Company vehicles	269
HV/EV	118
Other	151

Nature-Positive Declaration and Aichi Biodiversity Company Certification

We have made a Nature-Positive Declaration with the aim of preserving the environment and restoring biodiversity. This declaration is our commitment to take concrete actions that will minimize our impact on the natural environment and build a sustainable future.

At our Okazaki Plant in Okazaki City, Aichi Prefecture, we have established a natural area of approximately 600 m^2. By creating an environment in which a diverse range of organisms can thrive, we aim to support the local ecosystem.

In recognition of this initiative, we obtained certification in fiscal 2025 under the Aichi Biodiversity Company Certification System established by Aichi Prefecture. The system certifies companies that actively engage in biodiversity conservation, the sustainable use of biological resources, and other initiatives, with the aim of promoting business activities in harmony with the local natural environment. In the natural area at our Okazaki Plant, we are working to conserve biodiversity by preserving ecological networks, removing invasive species, and taking other measures.

We will continue contributing to the conservation of local ecosystems as we strive to be a company that coexists with nature.

ネイチャーポジティブ宣言 supported by J-GBF

Certified Aichi Biodiversity Company

Please see our website for details on the Company’s efforts to preserve the environment.
WEB https://www.aichitokei.net/sustainability/environment/

Carbon Neutrality Measures

Construction of a New Office Building at the Okazaki Plant

We constructed a new office building at our Okazaki Plant, which was completed in May 2026. Administrative functions that had previously been dispersed due to constraints in the existing buildings have been consolidated to facilitate faster decision-making and appropriate information sharing. The new two-story building meets current seismic standards and is equipped with an emergency generator to serve as a disaster response hub. Its air-conditioning system uses gas heat pumps (GHPs), and together with rooftop solar panels, this helps conserve energy and reduce CO_2 emissions.



Environment-Friendly Manufacturing

Obtained SuMPO EPD, an Environmental Certification

Aichi Tokei Denki obtained SuMPO EPD certification in March 2026 for the commercial ultrasonic Type EB safety gas meter (EBA6MT-3), following third-party verification under the SuMPO EPD Program, as part of its efforts to help visualize environmental impacts. SuMPO EPD provides quantitative disclosure of environmental information throughout a product’s entire lifecycle and can serve as an indicator in efforts to achieve carbon neutrality. In addition, our carbon footprint declaration for the household membrane Type S safety gas meter and SuMPO EPD certification for the household ultrasonic Type E safety gas meter remain publicly available.

We will continue our efforts to provide products and services that contribute to achieving carbon neutrality and realizing a sustainable society.

SuMPO EPD JAPAN VERIFIED SuMPO-EPD-2603-118-1

Promote Biodiversity and Symbiosis with Nature

Aiming to Conserve Rare Species

In the natural area at our Okazaki Plant, we are working to create conditions in which rare species can reproduce.

Okazaki City, where the plant is located, has published the Okazaki City Red List 2024, which identifies rare species requiring conservation in the area. In our natural area, we are focusing on butterfly conservation. We plant host plants for larvae and seasonal nectar plants for adult butterflies in the hope of attracting butterflies and encouraging them to lay eggs, thereby encouraging more butterflies to breed in the area.



Response to Climate Change

Under the corporate philosophy of “Reliability, Creativity, and Service,” the Aichi Tokei Denki Group is addressing climate change issues in order to achieve the sustainable development of society and create new corporate value for the Group. In May 2023, the Group expressed support for the final recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and will continue to expand disclosure of climate-related information.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

* TCFD (Task Force on Climate-related Financial Disclosures): An international initiative established by the Financial Stability Board (FSB) of the G20 in 2015, in order to enhance the disclosure of information concerning the financial impact of climate-related risks and opportunities.

Governance

In recognition of the importance of climate change issues and human capital management, the Group established a Sustainability Committee in May 2023 as a committee responsible for discussing sustainability issues. The committee reviews and deliberates on the formulation of basic policies, action plans, and performance reviews, including risks and opportunities related to climate change issues. The Committee also coordinates with the Risk Management Committee through the Internal Control Committee. Important matters are reported to the Board of Directors (Chair: Chair of the Board of Directors) after deliberation at the Management Meeting, etc., and the status of response is monitored and supervised. In April 2022, we formulated the Carbon Neutral Challenge 2050 with the approval of the President and representative director to work toward achieving carbon neutrality. The Sustainability Committee reports on the progress of the Carbon Neutral Challenge and advances discussions and deliberations.

Governance Structure Diagram



Strategy

Our Group conducted a climate change scenario analysis based on the TCFD recommendations. We identified climate change risks and opportunities for our main businesses, qualitatively assessed the impact, and considered countermeasures.

Assumed Scenarios

1.5°C/2°C World Scenario	If strict measures are taken to combat global warming, the average annual temperature will rise by less than 1.5 degrees Celsius compared to the period of the Industrial Revolution.
4°C World Scenario	If we do not take measures to combat global warming that exceed the current situation, the average temperature will increase by 3.2 to 5.4 degrees Celsius compared to the period of the Industrial Revolution.

Source: Ministry of the Environment
https://www.env.go.jp/content/000118155.pdf (Japanese only)

Risk Management

Our Group’s relevant departments identified climate change-related risks and opportunities, evaluated the importance and impact on our business, and formulated risk response plans. Based on the TCFD recommendations, we conducted a scenario analysis that takes into account the degree of impact to the continuation of business, the likelihood of occurrence, and the timeline in which it is expected to materialize. The Sustainability Committee formally approved these plans, monitors the progress of risk response on an annual basis, verifies the effectiveness of each response measure, and revises it. We recognize that climate change risks have a significant risk of impacting our business activities, and we report the status of risk management to the Company’s leadership.

Impact of Climate Change Risks and Opportunities on Businesses and Countermeasures

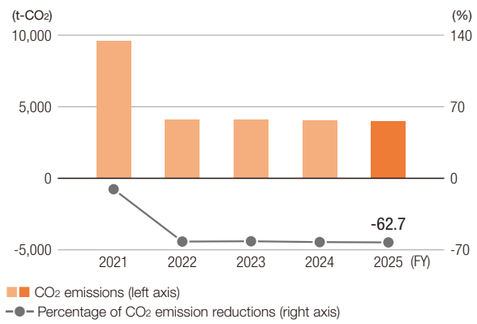
Risks/opportunities	Potential risks, opportunities	Impact degree	Timing of impact	Strategy (measures)
Transition risks	Response to the Government’s Carbon Neutrality Statement	Large	Short term	・Strive to reduce energy consumption by updating to energy-efficient production facilities ・Introduce carbon-free energy at the head office and main plant (head office and Okazaki Plant), and consider expanding to other production bases (achieve zero emissions by 2050)
	Concerns about increased burden due to carbon pricing (carbon taxes)	Small	Short term	・Reduce the impact of taxation on energy used in our own factories by advancing plans such as equipment renewal and expansion of carbon-free energy use ・If price increases are transferred down the supply chain, based on the plan, promote cost reduction through product design improvement
	Soaring energy prices, transportation costs, and raw material procurement costs due to the promotion of renewable energy and carbon pricing	Medium	Short term	・Reduce energy consumption and improve production efficiency by upgrading to energy- and production-efficient facilities ・Aim to reduce risks by reducing costs through improved product design
Physical risks	Shutdowns due to climate change (typhoons, heavy rains, floods, etc.), earthquakes, tsunamis, etc.	Large	Long term	・Conduct regular risk assessment revisions on an annual basis ・Consider physical damage reduction measures by revising flood protection boards and drainage routes ・Formulate a BCP for tsunami damage at the head office plant and continue training through simulations
	Chemical spills from damage to plants associated with climate change, earthquakes, and tsunamis	Small	Long term	・Properly maintain and manage facilities such as buildings and warehouses, storage facilities, etc., and perform regular repairs and updates ・Prepare for emergencies by summarizing spill handling and communication methods, and conducting relevant staff training
	Concerns about procurement of parts and materials due to climate change, earthquakes, and tsunamis (supplier disaster)	Medium	Long term	・Promote the purchase of materials and purchased goods from multiple suppliers, and select business partners who can produce substitutes for outsourced goods ・Return to normal production status at an early stage by maintaining and utilizing manufacturing resource information
Opportunities	Increased needs for environmentally friendly products (existing products) due to growing awareness of carbon neutrality	Medium	—	・Strengthen the promotion and proposal sales of environmentally friendly products based on the policy direction of the government and local governments ・Improve favorability through carbon neutral initiatives and strategic public relations, and appeal to society and investors ・Reflect the strategy obtained through scenario analysis in the Medium-term Management Plan, sales/profit plan, and product planning/development plan
	Increased needs for new products that contribute to carbon neutrality	Medium	—	

Indicators and Objectives

To contribute to efforts to combat global warming, the Group continues to promote the Carbon Neutral Challenge 2050, working to reduce GHG emissions and environmental impact.

As a result of these efforts, CO_2 emissions in fiscal 2025 were reduced by 62.7% from fiscal 2013 levels, exceeding both the 2030 target of a 38% reduction and the 2040 target of a 57–61% reduction for the industrial sector set by the Japanese government in the Plan for Global Warming Countermeasures. We will continue to make steady progress toward realizing a sustainable society.

CO_2 emissions / Percentage of CO_2 emission reductions (compared to FY2013)



Supply Chain and Quality & Human Rights Initiatives

The Aichi Tokei Denki Group operates under the corporate philosophy of “Reliability, Creativity, and Service,” and contributes to the realization of a safe and secure society through collaboration with business partners across the entire supply chain to address critical issues such as quality control, compliance with laws and regulations, risk management, environmental considerations, and respect for human rights. We flexibly respond to the changing needs and expectations of each era and actively pursue the establishment of new partnerships. In December 2024, we established the “Aichi Tokei Denki Group Human Rights Policy” as a guideline to fulfill our responsibility to respect human rights.

Aiming to Increase Value Throughout the Supply Chain

Aichi Tokei Denki is focusing on coexistence and co-prosperity throughout the supply chain, seamless collaboration across scales and industries, and compliance with the “Promotion Standards.” We aim to increase the added value of the entire supply chain by working with the suppliers to our direct suppliers (from “Tier N” to “Tier N +1”) in cooperation with our direct suppliers. In December 2022, we released the Partnership Building Declaration, which promotes cooperation, coexistence and co-prosperity with our business partners that make up the supply chain and businesses that create value.

Providing Higher Quality, Safe, and Secure Products

We obtained ISO 9001 certification for quality in the 1990s and have accurately developed a management system for design, development, manufacturing, and sales. For our specified measuring instruments (gas meters, water meters, hot water meters, and cumulative calorimeters), which are our basic products, our quality control methods at all domestic production bases have been verified and meet the compliance standards based on the designated manufacturing business operator system specified in the Measurement Act.

We also promote the acquisition of product certifications that meet customer needs. We have obtained Japan Water Works Association (JWWA) certification for flow sensors and are working to obtain various certifications for flow meters for overseas use in Western countries and other countries, while striving to develop and provide products that satisfy our customers at an early stage. To respond swiftly to newly added hazardous chemicals, we have introduced chemSHERPA, a common information transmission scheme, to appropriately manage chemical substances contained in products subject to various regulations, including the RoHS (Restriction of Hazardous Substances) Directive, throughout the entire supply chain.

Human Rights Due Diligence

Aichi Tokei Denki Group Human Rights Policy
WEB https://www.aichitokei.net/sustainability/society/human_rights/

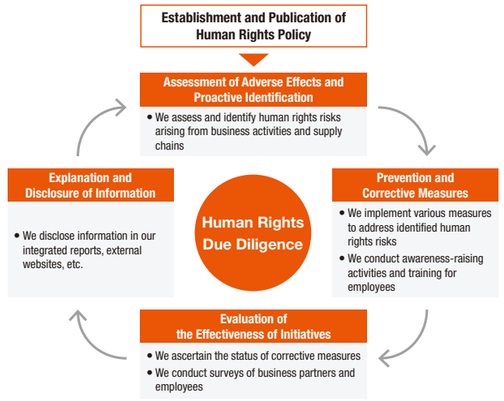
We believe it is essential to respect the human rights of all individuals affected by our business activities, and we have established a Human Rights Subcommittee under the Sustainability Committee to promote efforts to respect human rights.

Human rights due diligence based on our Human Rights Policy begins with assessing and proactively identifying potential adverse impacts. We then implement preventive and remediation measures, evaluate the effectiveness of our initiatives, and provide explanations and disclose information as part of a PDCA cycle.

In fiscal 2025, the Human Rights Subcommittee identified human rights risks associated with the business activities of the Company and its subsidiaries and affiliates. Each department assessed the identified risks, after which the Human Rights Subcommittee determined which risks required priority action. The Subcommittee continued to monitor these priority risks and confirmed that the relevant departments were taking measures to mitigate them.

To identify human rights risks in the supply chain, we also conducted a survey of business partners. The survey showed that greater awareness was needed of the human rights grievance mechanism established by the Company. At a training session for business partners, we therefore explained how to use the mechanism and the scope of issues it covers.

We will continue this PDCA cycle and work to further enhance the effectiveness of our efforts to respect human rights.



Embedding Respect for Human Rights and Creating a Better Workplace

Training on respect for human rights

We believe that ensuring respect for human rights throughout our business activities, including the supply chain, embracing diversity, and creating a workplace where everyone can work with dignity will foster innovation and enhance corporate value over the medium to long term. Based on this belief, we provide all employees with training on respect for human rights.

Our training materials explain that human rights are rights inherent to every person and that respecting human rights in business means respecting everyone connected with our business, including employees, business partners, customers, and local communities. They address specific human rights risks associated with business activities, including long working hours, occupational health and safety, harassment, discrimination, and human rights issues in the supply chain, and use examples that could arise in day-to-day work to deepen understanding.

We also provide training to business partners to deepen understanding of respect for human rights throughout the supply chain.

Protecting employees’ human rights

In addition to respecting the human rights of all people involved in our business activities, we are working to create a workplace where employees can work with confidence and peace of mind. As part of these efforts, we have developed a manual for responding to customer harassment, which is scheduled to take effect in October 2026.

We are establishing a framework that enables the Company to respond appropriately when employees face unreasonable behavior or excessive demands in customer-facing situations. In this way, we aim to protect employees’ dignity and safety and create an environment where they can carry out their work with confidence and peace of mind.

Going Forward

Going forward, we will continue human rights due diligence and training on respect for human rights, while working to embed and improve these initiatives. We will also gradually extend these efforts across the supply chain to further deepen respect for human rights.

By continuing these initiatives, we will conduct business in a manner that respects human rights across the Aichi Tokei Denki Group and throughout the supply chain.

Roundtable Discussion with Outside Directors



Masatsugu Kasano
Outside Director

Chie Okada
Outside Director

Asako Itakura
Outside Director

The Sources of Aichi Tokei Denki’s Corporate Value

Drawing on a DNA of manufacturing with integrity cultivated over more than a century, Aichi Tokei Denki has built trust with society. Three Outside Directors discuss the sources of the Company’s corporate value, the challenges it must address to achieve sustainable growth, and the role the Board of Directors should play.

What Are the Sources of Aichi Tokei Denki’s Corporate Value?

Kasano: For many years as a meter supplier, we have built relationships of trust with our customers by consistently delivering dependable work. As the saying goes, “Nothing builds trust like a proven track record.” I believe these enduring relationships, which are not easily displaced, are our greatest strength.
Okada: Another major strength is the stability of our business model. Gas and water meters are subject to periodic replacement, creating steady, recurring demand. Combined with our leading market share in Japan, this makes our business relatively resilient to changes in social conditions and economic cycles, and that stability supports our corporate value.
Itakura: I see our people as another major strength. Through plant visits and conversations with employees, I have seen how each person takes pride in their work and values both a high level of expertise and a strong sense of discipline. I believe that carrying this corporate culture forward is what has earned us deep trust from society.

Assessing the “Stable Growth Model” and the Next Stage of Growth

Okada: I am particularly focused on how the Company is responding to the shift toward smart meters, where demand is expected to grow over the long term, and on Aichi Cloud. In addition to product sales, new recurring revenue from services is steadily contributing to earnings, and I expect this to become another driver of stable growth.
Kasano: To prevent quality issues, we continue to identify potential risks and address them one by one. This sincere approach to manufacturing is what defines Aichi Tokei Denki and forms the foundation of our stable growth.
Itakura: Our ability to draw on multiple measurement technologies and handle the full process in-house is a strength built up over many years. I also view our efforts to enter new growth areas, such as hydrogen measurement, very positively.

What Must Change to Achieve Sustainable Growth?

Itakura: Our integrated in-house capabilities are a strength, but as the workforce shrinks, it will become increasingly difficult to continue creating new technologies entirely within the Company. In addition to using DX, it will also be important to advance open innovation by bringing in external expertise and technologies.
Kasano: Improving efficiency through AI and IT is necessary, but AI cannot make products by itself. Manufacturing is ultimately supported by employees on the front lines. Above all, we must never lose the DNA of a company that has pursued manufacturing with integrity for more than 100 years, and we must pass it on to the next generation.
Okada: I also believe that point is extremely important. No matter how well systems are put in place, unexpected risks can arise if the practical instincts and culture passed down on the front lines are lost. We must also anticipate situations in which our accumulated knowledge alone may no longer be sufficient as products and components become more diverse and sophisticated. I feel that the true strength of our technological capabilities is now being tested.

Active Discussion at Board Meetings

Okada: The Company has a high degree of management transparency and shares information with us outside officers promptly. In the Board effectiveness evaluation questionnaire, some internal officers commented that the open and transparent sharing of information with outside officers helps provide effective checks and balances. Before each monthly Board meeting, the managers of the relevant departments hold a briefing session. This is a valuable opportunity to ensure that information from the front lines is properly shared and that there is no gap in understanding between the front lines and the Board. The discussion at these briefings then feeds into the Board meeting the following day, leading to more effective deliberations.
Kasano: Precisely because the Company has a stable earnings base, a single quality issue can have a significant impact on profits. That is why I continue asking questions until I can clearly picture the cause and the measures being taken to prevent recurrence. I believe an important role of an Outside Director is to go beyond verbal explanations and confirm what is actually being done on the front lines to prevent recurrence.
Itakura: I place particular importance on the risk management framework. When a defect or other problem occurs, it is important to review whether the response was timely and whether information was shared appropriately, and then use those lessons to improve. Maintaining a corporate culture in which issues are raised and shared promptly rather than kept within the organization will also contribute to enhancing corporate value.

The People and Organization Needed for Future Growth

Kasano: Diversity is essential to the Company’s long-term development. Mid-level and younger employees who will support the Company in the years ahead should each be able to bring their individuality to their work and work with energy and enthusiasm. Developing people like this will help carry the Company into its next 100 years.
Itakura: It is important to create a workplace where each employee, including younger employees and women, can envision their future and feel comfortable expressing their opinions and ideas. I believe building this kind of bottom-up organization will lead to fresh thinking and further growth.



Preserving what should be preserved while steadily changing what needs to change will lead to the next stage of growth.

Chie Okada Outside Director

Ms. Okada registered as a lawyer in 1998. She has served as a civil mediator (part-time judge) of the Nagoya Summary Court and as a member of the Dispute Coordination Committee of the Aichi Labor Bureau. She has rich experience and wide-ranging insights into governance centered on legal aspects. Ms. Okada has been an Aichi Tokei Denki Outside Director since 2022. She is Chairperson of the Nomination and Compensation Advisory Committee.



The relationships of trust we have built with customers by consistently delivering dependable work are our greatest strength.

Masatsugu Kasano Outside Director

Mr. Kasano joined OKAYA & CO., LTD. in 1984. As a director of that company since 2018, he has served as Deputy General Manager of the Nagoya Head Office, as well as officer in charge of New Technology Promotion, and became an Advisor in 2026. He possesses a wide range of knowledge developed in metal and machinery trading companies. Mr. Kasano has been an Aichi Tokei Denki Outside Director since 2023.

Okada: The proportion of women in career-track positions is steadily increasing. At the same time, developing women for managerial roles remains a challenge shared by manufacturers throughout the region. Building on the Company’s culture of valuing people, I hope Aichi Tokei Denki will continue evolving into a company where an even more diverse range of people can thrive.

Improvements to Strengthen the Board’s Effectiveness

Okada: As Outside Directors, we are expected to engage more deeply in forward-looking discussions about how the Company should grow, while exchanging candid views with the executive team. I would first like us, as officers who share responsibility for overseeing management, to ensure that we have a common understanding of the key issues and, through that process, further improve the quality of governance.
Kasano: I want us to continue valuing the practice of going to the front lines, seeing things firsthand, and grounding our discussions in what we learn. In manufacturing, there are many things that cannot be understood from numbers alone. I believe the Board will become even more effective when we discuss matters with a full understanding of less visible forms of value, such as quality, technology, and human resource development.
Itakura: As the business environment changes significantly, it is important to distinguish what should change from what must be preserved. As an Outside Director, I want to contribute to enhancing corporate value by asking management questions from diverse perspectives, encouraging forward-looking discussions on management strategy, the Medium-term Management Plan, branding, and other issues, and supporting new initiatives.

Expectations for Aichi Tokei Denki Going Forward

Kasano: For more than 100 years, the Company has built trust with customers and society on the belief that “Nothing builds trust like a proven track record.” Going forward, I hope everyone will continue approaching manufacturing with a strong sense that Aichi Tokei Denki bears responsibility for quality, supply, and every other aspect of its products, including items procured from suppliers.
Itakura: I hope the Company will not rest on the trust it has already earned, but will continue making steady progress through DX, new business initiatives, and investment in people, while growing into an organization that is unafraid of change and continues to take on new challenges.
Okada: We must preserve what should be preserved while steadily changing what needs to change. The accumulation of those efforts will enhance corporate value and drive growth into the Company’s next 100 years. As a company that supports social infrastructure, Aichi Tokei Denki must continue to earn the trust and long-term support of even more people. We Outside Directors will also do our utmost to help make that possible.



It is important to create a workplace where each employee can envision their future and feel comfortable expressing their opinions and ideas.

Asako Itakura Outside Director

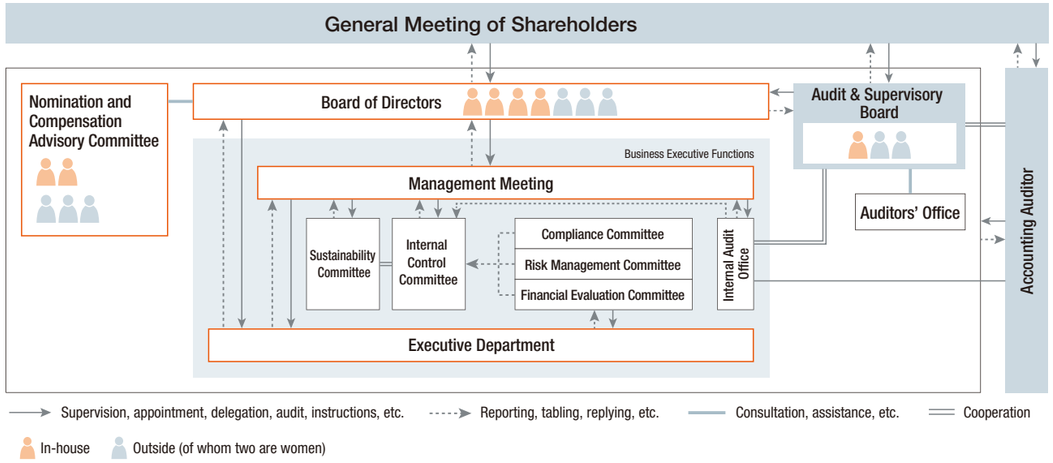
Ms. Itakura joined Nagoya Broadcasting Network Co., Ltd. in 1983. As a Managing Director of Nagoya TV Enterprise Co., Ltd., and as an Employer Committee Member of the Aichi Prefecture Labor Relations Commission (presently in this position), she has wide-ranging insight into human resources and labor issues. Ms. Itakura has been an Aichi Tokei Denki Outside Director since 2024.

Corporate Governance

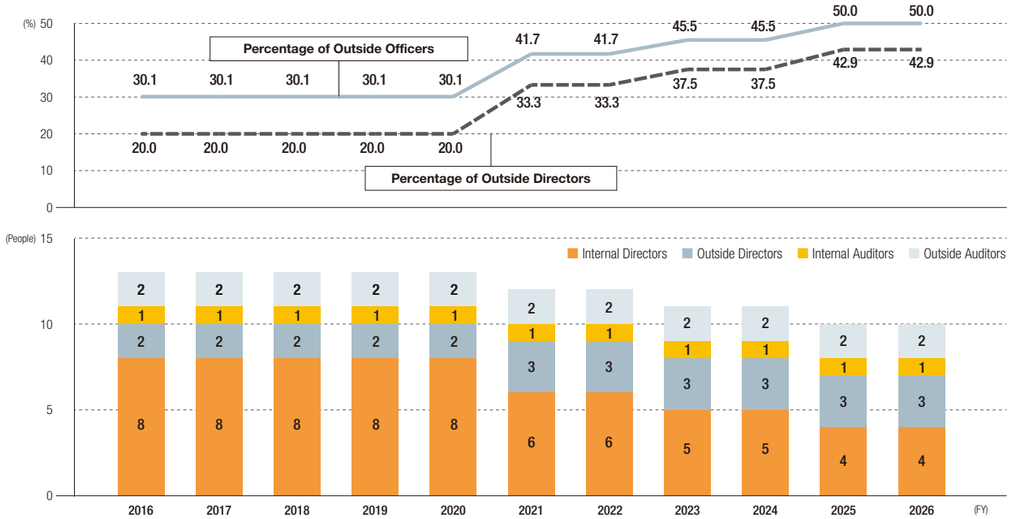
Related Material Issues
Enhance Compliance and Governance

Related SDGs

Aichi Tokei Denki’s Corporate Governance System



Efforts to Strengthen Corporate Governance



2021	Reduced the number of Internal Directors by two to a system of nine directors. The aim is to speed up decision-making.
2023	Reduced the number of Internal Directors by one to a system of eight directors. Changed the Executive Officer appointment type to a one-year term.
2024	Increased the number of female directors by one to two. The aim is to improve diversity.
2025	Reduced the number of Internal Directors by one, bringing the Board to seven Directors. Appointed an Outside Director as Chairperson of the Nomination and Compensation Advisory Committee.

Features of Aichi Tokei Denki’s Corporate Governance System

Based on our corporate philosophy and code of conduct, which state that we create new value to serve customers and society and continue to earn reliability from all, the Group contributes to society through its business activities and strives to enhance corporate value on a sustainable basis. Furthermore, we work to establish corporate governance that makes transparent, fair, prompt, and decisive decisions based on the perspectives of all stakeholders.

Board of Directors/Management Meeting

The Board of Directors consists of seven members, including three Outside Directors. As a general rule, it is held once a month, and three auditors also attend the meeting. In addition to making decisions on important matters stipulated by laws, the articles of incorporation, and the rules of the Board of Directors, the Board of Directors strives to improve the Company’s sustainable growth and medium- to long-term corporate value by appropriately fulfilling its roles and responsibilities such as supervising the status of business execution. In order to ensure the effectiveness of independent and objective management supervision by the Board of Directors, we have appointed multiple Outside Directors, and each Outside Director uses his/her work history, experience, and knowledge, etc., to confirm important matters from an external perspective, and strive to ensure the rationality of management decisions.

In addition, we have introduced an Executive Officer system to strengthen our business execution functions, and at the Management Meeting held once a month, Executive Officers discuss important business execution decisions and board resolutions related to their areas of executive responsibility that need to be discussed in advance, in accordance with the decisions of the Board of Directors.

Audit & Supervisory Board

The Audit & Supervisory Board consists of three members, including two Outside Auditors, and audits are conducted by attending various important meetings such as the Board of Directors, reviewing approval documents, and cooperating with the Internal Audit Office and Accounting Auditor. Each Outside Auditor makes use of their work experience, and knowledge, etc., and conducts audits from an external perspective, ensuring objectivity and neutrality that can properly fulfill the monitoring and audit functions of management.

Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee consists of five members, including three Outside Directors, and the Chairperson is an Outside Director. It deliberates on the policy for nominating candidates for Directors, Executive Officers, and Auditors, and the policy for determining the compensation of Directors, Executive Officers, and Auditors, etc., and advises the Board of Directors.

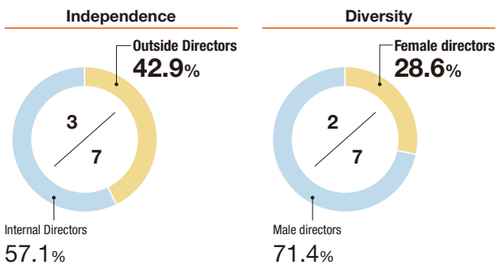
Exchanging Opinions with Outside Officers

We hold “Opinion Exchange Meetings” with independent Outside Directors and independent Outside Auditors about once or twice a year. On matters related to the Board of Directors, we exchange opinions, taking into consideration the analysis and evaluation of the effectiveness of the Board of Directors.

Implementation Status of the Corporate Governance Code

We describe the status of implementing each principle of the Corporate Governance Code in our Corporate Governance Report.

Composition of the Board of Directors



For the “Corporate Governance Report” and “Basic Policy on Corporate Governance,” please visit the website.

WEB https://www.aichitokei.net/company/governance/

Corporate Governance

Evaluation of Effectiveness of the Board of Directors

Every year, the Company analyzes and evaluates the effectiveness of the Board of Directors based on evaluations by the Directors and Audit & Supervisory Board Members. Since fiscal 2023, the evaluation has been conducted through an external organization. In fiscal 2025, we again conducted a questionnaire survey through an external organization and confirmed that the Board of Directors continued to operate effectively.

Effectiveness Evaluation Questionnaire Survey Items (partial list)

- Format of the Board of Directors
- Composition of the Board of Directors
- Management of the Board of Directors
- Deliberations of the Board of Directors
- Monitoring function of the Board of Directors
- Performance of Internal Directors • Performance of Outside Directors
- Support system for Directors and Audit & Supervisory Board Members
- Training • Dialog with shareholders (investors) • Personal initiatives
- Management of Nomination and Compensation Advisory Committee
- Summary

Fiscal 2025 evaluation and fiscal 2026 action policy

Fiscal 2024 evaluation results and fiscal 2025 action policy

Based on the results of the analysis and evaluation, we determined that the Board of Directors was generally effective. We identified the following areas for improvement to further enhance its effectiveness.
(i) We will enhance discussions on the progress of financial and capital strategy.
(ii) We will promote discussions on the formulation of a succession plan for top management.
(iii) We will expand training opportunities for directors.

Fiscal 2025 actions and initiatives

(i) Enhance discussions on the progress of financial and capital strategy
- We held training and discussion sessions with the participation of an external organization to deepen Directors', Audit & Supervisory Board Members', and Executive Officers' understanding of the Company's current position and challenges from the perspective of the capital markets.

(ii) Promote discussions on the formulation of a succession plan for top management
- The Nomination and Compensation Advisory Committee reviewed and discussed the succession plan and worked to improve it.

(iii) Expand training opportunities for Directors and Audit & Supervisory Board Members
- To provide Directors and Audit & Supervisory Board Members with opportunities to acquire and update the knowledge required of them, we introduced e-learning in addition to site visits and participation in external seminars.

Fiscal 2025 evaluation results and fiscal 2026 action policy

Based on the analysis and evaluation, we determined that the Board of Directors was generally effective. To further enhance its effectiveness, we will implement the following improvements.
(i) We will enhance discussions on management strategies and plans with a focus on profitability and capital efficiency.
(ii) We will further consider measures to realize management conscious of the cost of capital and share price.
(iii) We will further enhance training opportunities for Directors and Audit & Supervisory Board Members.

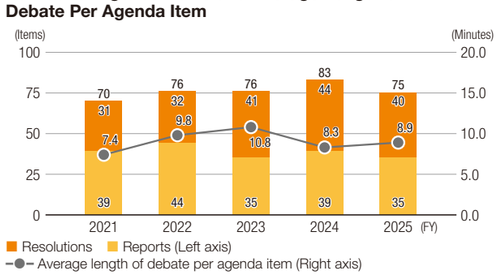
Based on the above, we will continue to improve the effectiveness of the Board of Directors in order to further enhance the flexibility of business execution and strengthen supervision by the Board of Directors.

Discussions at the Board of Directors Meetings

Major Discussion Topics in Fiscal 2025

Classification	No. of items
Business and Management Strategy	16
Sustainability	4
Corporate Governance	13
Financial Results, IR/Finance, Capital	19
Nomination and Compensation	16
Others	7

Number of Agenda Items and Average Length of Debate Per Agenda Item



Examples of Key Discussions

Theme	Key discussion points
Response to delays in capital expenditures and their impact	• The extent of the impact of delays in capital expenditures on the Medium-term Management Plan and business plans, and measures to address such impact, including consideration of alternative production methods • Measures to prevent recurrence, including strengthening supplier management and the project progress management system
Financial capital strategy (cross-shareholdings and overall capital policy)	• The appropriateness of the process for selecting buyers of cross-shareholdings and the balance between selling such shares and maintaining business relationships • The need to review the overall capital policy, including capital efficiency, shareholder returns, and growth investments
Response to defects in certain products	• The financial impact of product defects, reputational risk, and the supplier management system • The appropriateness of the timing of the recognition of provisions for product warranties • Measures to prevent recurrence through strengthening the quality management system

Skills Matrix for Directors

The Board of Directors is composed of diverse individuals with different backgrounds, including specialized knowledge and experience. Based on the management strategies of the Group, such as its Value Creation Process and Medium-term Management Plan, we have determined the skills expected of each Director and Auditor as follows to realize our corporate philosophy.

Skills Matrix

* Based on the career and skills of each Director and Audit & Supervisory Board Member, items that are particularly expected are marked with ●. The table shown below does not represent all knowledge that each Director and Audit & Supervisory Board Member has.

Name	Position and responsibilities	Corporate management & Governance	Finance & Accounting	Sales & Marketing	Global experience	Development & Quality	IT & DX	Legal affairs & Risk management	Sustainability
Toshiyuki Hoshika	Chairman and Representative Director	●				●		●	
Kenji Kunishima	President and Representative Director	●	●						●
Yutaka Yoshida	Director			●		●	●		
Kazuhisa Mori	Director			●	●	●			
Chie Okada	Director (Outside, Independent)	●						●	●
Masatsugu Kasano	Director (Outside, Independent)			●	●		●		
Asako Itakura	Director (Outside, Independent)	●						●	●
Yoichi Orikasa	Standing Audit & Supervisory Board Member (Outside, Independent)		●		●			●	
Masanori Watanabe	Standing Audit & Supervisory Board Member					●	●		●
Hiroaki Kato	Audit & Supervisory Board Member (Outside, Independent)	●	●					●	

Reasons for the selection of skills

Items	Reasons for selection
Corporate management & Governance	Ability to supervise the appropriateness of the business execution and the governance structure in order to understand the present status and make management decisions towards achieving the Company's vision.
Finance & Accounting	Ability to supervise appropriate resource allocations from a financial standpoint in order to enhance corporate value from a long-term perspective.
Sales & Marketing	Ability to determine potential business growth and future market trends from a broad perspective in order to achieve management plans.
Global experience	Ability to drive management by understanding values, business environments and geopolitical risks in each region to accelerate global expansion.
Development & Quality	Ability to develop technology and manufacturing strategies enabling technical innovation in order to create new value and markets.
IT & DX	Ability to develop strategies by incorporating digital technologies with the Company's businesses to expand IoT business and promote DX.
Legal affairs & Risk management	Ability to supervise the appropriateness of risk management, including compliance, by understanding increasingly complex and diverse risks.
Sustainability	Ability to resolve environment-related issues and promote human capital management from both social and corporate perspectives in order to balance a sustainable society with the Company's sustainable growth.

Message from the Chair of the Board of Directors



Toshiyuki Hoshika
Representative Director, Chairman

As the business environment surrounding companies undergoes significant change, continuously enhancing corporate value requires not only addressing immediate business challenges, but also maintaining ongoing discussions from a medium- to long-term perspective about the direction the Company should take. As Chairman of the Board of Directors, I am committed to ensuring that the Board serves as a forum for highly effective oversight of management and constructive discussion.

At the Company, we place great importance on both internal and outside Directors drawing on their respective experience and expertise to engage in open and candid discussions. In particular, the diverse perspectives offered by our Outside Directors play an important role in encouraging us to reassess conventional ways of thinking and explore new possibilities. It is also essential that we look beyond discussions within the Board of Directors and engage in dialogue with our stakeholders to understand their expectations of the Company and the challenges we face and reflect these insights in management.

Going forward, we will continue to embrace change positively and further enhance the transparency and effectiveness of management while improving the quality of our discussions. By steadily fulfilling the role expected of the Board of Directors, we will strive to enhance corporate value over the long term and remain a company trusted by society.

Corporate Governance

Executive Training and Raising a Successor

The Company is working to enhance the effectiveness of the Board of Directors by deepening discussions on the succession plan for top management and exploring ways to expand training opportunities for directors to acquire the necessary knowledge. For newly appointed Directors and Auditors, we conduct training sessions led by external experts on laws and governance. For Outside Directors and Auditors, we provide explanations to enhance their understanding of our business operations and strategies, as well as visits to our facilities. Additionally, we provide necessary information on an ongoing basis after their appointment to enhance the effectiveness of the Board of Directors’ supervisory functions.

Executive Compensation

The Company has established a decision policy (hereinafter referred to as the Decision Policy) regarding the details of Directors’ individual compensation, etc., which broadly consists of basic compensation, executive bonuses, and share-based compensation with restrictions on transfers based on the Director Compensation Regulations. The ratio for each type of compensation is based on basic compensation: executive bonus: share-based compensation with restrictions on transfer = 60:25:15.

The basic compensation of Directors is determined by the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee within the limit of the total amount of compensation resolved at the General Meeting of Shareholders taking into account the balance between standards in society, Company performance, and employee salaries.

In order to make executive bonuses, which are a form of compensation linked to performance, appropriate as an incentive to increase the growth and profitability of the Company, they shall be paid to Directors (excluding Outside Directors) according to the Company’s performance. The Company uses consolidated ordinary profit as the indicator of performance because it is a financial indicator of the Company’s profitability, and when calculating executive bonuses, the Company takes into account the year-on-year changes in the relevant indicators and, after seeking and receiving advice from the Nomination and Compensation Advisory Committee, makes a comprehensive judgment. In fiscal 2025, the target for consolidated ordinary profit, which is the indicator for executive bonuses, was 5,010 million yen, and the actual amount was 5,208 million yen. Share-based compensation with restrictions on transfers is granted for the purpose of further enhancing the willingness to contribute to share price growth and performance improvement, and to further enhance the shareholder-oriented management attitude. The number of shares of restricted stock allocated to Directors (excluding Outside Directors) is calculated based on the Restricted Stock Compensation Regulations, and after deliberation by the above committee, it is decided by the Board of Directors.

The compensation of Auditors is limited to basic compensation and is determined in consultation with the Auditors within the limit of the total compensation resolved at the Shareholders’ Meeting.

The Decision Policy is determined by the Board of Directors after deliberation by the Nomination and Compensation Advisory Committee.

Total amount of compensation for each executive category, total amount by type of compensation, and number of target Executive Officers

Executive category	Total amount of compensation (million yen)	Total amount by type of compensation (million yen)			Number of target executives
		Basic compensation	Performance-based stock compensation, etc.	Non-monetary compensation, etc.	
Directors (excluding Outside Directors)	202	122	51	29	5
Auditors (excluding Outside Auditors)	18	18	–	–	1
Outside Directors	50	50	–	–	6

(Note) 1. The total amount of Director compensation does not include the salary for employees who are also Directors.
2. Non-monetary compensation, etc. includes the amount of expenses recorded in the current fiscal year based on the share-based compensation with restrictions on transfers system. In addition, the Company has entered into an agreement with target Directors that common shares issued or disposed of under this system may not be disposed of such as by transfer until the date of resignation or retirement of Director status in the Company.
3. The above includes one Director and one Outside Audit & Supervisory Board Member who retired at the conclusion of the 102nd Annual General Meeting of Shareholders held on June 25, 2025.

Risk Management

The Company has an Internal Control Committee as a Company-wide committee, which comprises the Compliance Committee, the Risk Management Committee, and the Financial Evaluation Committee. Recognizing risk management as an important issue in corporate activities, we confirm the Basic Policy for Internal Control System at the Internal Control Committee every year. Furthermore, under an appropriate corporate governance system, we operate an internal control system that integrates risk management and compliance, and manage risks by practicing the PDCA cycle.

Risk Management Structure

The Company has an Internal Control Committee, chaired by the President, which serves as the central body for management and response to risks associated with business activities. This committee works in collaboration with the Compliance Committee, the Risk Management Committee, and the Financial Evaluation Committee. The Internal Control Committee reviews the activities of each committee and the status of internal controls in accordance with the “Internal Control Committee Regulation,” and reports the results to the Management Meeting.

Additionally, the Company classifies important risks related to its business activities into the following categories: quality, market environment, overseas operations, information and communications, finance, environment, disasters, human resources, and compliance. Each committee develops and implements countermeasure plans for the risks within their respective areas. The progress and effectiveness of these measures are evaluated by the Risk Management Committee in accordance with the “Risk Management Regulation,” using strategies such as avoidance, reduction, relocation, and retention, based on the importance and likelihood of occurrence of risks, and manages risk for the Company overall.

The Compliance Committee, based on the “Compliance Regulation,” works to maintain and enhance employees’ compliance awareness and promote compliance activities across the entire Group through the formulation of compliance education and training plans and the implementation of internal awareness surveys (questionnaires).

The Financial Evaluation Committee, based on the “Financial Evaluation Regulation,” evaluates the establishment and operation of internal controls related to financial reporting and contributes to ensuring the reliability of financial information.

Potential Risks and Responses

Key risk items	Potential risks	Response
Quality risks	• Product recalls and loss of customer trust due to product defects	• Manufacturing of diverse products in accordance with international quality management systems • Minimizing losses and preventing reputational damage through prompt response to product defects and fundamental corrective measures
Market environment risks	• Cost pressures from rising raw material prices • Decrease in sales price • Long delivery time for parts	• Improve productivity and promote total cost reduction through DX • Promote purchasing from multiple companies and consider alternative parts
Risks due to overseas business development	• Political risks, regulatory changes, etc.	• Gathering information on local developments and political conditions • Preparation of overseas safety management rules and overseas safety measures manuals • Conducting crisis management training before being assigned
Information and communication risks	• System failure • Confidential information leaks or production shutdowns caused by cyberattacks	• Renewal and enhancement of system infrastructure and constant monitoring • Strengthening information security monitoring systems, establishing internal rules, and conducting cybersecurity drills and internal IT training
Disaster risks	• Operational shutdowns and supply chain disruptions caused by natural disasters such as a Nankai Trough megathrust earthquake	• Seismic reinforcement of buildings and other facilities and introduction of disaster-resilient equipment • Development of BCP guidelines and earthquake response manuals, and implementation of evacuation drills, safety confirmation training, disaster drills, and tabletop simulations
Risks of legal and regulatory violations	• Contract and transaction risks • Compliance risks	• Ensuring compliance with laws, regulations, and internal rules, and conducting regular compliance training • Establishment and operation of whistleblowing and consultation desks

Management Team (As of June 24, 2026)

Directors

Chairman and Representative Director
❶ Toshiyuki Hoshika 53,800 shares

Apr. 1978 Joined the Company
Jun. 2008 Executive Officer and Head of Osaka Branch Office
Apr. 2011 Executive Officer, General Manager of Public SS Sales Department, Sales Management Headquarters
Jun. 2014 Senior Executive Officer, Deputy General Manager of Production Management Headquarters, and General Manager of Gas Equipment Manufacturing Division
Jun. 2015 Director, Senior Executive Officer, General Manager of Production Department, and General Manager of Gas Equipment Manufacturing Division
Jun. 2016 Director, Managing Executive Officer in charge of Production, and General Manager of Production Department
Jun. 2017 President and Representative Director, President Executive Officer
Apr. 2022 Representative Director, Chairman (to present)

President and Representative Director
❷ Kenji Kunishima 26,900 shares

Apr. 1986 Joined the Company
Jun. 2009 General Manager of General Affairs & Human Resources Department, Administration Management Headquarters
Apr. 2010 Head of Nagoya Branch Office, Sales Management Headquarters
Jun. 2013 Executive Officer, Head of Tokyo Branch Office, Sales Management Headquarters
Jun. 2017 Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department
Apr. 2019 Senior Executive Officer, Head of Okazaki Plant, and General Manager of Gas Equipment Manufacturing Division, Production Department
Apr. 2020 Senior Executive Officer, General Manager of Production Department
Jun. 2020 Director, Senior Executive Officer, and General Manager of Production Department
Apr. 2021 Director, Managing Executive Officer, General Manager of Production Headquarters
Apr. 2022 President and Representative Director, President Executive Officer (to present)

Director
❸ Yutaka Yoshida 20,400 shares

Jan. 1987 Joined the Company
Jun. 2013 Executive Officer and Deputy General Manager of R&D Headquarters
Oct. 2013 Executive Officer and General Manager of Quality Assurance Department
Apr. 2014 Executive Officer and General Manager of International Sales Department, Sales Management Headquarters
Apr. 2015 Executive Officer and General Manager of International Sales Division, Sales Department
Jun. 2017 Director, Senior Executive Officer, General Manager of R&D Headquarters
Apr. 2022 Director, Senior Executive Officer, in charge of Technology
Apr. 2023 Director, Managing Executive Officer, in charge of Technology
Apr. 2025 Director, Managing Executive Officer, in charge of Technology, General Manager of R&D Headquarters
Apr. 2026 Director, Managing Executive Officer, in charge of Technology (to present)

Director
❹ Kazuhisa Mori 8,100 shares

Apr. 1986 Joined the Company
Jun. 2015 Executive Officer and General Manager of R&D Headquarters
Jun. 2017 Executive Officer and General Manager of International Sales Division, Sales Department
Apr. 2022 Senior Executive Officer, General Manager of R&D Headquarters
Jun. 2023 Director, Senior Executive Officer, General Manager of R&D Headquarters
Apr. 2025 Director, Senior Executive Officer, General Manager of Sales Headquarters
Apr. 2026 Director, Managing Executive Officer, and General Manager of Sales Headquarters (to present)

Director (Outside, Independent)
❺ Chie Okada

Apr. 1998 Registered as an attorney. Joined Tsunehiko Nakane & Associates
Oct. 2003 Partner, Kakura Law Office (to present)
Oct. 2006 Civil Mediator, Nagoya Summary Court (Part-time Justice)
Oct. 2015 Member, Dispute Adjustment Committee, Aichi Labor Bureau
Sep.2020 Auditor, National University Corporation Aichi University of Education
Jun. 2022 Director of the Company (to present)
Jun. 2023 Outside Director (Audit and Supervisory Board Member), AMG HOLDINGS CO., LTD. (to present)

Director (Outside, Independent)
❻ Masatsugu Kasano

Apr. 1984 Joined OKAYA & CO., LTD.
May. 2018 Member of the Board, Deputy General Manager of Nagoya Head Office and General Manager, Kariya Branch Office, Toyota Division of OKAYA & CO., LTD.
May. 2021 Member of the Board in charge of New Technology Promotion of OKAYA & CO., LTD.
Jun. 2023 Director of the Company (to present)
May. 2026 Advisor, OKAYA & CO., LTD. (to present)

Director (Outside, Independent)
❼ Asako Itakura

Apr. 1983 Joined Nagoya Broadcasting Network
Jun. 2008 Assistant to President’s Office of Nagoya Broadcasting Network, Senior Managing Director of NagoyaTV Enterprise Co., Ltd.
Jun. 2016 Senior Managing Director of NagoyaTV Enterprise Co., Ltd.
Jul. 2019 Managing Director of NagoyaTV Enterprise Co., Ltd.
Jul. 2021 Advisor to NagoyaTV Enterprise Co., Ltd. (to present)
Feb. 2022 Established Office Itakura Asako (a Specified Labor and Social Security Attorney and Small and Medium Enterprise Management Consultant firm) (to present)
Jun. 2023 Outside Director (Audit Committee Member) of Aichi Financial Group, Inc. (to present)
Jun. 2024 Director of the Company (to present)

Auditors

Standing Audit & Supervisory Board Member (Outside, Independent)
❽ Yoichi Orikasa

Apr. 1987 Joined The Tokai Bank, Ltd.
Nov. 2008 Branch Manager, Shimo-Akatsuka Branch of MUFG Bank, Ltd.
May 2012 Branch Manager, Nagoya Branch of MUFG Bank, Ltd.
May 2013 Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc.
Jun. 2013 Executive Officer and Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc.
Jun. 2015 Corporate Executive, Group CAO, and Managing Director, Head of Internal Audit Division of Mitsubishi UFJ Financial Group, Inc.
Jun. 2016 Executive Officer of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., General Manager, Solutions Division
Apr. 2020 Executive Officer of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., General Manager of Kyoto Branch
Jun. 2024 Standing Statutory Auditor of the Company (to present)

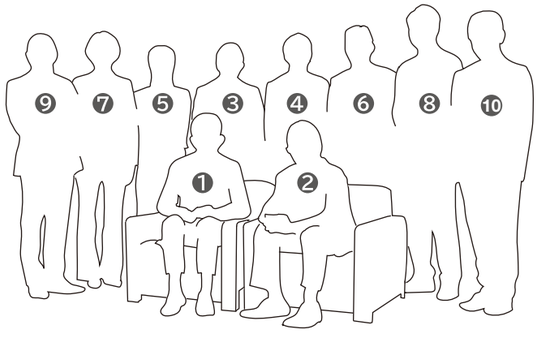
Standing Audit & Supervisory Board Member
❾ Masanori Watanabe 2,600 shares

Apr. 1986 Joined the Company
Nov. 2011 General Manager, Inspection Department, Technology Department, Production Management Headquarters
Apr. 2012 Deputy General Manager of Quality Assurance Department and General Manager, Inspection Department
Apr. 2013 Deputy General Manager of Quality Assurance Department and General Manager, Quality Environment Department
Apr. 2019 Executive Officer and General Manager of Quality Assurance Department
Apr. 2024 Assistant to General Manager of Administration Headquarters
Jun. 2024 Standing Statutory Auditor of the Company (to present)

Audit & Supervisory Board Member (Outside, Independent)
❿ Hiroaki Kato

Apr. 1984 Joined TOHO GAS Co., Ltd.
Jun. 2001 Accounting Manager, Finance Department of TOHO GAS Co., Ltd.
May 2004 General Affairs Manager, General Affairs Department of TOHO GAS Co., Ltd.
Jun. 2009 Seconded to Toho Liquefied Gas Co., Ltd.
Nov. 2011 General Manager, General Affairs Department of TOHO GAS Co., Ltd.
Jun. 2013 General Manager, Nagoya Higashi Branch of TOHO GAS Co., Ltd.
Jun. 2015 General Manager, Examination Department of TOHO GAS Co., Ltd.
Jun. 2019 Full-Time Audit & Supervisory Board Member of TOHO GAS Co., Ltd.
Jun. 2025 Auditor of the Company (to present)





Executive Officers

President Executive Officer
Kenji Kunishima

Managing Executive Officer, in charge of Technology
Yutaka Yoshida

Managing Executive Officer, General Manager of Sales Headquarters
Kazuhisa Mori

Senior Executive Officer, General Manager of Production Headquarters
Takayuki Harada

Senior Executive Officer, General Manager of Administration Headquarters
Satoru Maruyama

Senior Executive Officer, Head of Osaka Branch Office, Sales Headquarters
Osamu Hashimoto

Senior Executive Officer, Head of Tokyo Branch Office, Sales Headquarters
Tomohiro Kawakami

Senior Executive Officer, Deputy General Manager of Sales Headquarters
General Manager of Gas Sales Promotion Division
Kenji Takeda

Executive Officer, General Manager of Quality Assurance Headquarters
Shinji Toda

Executive Officer, General Manager of Overseas Business Division, Sales Headquarters
Jun Nagamine

Executive Officer, General Manager of Procurement Administration Division, Production Headquarters
Katsuya Inuzuka

Executive Officer, General Manager of Engineering Headquarters
Kazuki Watanabe

Executive Officer, Deputy General Manager of Administration Headquarters
Takashi Tsunoda

Executive Officer, General Manager of R&D Headquarters
Mitsuru Saito

Executive Officer, Head of Okazaki Plant / General Manager of Gas Equipment Manufacturing Division, Production Headquarters
Shinji Watanabe

11-Year Key Financial and Non-financial Summary

(FY)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financial Information											
For the year (millions of yen)											
Net sales	41,782	44,770	47,275	46,722	48,118	46,225	46,483	50,160	51,225	54,286	**59,116**
Cost of sales	31,891	33,556	35,133	34,583	36,371	34,732	34,905	37,848	39,234	41,902	**44,395**
Gross profit	9,891	11,214	12,141	12,139	11,747	11,493	11,577	12,311	11,990	12,383	**14,720**
Selling, general and administrative expenses	8,093	8,323	8,433	8,725	8,762	8,490	8,290	8,330	8,373	8,443	**10,009**
Operating profit	1,798	2,890	3,708	3,414	2,985	3,002	3,287	3,980	3,617	3,940	**4,710**
Ordinary profit	1,934	3,007	3,867	3,803	3,215	3,298	3,814	4,654	4,265	4,764	**5,208**
Profit attributable to owners of parent	1,411	2,235	2,788	2,829	2,354	2,987	2,789	3,458	3,174	3,533	**4,801**
Capital investment	2,274	1,678	891	819	1,198	1,421	814	853	1,540	1,724	**2,426**
Depreciation	1,219	1,182	1,135	1,095	1,068	977	1,147	1,033	1,101	1,048	**1,091**
R&D expenses	1,476	1,332	1,382	1,315	1,349	1,245	1,262	1,173	1,384	1,300	**1,292**
Cash flows from operating activities	2,180	2,434	2,628	3,782	3,739	4,192	3,115	1,876	1,742	1,856	**2,819**
Cash flows from investing activities	(1,124)	(1,422)	(2,541)	(2,279)	(900)	(2,423)	2,589	(683)	(1,092)	738	**(2,374)**
Cash flows from financing activities	404	(1,937)	(768)	(779)	(1,856)	(1,022)	(5,926)	(828)	(1,176)	(1,347)	**(1,581)**
Financial information per share (yen)*1											
Basic earnings per share	91.58	145.19	181.54	184.16	152.89	194.65	181.43	225.41	206.94	229.87	**312.16**
Net assets per share	1,405.14	1,557.10	1,770.70	1,892.61	1,959.33	2,233.55	2,296.49	2,510.14	2,875.22	3,041.74	**3,427.51**
Dividend per share	33.33	36.67	40.00	43.33	40.00	43.33	42.67	55.00	64.00	75.00	**113.00**
End of the year (millions of yen)											
Total assets	46,175	47,998	51,080	52,882	52,434	57,167	52,227	56,318	61,399	62,720	**70,284**
Interest-bearing debt	8,196	6,899	6,889	6,889	5,759	5,731	731	885	858	700	**700**
Net assets	21,956	24,339	27,301	29,243	30,318	34,357	35,228	38,399	44,159	46,789	**52,583**
Other indicators											
Operating profit to net sales ratio (%)	4.3	6.5	7.8	7.3	6.2	6.5	7.1	7.9	7.1	7.3	**8.0**
Capital adequacy ratio (%)	46.8	50.0	53.2	55.1	57.6	60.1	67.4	68.2	71.9	74.6	**74.8**
Rate of return on assets (ROA) (%)	3.1	4.7	5.6	5.4	4.5	5.5	5.1	6.4	5.4	5.7	**7.2**
Rate of return on equity (ROE) (%)	6.6	9.8	10.9	10.1	7.9	9.3	8.0	9.4	7.7	7.8	**9.7**
Price book value ratio (PBR) (times)	0.72	0.80	0.78	0.72	0.70	0.65	0.68	0.60	0.84	0.65	**0.85**
Price earnings ratio (PER) (times)	11.10	8.62	7.65	7.36	8.92	7.45	8.55	6.64	11.72	8.55	**9.33**
Payout ratio (%)	36.4	25.3	22.0	23.5	26.2	22.3	23.5	24.4	30.9	32.6	**36.2**
Number of outstanding shares (thousand shares)	51,400	5,140	5,140	5,140	5,140	5,140	15,420	15,420	15,420	15,420	**15,420**
Year-end share price (yen)	1,017	1,252	1,388	1,355	1,363	1,450	1,552	1,496	2,425	1,965	**2,912**

*1 We implemented a reverse stock split at the rate of 1 per 10 shares of common stock on October 1, 2016 and a stock split at the rate of 3 shares per common share on February 1, 2022. Accordingly, financial information per share and year-end share price are calculated on the assumption that the reverse stock split and stock split was carried out at the beginning of fiscal 2015.

(FY)

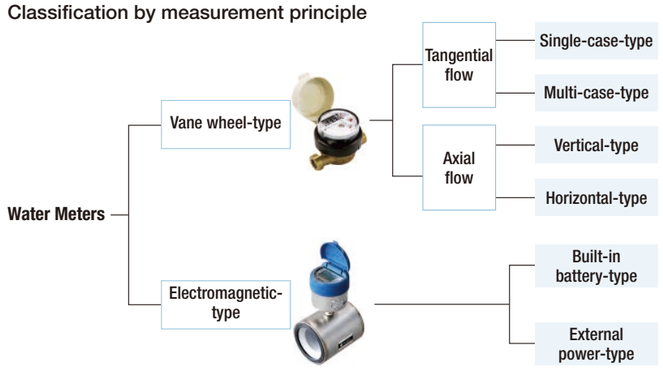
	2018	2019	2020	2021	2022	2023	2024	2025
Non-financial Information								
CO_2 emissions (t-CO_2)	11,077	9,640	9,895	9,618	4,099	4,136	4,046	**4,020**
CO_2 emissions (compared to FY2013) (%)	2.9	(10.5)	(8.1)	(10.7)	(61.9)	(61.6)	(62.4)	**(62.7)**
Energy usage (kL)	3,822	3,664	3,707	3,899	3,863	3,756	3,356	**3,318**
Waste plastic weight (t)	—	111.8	102.1	94.4	88.4	74.4	93.1	**82.7**
Employees (career-track positions) Number (people)	873	870	860	882	863	831	811	**802**
(Career-track positions) Male (people)	782	773	759	775	756	725	702	**692**
(Career-track positions) Female (people)	91	97	101	107	107	106	109	**110**
Female percentage (%)	10.4	11.1	11.7	12.1	12.4	12.8	13.4	**13.7**
Annual working hours per person*2 (hours)	2,035	2,012	1,992	1,959	1,947	1,972	1,941	**1,952**
Percentage of paid leave taken*3 (%)	65.1	65.7	62.4	69.5	73.2	76.0	75.5	**76.3**
Turnover rate due to personal reasons (%)	1.7	2.6	0.8	1.1	2.0	2.5	2.2	**2.4**
Turnover rate of new graduates after 3 years of employment (%)	7.7	8.3	0.0	13.3	4.2	0.0	19.0	**16.0**

*2 Based on the average of all employees excluding management positions.
*3 The number of days of paid leave granted excluding days carried forward.

Basic Knowledge

Water Meters

Classification by measurement principle

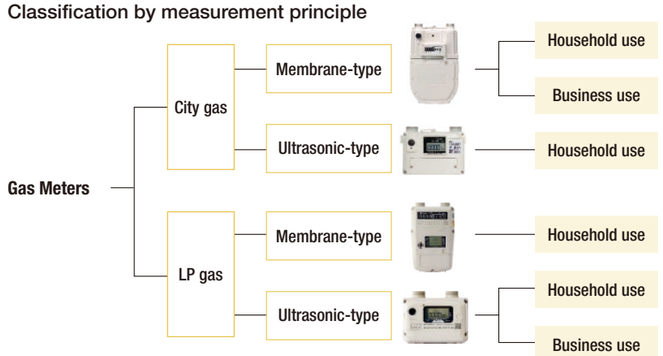


Water meters are mainly divided into “vane wheel-type” and “electromagnetic-type” (there are also others such as positive displacement-type). The principle of vane wheel-type measurement is based on the fact that the amount of water passing is proportional to the rotational speed of the vane wheel. Because they are relatively easy and inexpensive to produce, and their performance has been incrementally improved, many of the water meters currently used in Japan are vane wheel-type.

The principle of electromagnetic measurement is based on the fact that when a magnetic field of a certain strength is applied perpendicular to the flow of water, an electromotive force that is proportional to the flow velocity is induced in accordance with the electromagnetic induction law (Fleming’s Right-Hand Rule). Since there is no need for any moving parts or throttle mechanism, electromagnetic-type water meters have a wide measuring range compared to the vane wheel-type, and their biggest feature is that they can be used continuously at large flow rates.

Gas Meters

Classification by measurement principle

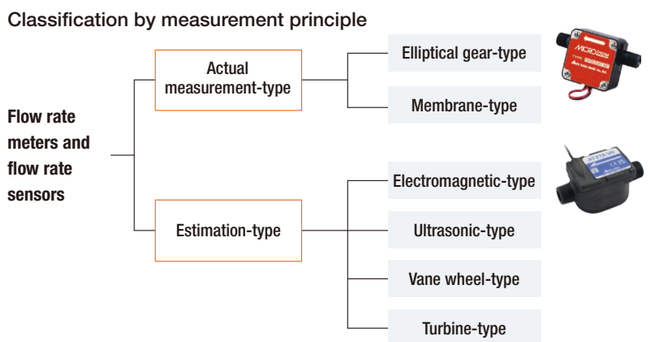


Gas meters are mainly divided into “membrane-type” and “ultrasonic-type” (there are also others such as Roots-type and turbine-type). The measurement principle of the membrane-type is based on the throughput of gas and the reciprocating movement caused by filling and discharging the measuring membrane. Gas meters for city gas are replaced before the end of their test validity period of 10 years, and the removed gas meter is not discarded, but used again after consumable parts have been replaced and re-tested.

The measurement principle of the ultrasonic-type is based on placing a pair of ultrasonic sensors in the measurement unit to measure the difference in arrival time of the sound waves. For example, if you throw a ball downwind, it will arrive early because there is little wind resistance, but if you throw it upwind, it will arrive late due to wind resistance. By measuring the time difference of the arrival times, you can know the strength of the wind (gas flow velocity).

Flow Rate Meters and Flow Rate Sensors

Classification by measurement principle



Flow rate meters and flow rate sensors are mainly divided into “actual measurement-type” and “estimation-type” (there are also others such as mass flow rate meters). The type that is more suitable for the fluid to be measured and the installation environment should be selected.

The measurement principle of the actual measurement-type is based on directly measuring the volume of the actual fluid flowing. Because it is a type that measures using a measuring cup, it is highly accurate, but resistance to the flow is large, and when the diameter is large, the flow rate meter also becomes large, which makes it expensive.

The measurement principle of the estimation-type is based on indirectly measuring what is flowing. In addition to meters with moving parts such as vane wheel and turbine-types, some meters do not have moving parts, such as electromagnetic and ultrasonic-types.

Glossary

Term	Meaning
Aichi Cloud	A data delivery service that installs a transmitter using LPWA communication technology on a gas meter or water meter, accumulates usage data and alarm information obtained from the meter on the cloud, and provides it via the Internet. Realizes the streamlining of meter reading operations and the creation of new services.
Calorimeter	A measurement device that calculates the amount of heat in equipment such as air conditioning boilers in office buildings and facilities.
Dry-type water meter	A water meter with a structure where the display part with an integrated value is separated from the part where water flows. The display is easier to read because it is less prone to condensation than the wet-type where water enters the display.
Electromagnetic flow meter	A measurement device that generates a magnetic field in a measurement tube by flowing an electric current through the coil, and calculates the flow rate from the magnitude of the electromotive force generated according to the flow velocity of the conductive liquid flowing within.
Electronic-type water meter	A water meter with a built-in microcomputer. In addition to measuring water usage, it is equipped with functions such as water leak detection and non-use detection.
ISO 9001	Quality management system that realizes customer satisfaction improvement and organizational improvement through product quality assurance. Certification by a third party.
ISO 14001	Environmental management system aimed at both reducing environmental risks and contributing to the environment and management. Certification by a third party.
LPWA	Abbreviation for Low Power Wide Area. A communication method that realizes long-distance communication while reducing power consumption.
Microcomputer gas meter	A gas meter with safety features such as a built-in microcomputer that automatically shuts off gas in the event of an earthquake with a seismic intensity of 5 or higher.
Gas smart meter/ Water smart meter	A meter that can digitize usage and alarm information and send it to the cloud or the center by communication. In addition to automatic meter reading, the gas meter can be opened and closed remotely.
Test validity period	Validity period stipulated by the Measurement Act. Gas meters expire after 10 years, and water meters expire after 8 years.
Ultrasonic flow rate meter	A measurement device that calculates flow rate. The flow rate is based on the difference in the arrival times of sound waves at two ultrasonic sensors places in the measurement tube. The arrival times change due to the flow velocity of gas or liquid through the measurement tube.
3Rs	Three initiatives: Reduce, Reuse, and Recycle.

Stock Information (As of March 31, 2026)

Stock Status

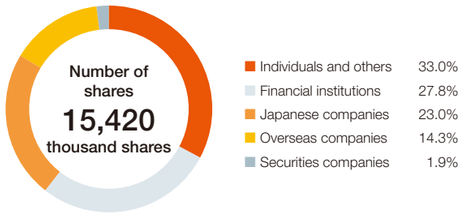
Total number of authorized shares	43,200,000
Total number of issued shares	15,420,000 (Including 78,347 shares of treasury shares)
Number of shareholders	19,861
Shareholder registry administrator	Sumitomo Mitsui Trust Bank, Limited
Location of the handling office	3-15-33 Sakae, Naka-ku, Nagoya City Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Stock exchange listing	Tokyo (Prime), Nagoya (Premier) (Code number: 7723)

Major Shareholders (Top 10 shareholders)

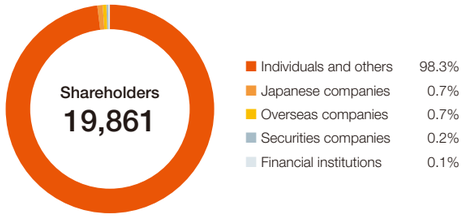
Name	Number of shares held	Shareholding ratio (%)
THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD-SINGAPORE BRANCH PRIVATE BANKING DIVISION CLIENTS A/C 8221-623793	1,414,300	9.2
Nippon Life Insurance Company	1,157,424	7.5
The Master Trust Bank of Japan, Ltd. (Trust account)	1,081,200	7
TOHO GAS Co., Ltd.	691,872	4.5
Meiji Yasuda Life Insurance Company	603,600	3.9
Aichi Tokei Denki Mutual Prosperity Association	584,700	3.8
Aichi Tokei Denki Employee Stock Ownership Association	497,076	3.2
Mizuho Leasing Company, Limited	492,600	3.2
NIPPON SHARYO, LTD.	480,000	3.1
Norio Minorikawa	401,800	2.6

* Shareholding ratio is calculated excluding treasury stock (78,347 shares).

Share Distribution by Number of Shares



Share Distribution by Shareholders



Company Information (As of March 31, 2026)

Company Profile

Foundation	July 1, 1898
Incorporation	June 1, 1949
Capital	¥3.218 billion
Number of employees	
Consolidated basis	1,719
Non-consolidated basis	1,182
Line of business	Gas meters and related equipment, Water meters and related equipment, Private-demand flowsensors and systems including housing and building equipment & systems, Instrumentations, Precision machining (Dies and other parts)
Offices	
Headquarters and Plant	1-2-70 Chitose, Atsuta-ku, Nagoya, Aichi, Japan TEL: +81-(0)52-661-5151
Plants	Okazaki, Hokkaido (Sapporo), Sendai, Imabari No. 1, Imabari No. 2, Kyushu (Fukuoka)
Branch Offices	Tokyo, Osaka, Nagoya, Fukuoka, Sapporo, Sendai
Sales Offices	Takamatsu, Kanazawa, Hiroshima, Kushiro, Aomori, Shizuoka, Chiba, Morioka, Kagoshima, Omiya, Okayama
Overseas Sales Bases	Bangkok (Thailand), Ho Chi Minh (Vietnam)
Consolidated Subsidiaries	Aisei Tec Co., Ltd. (Imabari, Japan) Aichi Konpou Unyu Co., Ltd. (Nagoya, Japan) Dalian Aichi Tokei Technology Co., Ltd. (Dalian, China) Aichi Kisosaki Seikou Co., Ltd. (Mie, Japan) Aichi Tokei Denki Vietnam Co., Ltd. (Hai Phong, Vietnam)

Authenticity Statement

Issuance of “Aichi Tokei Denki Integrated Report 2026”

Satoru Maruyama
Senior Executive Officer
General Manager of Administration Headquarters

At Aichi Tokei Denki, we are committed to expanding our market and business fields by enhancing our measurement and connection technologies. And along with strengthening the competitiveness of our core businesses, we are contributing to the resolution of social issues, such as the realization of a decarbonized society, and working to increase our corporate value. We publish an integrated report to help our stakeholders better understand these efforts.

This report covers progress under the Medium-term Management Plan 2026, now in its final year. It also explains our financial and capital strategies and measures for enhancing corporate value going forward. In addition, the three Outside Directors provided candid comments on value creation, future challenges, and governance. We have made every effort to present the direction we are aiming for in the medium to long term in a clear and multifaceted manner.

The production of the report was led by the Administration Headquarters and involved collaboration with numerous internal departments. As the General Manager responsible for the production of the report, I declare that the production process is legitimate and that the contents are accurate. We hope that this report will help stakeholders better understand the Aichi Tokei Denki Group, and serve as a tool for dialogue. Upon reading this report, we humbly request your candid feedback and comments.

Aichi Tokei Denki Co., Ltd.

1-2-70 Chitose, Atsuta-ku, Nagoya, Aichi 456-8691, Japan

www.aichitokei.net

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