AICHI CORPORATION

Annual Report

(English Translation)

March 31, 2025

AICHI CORPORATION

Consolidated Balance Sheet
As of March 31, 2025

		In Thousands of Yen
Assets		
Current assets:		
Cash and deposits	¥	46,871,546
Notes and accounts receivable - trade		16,214,616
Finished goods		1,904,576
Work in process		1,172,573
Raw materials and supplies		4,011,703
Other		873,430
Total current assets		71,048,447
Non-current assets:		
Property, plant and equipment:		
Buildings and structures		6,224,561
Machinery, equipment and vehicles		1,446,491
Tools, furniture and fixtures		168,458
Land		9,648,734
Construction in progress		1,519,142
Other		196,435
Total property, plant and equipment		19,203,823
Intangible assets		599,350
Investments and other assets:		
Investment securities		5,395,663
Retirement benefit asset		940,995
Other		3,175,773
Allowance for doubtful accounts		(5,107)
Total investments and other assets		9,507,325
Total non-current assets		29,310,499
Total assets	¥	100,358,946

	In Thousands of Yen
Liabilities	
Current liabilities:	
Notes and accounts payable - trade	¥ 9,617,405
Income taxes payable	1,790,996
Provision for bonuses for directors (and other officers)	26,000
Provision for product warranties	125,071
Other	3,053,417
Total current liabilities	14,612,890
Non-current liabilities:	
Deferred tax liabilities for land revaluation	616,302
Deferred tax liabilities	913,396
Other	192,786
Total non-current liabilities	1,722,485
Total liabilities	16,335,376
Net assets	
Shareholders' equity:	
Share capital	10,425,325
Capital surplus	9,923,342
Retained earnings	59,705,918
Treasury shares	(9,231)
Total shareholders' equity	80,045,354
Accumulated other comprehensive income:	
Valuation difference on available-for-sale securities	3,002,523
Revaluation reserve for land	(1,624,044)
Foreign currency translation adjustment	1,126,307
Remeasurements of defined benefit plans	1,473,428
Total accumulated other comprehensive income	3,978,215
Total net assets	84,023,570
Total liabilities and net assets	¥ 100,358,946

AICHI CORPORATION
Consolidated Statement of Income
Fiscal Year from April 1, 2024 to March 31, 2025

	In Thousands of Yen
Operating revenue:	
Net sales	¥ 59,306,955
Operating costs and expenses:	
Cost of sales	46,253,116
Gross profit	13,053,839
Selling, general and administrative expenses	5,613,628
Operating profit	7,440,210
Non-operating income:	
Interest and dividend income	245,325
Share of profit of entities accounted for using equity method	469,497
Foreign exchange gains	34,259
Miscellaneous income	37,136
	786,219
Non-operating expenses:	
Miscellaneous losses	769
	769
Ordinary profit	8,225,659
Extraordinary income:	
Gain on sale of investment securities	871,100
	871,100
Extraordinary losses:	
Loss on retirement of non-current assets	13,296
Loss on sale of investment securities	765
Impairment loss	306
TOB related expenses	101,570
	115,939
Profit before income taxes	8,980,820
Income taxes - current	2,698,799
Income taxes - deferred	(52,624)
	2,646,174
Profit	6,334,645
Profit attributable to owners of parent	¥ 6,334,645

AICHI CORPORATION
Consolidated Statement of Changes in Equity
Fiscal Year from April 1, 2024 to March 31, 2025

(In Thousands of Yen)

Items	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,425,325	9,923,342	56,428,242	(8,939)	76,767,970
Changes during period					
Dividends of surplus			(3,056,969)		(3,056,969)
Profit attributable to owners of parent			6,334,645		6,334,645
Purchase of treasury shares				(291)	(291)
Net changes of items other than shareholders' equity					
Total changes during period	−	−	3,277,676	(291)	3,277,384
Balance at end of period	10,425,325	9,923,342	59,705,918	(9,231)	80,045,354

Items	Accumulated other comprehensive income		
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment
Balance at beginning of period	4,025,637	(1,624,044)	1,218,929
Changes during period			
Dividends of surplus			
Profit attributable to owners of parent			
Purchase of treasury shares			
Net changes of items other than shareholders' equity	(1,023,113)	−	(92,621)
Total changes during period	(1,023,113)	−	(92,621)
Balance at end of period	3,002,523	(1,624,044)	1,126,307

Items	Accumulated other comprehensive income		Total net assets
	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,400,570	5,021,092	81,789,062
Changes during period			
Dividends of surplus			(3,056,969)
Profit attributable to owners of parent			6,334,645
Purchase of treasury shares			(291)
Net changes of items other than shareholders' equity	72,858	(1,042,876)	(1,042,876)
Total changes during period	72,858	(1,042,876)	2,234,507
Balance at end of period	1,473,428	3,978,215	84,023,570

AICHI CORPORATION
Notes to Consolidated Financial Statements

Summary of Significant Accounting Policies

1. Basis of consolidation

The accounts of AICHI CORPORATION (the "Company") and all of its 2 subsidiaries are included in the consolidated financial statements.

Name of the consolidated subsidiaries
Zhejiang AICHI Industrial Machinery Co., Ltd.
AICHI NZ LIMITED

2. Application of equity method

(1) Overview of affiliates accounted for by the equity method
One affiliate is accounted for by the equity method.
Name of the affiliate
Hangzhou AICHI Engineering Vehicles Co., Ltd.

(2) Special matters concerning application procedures of the equity method
Although the fiscal year end date of Hangzhou AICHI Engineering Vehicles Co., Ltd. is December 31, when preparing the consolidated financial statements, the Company uses the affiliate's provisional financial statements, which are calculated assuming the fiscal year end date is March 31.

3. Fiscal year of consolidated subsidiaries

Although the fiscal year end date of Zhejiang AICHI Industrial Machinery Co., Ltd. is December 31, when preparing the consolidated financial statements, the Company uses the subsidiary's provisional financial statements, which are calculated assuming the fiscal year end date is March 31.

4. Accounting policies

(1) Valuation method of significant assets

(i) Inventories
Inventories are stated at cost (write-down due to decreased profitability).
Finished goods and work in process are evaluated using the specific identification method.
Raw materials are mainly stated at cost, cost being determined by the moving average method.
Supplies are stated at cost, cost being determined by the last purchase price method.

(ii) Securities
Available-for-sale securities
Securities other than shares, etc., that do not have a market price:
Stated at fair value
(Net unrealized gains or losses are reported as a separate component in net assets, net of applicable income taxes. Gains and losses on disposition are computed based on the moving average method.)
Shares, etc., that do not have a market price:
Stated at cost, cost mainly being determined by the moving average method.

(iii) Derivatives
Derivatives are stated at fair value.

(2) Method of depreciation or amortization

(i) Property, plant and equipment (except for leased assets) are depreciated mainly by the declining-balance method. However, buildings (except for facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.

(ii) Intangible assets (except for leased assets) are amortized based on the straight-line method. In addition, software for internal use is amortized by the straight-line method over their estimated useful lives (five years).

(iii) Depreciation of leased assets regarding finance leases other than those for which the ownership of the leased items is transferred to the lessee is computed by the straight-line method over the lease period with no residual value.

(3) Significant allowances and provisions

(i) Allowance for doubtful accounts

The Company provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivable balances. The Company reviews individual financial conditions for doubtful or troubled receivables and provides for losses on uncollectible amounts.

(ii) Provision for bonuses for directors (and other officers)

The Company provides for estimated payment of bonuses to directors appropriate for the fiscal year under review.

(iii) Provision for product warranties

The Company provides for estimated warranty costs based on the Company's prior experience and estimated costs to be incurred individually calculated for certain products.

(4) Retirement benefits

(i) Method of attributing projected benefit obligation to periods

In calculating retirement benefit obligations, the projected benefit obligation attributed to the current fiscal year is determined using the benefit formula basis.

(ii) Calculation treatment for actuarial gains or losses and prior service costs

Actuarial gains or losses are amortized in the fiscal year following the fiscal year in which the gain or loss is recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employees.

Prior service costs are amortized when the prior service costs are recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employee.

(5) Hedge accounting

Deferred hedge accounting is applied.

Designated hedge accounting ("Furiate-shori") is applied for foreign currency forward contracts that meet qualifications for designated hedge accounting.

(6) Other important matters for preparing consolidated financial statements

Accounting standards for revenue and expense recognition

The Group manufactures and sells specially equipped vehicles such as digger derricks, aerial work platforms and skid-steer loaders, sells their parts, and provides after-sales services such as repairs. The Group also provides training in the operation of aerial work platforms, etc. The Group usually recognizes revenue from the sales of these products and the provision of these services when they are accepted by customers because customers obtain control of these products and services, and the performance obligations are satisfied when the products and services are accepted by customers. However, the Group recognizes revenue from the sole domestic sales of parts at their shipment by applying the alternative treatment as stipulated in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30) when the period between the shipment and the transfer of control of these parts to customers falls under the usual period.

There are cases where long-term maintenance contracts are concluded with customers as an after-sales service business and customers receive benefits from the provision of these services as the performance obligations are satisfied. The Group recognizes revenue from these services over the contract periods because the performance obligations of these services are satisfied over time.

For parts supply transactions for fees relating to specially equipped vehicles for which manufacturing consignment agreements are received from customers, the Group recognizes revenue from the sales of these specially equipped vehicles at the amounts excluding the amounts of parts supplied for fees.

Notes to Accounting Estimates

Provision for product warranties

The balance of provision for product warranties at the end of the fiscal year ended March 31, 2025 was ¥125,071 thousand.

The provision for product warranties is categorized into a provision for free repairs carried out within the warranty period and a provision for free repairs to rectify defects in specific products.

For the provision for free repairs carried out within the warranty period, future product warranty expenses are estimated and recognized in a lump sum based on the actual ratio of warranty expenses incurred to sales.

For specific products subject to measures for rectifying defects, expected product warranty expenses are estimated and recognized individually based on the number of units to be rectified, the estimated cost of repair per unit, the percentage of the units that have actually been repaired, and the percentage of the liability shared with suppliers.

If liabilities arise due to product defects that were not expected when the estimates were made for the provision, or if warranty expenses exceed the provision, it may become necessary to recognize an additional provision for product warranties. Meanwhile, if the actual warranty expenses turn out to be smaller than the provision, a reversal of the provision will be recognized.

Notes to Consolidated Balance Sheet

		In Thousands of Yen
1. Accumulated depreciation of property, plant and equipment	¥	26,589,570
2. Balances of receivables from contracts with customers and contract assets		
Notes receivable - trade	¥	2,282,192
Accounts receivable - trade	¥	13,932,423
Contract assets	¥	–
3. Balance of contract liabilities within other of current liabilities	¥	158,558

4. Land revaluation

Pursuant to the Law Concerning Revaluation of Land (Law No. 34, March 31, 1998) and the Law to Partially Amend the Law Concerning Revaluation of Land (Law No. 19, March 31, 2001), the Company revalued land used for business activities on March 31, 2002.

Pursuant to the Law to Partially Amend the Law Concerning Revaluation of Land (Law No. 24, March 31, 1999), the effect of this revaluation has been recorded as deferred tax liabilities for land revaluation in liabilities and as revaluation reserve for land in net assets.

Revaluation was carried out based on an amount rationally calculated using the land value for local government tax and roadside land assessment as prescribed in Article 2, Item 3 and Article 2, Item 4 of the Ordinance Implementing the Law Concerning Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), respectively.

Revaluation date	March 31, 2002
Difference between the fair value at the end of the fiscal year ended March 31, 2025 and the book value of the land after the revaluation	¥(1,835,988)

Notes to Consolidated Statement of Income

		In Thousands of Yen
1. Amount of revenue from contracts with customers within net sales	¥	59,306,955
2. Write-down due to decreased profitability of inventories held for sale in the ordinary course of business		
Cost of sales	¥	94,914
3. TOB related expenses		
The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 by a resolution at the Board of Directors meeting on March 19, 2025. TOB related expenses are advisory fees paid to securities companies and attorneys concerning the tender offer.	¥	101,570

Notes to Consolidated Statement of Changes in Equity

1. Class and number of issued shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares	74,570,000	–	–	74,570,000

2. Share acquisition rights, etc.

There are no applicable items.

3. Cash dividends

(1) Amount of cash dividends

Resolution	Class of shares	Amount of cash dividends	Cash dividends per share	Record date	Effective date of distribution
Board meeting on April 23, 2024	Common shares	(Thousands of Yen) 1,565,766	(Yen) 21.00	March 31, 2024	May 30, 2024
Board meeting on October 25, 2024	Common shares	1,491,203	20.00	September 30, 2024	November 28, 2024

(2) Dividends whose record date falls in the fiscal year ended March 31, 2025, but the effective date of distribution falls in the fiscal year ending March 31, 2026

Resolution (Planned)	Class of shares	Source of dividends	Amount of cash dividends	Cash dividends per share	Record date	Effective date of distribution
Board meeting on April 23, 2025	Common shares	Retained earnings	(Thousands of Yen) 2,609,602	(Yen) 35.00	March 31, 2025	May 29, 2025

Notes to Financial Instruments

1. Status of financial instruments held by the Group

The Group's fund management is limited primarily to short-term deposits while working capital and capital investments are financed by the Group's own funds without borrowings from banks or other financial institutions.

Credit risk of customers in respect to notes and accounts receivable - trade is mitigated by credit control. Investment securities held by the Group are mainly shares in companies, and the fair value of listed shares are verified on a quarterly basis.

Regarding derivative transactions, we use forward exchange contracts in order to mitigate the exchange risks associated with export transactions in the normal course of our business.

2. Fair value of financial instruments

Consolidated balance sheet amounts, fair values and their differences as of March 31, 2025 are as follows. Shares, etc., that do not have a market price (with consolidated balance sheet amount of ¥320,660 thousand) are not included in available-for-sale securities under investment securities. Notes to cash are omitted. Notes to deposits, notes and accounts receivable - trade, notes and accounts payable - trade, and income taxes payable are omitted, because they are settled on short-term basis and their book values approximate their fair values.

(In Thousands of Yen)

	Consolidated balance sheet amount	Fair value	Difference
Investment securities Available-for-sale securities	5,075,003	5,075,003	–
Total assets	5,075,003	5,075,003	–

3. Breakdown of fair value of financial instrument by appropriate classifications

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using (unadjusted) quoted prices in active markets for the same assets or liabilities.

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable material inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial assets measured at fair value

(In Thousands of Yen)

Category	Faire value			
	Level 1	Level 2	Level 3	Total
Investment securities Available-for-sale securities	5,075,003	–	–	5,075,003

(2) Financial assets and financial liabilities of which book value is not measured at fair value

Notes are omitted due to their insignificance.

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

Investment securities

Listed shares are valued using quoted prices. As listed shares are traded in active markets, their fair value is classified as Level 1.

Notes to Rental Property

Disclosure is omitted as the information is insignificant.

Notes to Revenue Recognition

1. Information about breakdown of revenue from contracts with customers

(1) Major regional markets

(In Thousands of Yen)

	Reportable segment			Other (Note)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Japan	42,946,627	11,728,860	54,675,488	590,661	55,266,150
Asia	1,252,084	824,234	2,076,319	–	2,076,319
Other	1,828,377	136,108	1,964,485	–	1,964,485
Revenue from contracts with customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955
Net sales to external customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955

(Note) The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.

(2) Timing of revenue recognition

(In Thousands of Yen)

	Reportable segment			Other (Note 1)	Total
	Specially equipped vehicles	Parts & repair	Subtotal		
Goods or services transferred at a point in time	46,027,090	12,634,183	58,661,273	590,661	59,251,934
Goods or services transferred over time (Note 2)	–	55,020	55,020	–	55,020
Revenue from contracts with customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955
Net sales to external customers	46,027,090	12,689,203	58,716,293	590,661	59,306,955

(Notes)

1. The category “Other” is a business segment not included in the reportable segment and includes the used vehicles sales of aerial work platforms, etc., and education business, etc.
2. Goods or services transferred over time are those related to maintenance contracts.

2. Useful information in understanding revenue

Revenue is measured at consideration promised in contracts with customers less discounts, etc. The amounts of discounts are determined at the conclusion of the said contracts and therefore do not alter consideration in relation with revenue in the current fiscal year.

Consideration for these performance obligations is received generally within one year after the performance obligations are satisfied under separately prescribed payment terms, and includes no significant financing components.

Under sales contracts related to specially equipped vehicles, the Group has warranty obligations that promise to repair faults that arise within the warranty period without fee. The warranty provides assurance that the product complies with agreed-upon specifications and will operate as promised, and thus, is recognized as a provision for product warranties.

3. Information for understanding revenue amount of the current and subsequent fiscal years

(1) Balances of receivables from contracts with customers and contract liabilities

The balances of receivables from contracts with customers and contract liabilities at the beginning and end of period are as follows:

(In Thousands of Yen)

	Current fiscal year (from April 1, 2024 to March 31, 2025)
Receivables from contracts with customers (balance at beginning of period)	17,078,985
Receivables from contracts with customers (balance at end of period)	16,214,616
Contract assets (balance at beginning of period)	–
Contract assets (balance at end of period)	–
Contract liabilities (balance at beginning of period)	226,462
Contract liabilities (balance at end of period)	158,558

Contract liabilities are recorded under other of current liabilities. Contract liabilities are related to advances received from customers based on the payment terms agreed with customers for contracts in which revenue from the sales, repair, etc., of specially equipped vehicles or their parts is recognized when those products or services are accepted by customers, and for contracts in which revenue is recognized over time as the performance obligations for after-sales services are satisfied. Contract liabilities are reversed upon recognition of revenue.

Revenue recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period was ¥226,335 thousand.

The amount of revenue recognized in the current fiscal year from performance obligations that were satisfied in previous periods is immaterial.

(2) Transaction price allocated to the remaining performance obligations

The Company and its consolidated subsidiaries have applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and do not disclose transaction prices related to contracts with an original expected duration of one year or less. For maintenance contracts with servicing periods longer than one year, the total transaction price allocated to the remaining performance obligations and the time frame the Company expects to recognize the amount as revenue are as follows:

(In Thousands of Yen)

	Current fiscal year (as of March 31, 2025)
Within one year	475,468
Over one year and within two years	495,076
Over two years and within three years	279,295
Over three years	633,531
Total	1,883,372

Per Share Information

	In Yen
Net assets per share	¥ 1,126.92
Profit per share	84.96

Notes to Subsequent Events

The Company resolved at its Board of Directors meeting held on March 19, 2025 to acquire treasury shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act as applied *mutatis mutandis* pursuant to the provisions of Article 165, Paragraph 3 of the same Act and the Company's Articles of Incorporation and, as a specific method thereof, conduct a tender offer for treasury shares (the "Tender Offer"), and conducted the acquisition of treasury shares on May 14, 2025.

1. Purpose of the acquisition of treasury shares and the tender offer

The Company considers not only dividends but also acquisition of treasury stock as an important means of returning profits to shareholders, and has been considering such acquisition as necessary, taking into account stock price trends and financial conditions.

In addition, the Company has continuously had wide-ranging discussions with Toyota Industries Corporation ("Toyota Industries"), its major shareholder and parent company, regarding a review of the capital relationship of the parent-subsidiary listing in order to maximize the corporate value of both companies.

In the course of continuing such discussions, the Company received an offer from Toyota Industries, in which Toyota Industries proposed selling a portion of the Company's shares to ITOCHU Corporation ("ITOCHU") in order to dissolve the parent-subsidiary listing relationship with the company. The aim of this offer was to enhance the corporate value of the Company, Toyota Industries, and ITOCHU, and the Company was asked to consider accepting it.

As a result of consideration, consensus was reached that the acquisition of a portion of the Company's shares as treasury shares, in addition to the sale of the Company's shares held by Toyota Industries to ITOCHU, would contribute to improving the company's capital efficiency, including profit per share (EPS) and return on equity (ROE), leading to a return to shareholders, and would be a more rational measure for the company. Following that, the Company conducted the purchase of treasury shares.

2. Details of the resolution at the Board of Directors meeting regarding the purchase of treasury shares

(1) Class of shares to be acquired	Common shares
(2) Total number of shares to be acquired	10,000,100 shares (upper limit)
(3) Total cost of acquisition	¥12,830,128,300 (upper limit)
(4) Period of acquisition	From March 21, 2025 to June 30, 2025

3. Overview of the tender offer

(1) Period of purchase	From March 21, 2025 to April 17, 2025
(2) Price of purchase	¥1,283 per share of common shares
(3) Number of shares planned for purchase	10,000,000 shares
(4) Date of publication for commencement of tender offer	March 21, 2025
(5) Commencement date of settlement	May 14, 2025

4. Results of the tender offer

(1) Class of shares acquired	Common shares
(2) Total number of shares tendered	44,567,227 shares
(3) Total number of shares acquired	10,000,000 shares
(4) Total cost of acquisition	¥12,830,000,000

Toyota Industries, which was the Company's parent company, transferred 9,092,100 shares of the Company's common shares to the Company by tendering shares in the abovementioned tender offer and ceased to be the Company's parent company as of May 14, 2025, the commencement date of settlement for the tender offer.

Other Notes

There are no applicable items.

Notice to Readers:
Figures below the unit of presentation are discarded from the amounts in the accompanying financial statements stated in thousands of yen.

AICHI CORPORATION
Non-consolidated Balance Sheet
As of March 31, 2025

	In Thousands of Yen
Assets	
Current assets:	
Cash and deposits	¥ 45,376,900
Notes receivable - trade	336,440
Electronically recorded monetary claims - operating	1,945,752
Accounts receivable - trade	13,923,669
Finished goods	1,789,780
Work in process	1,110,777
Raw materials and supplies	3,802,888
Other	1,123,609
Total current assets	69,409,818
Non-current assets:	
Property, plant and equipment:	
Buildings	5,592,468
Structures	398,285
Machinery and equipment	1,292,293
Vehicles	22,112
Tools, furniture and fixtures	147,716
Land	9,648,734
Construction in progress	1,519,142
Other	196,435
Total property, plant and equipment	18,817,187
Intangible assets:	
Right to use water facilities	564
Software	242,521
Other	10,462
Total intangible assets	253,547
Investments and other assets:	
Investment securities	5,395,663
Investments in capital	1,080
Investments in capital of subsidiaries and affiliates	1,420,530
Long-term prepaid expenses	65,763
Guarantee deposits	80,925
Other	31,533
Allowance for doubtful accounts	(5,107)
Total investments and other assets	6,990,389
Total non-current assets	26,061,124
Total assets	¥ 95,470,943

	In Thousands of Yen
Liabilities	
Current liabilities:	
Notes payable - trade	¥ 64,904
Electronically recorded obligations - operating	5,521,450
Accounts payable - trade	4,161,669
Accounts payable - other	603,597
Income taxes payable	1,775,706
Accrued consumption taxes	391,212
Accrued expenses	1,445,789
Deposits received	274,685
Unearned revenue	470
Provision for bonuses for directors (and other officers)	26,000
Provision for product warranties	125,071
Notes payable - facilities	83,582
Electronically recorded obligations - facilities	140,576
Other	59,582
Total current liabilities	14,674,297
Non-current liabilities:	
Deferred tax liabilities for land revaluation	616,302
Provision for retirement benefits	1,178,477
Deferred tax liabilities	46,680
Other	192,786
Total non-current liabilities	2,034,246
Total liabilities	16,708,543
Net assets	
Shareholders' equity:	
Share capital	10,425,325
Capital surplus:	
Legal capital surplus	9,941,842
Total capital surplus	9,941,842
Retained earnings:	
Other retained earnings	57,025,983
Retained earnings brought forward	57,025,983
Total retained earnings	57,025,983
Treasury shares	(9,231)
Total shareholders' equity	77,383,919
Valuation and translation adjustments:	
Valuation difference on available-for-sale securities	3,002,523
Revaluation reserve for land	(1,624,044)
Total valuation and translation adjustments	1,378,479
Total net assets	78,762,399
Total liabilities and net assets	¥ 95,470,943

AICHI CORPORATION
Non-consolidated Statement of Income
Fiscal Year from April 1, 2024 to March 31, 2025

	In Thousands of Yen
Operating revenue:	
Net sales	¥ 59,235,838
Operating costs and expenses:	
Cost of sales	46,674,399
Gross profit	12,561,438
Selling, general and administrative expenses	5,325,960
Operating profit	7,235,477
Non-operating income:	
Interest and dividend income	1,377,650
Miscellaneous income	30,051
	1,407,701
Non-operating expenses:	
Foreign exchange losses	5,935
Miscellaneous losses	571
	6,506
Ordinary profit	8,636,672
Extraordinary income:	
Gain on sale of investment securities	871,100
	871,100
Extraordinary losses:	
Loss on retirement of non-current assets	12,686
Loss on sale of investment securities	765
Impairment loss	306
TOB related expenses	101,570
	115,329
Profit before income taxes	9,392,443
Income taxes - current	2,621,052
Income taxes - deferred	(33,014)
	2,588,037
Profit	¥ 6,804,406

AICHI CORPORATION
Non-consolidated Statement of Changes in Equity
Fiscal Year from April 1, 2024 to March 31, 2025

(In Thousands of Yen)

Items	Shareholders' equity		
	Share capital	Capital surplus	
		Legal capital surplus	Total capital surplus
Balance at beginning of period	10,425,325	9,941,842	9,941,842
Changes during period			
Dividends of surplus			
Profit			
Purchase of treasury shares			
Net changes of items other than shareholders' equity			
Total changes during period	–	–	–
Balance at end of period	10,425,325	9,941,842	9,941,842

Items	Shareholders' equity			
	Retained earnings		Treasury shares	Total shareholders' equity
	Other retained earnings	Total retained earnings		
	Retained earnings brought forward			
Balance at beginning of period	53,278,547	53,278,547	(8,939)	73,636,774
Changes during period				
Dividends of surplus	(3,056,969)	(3,056,969)		(3,056,969)
Profit	6,804,406	6,804,406		6,804,406
Purchase of treasury shares			(291)	(291)
Net changes of items other than shareholders' equity				
Total changes during period	3,747,436	3,747,436	(291)	3,747,144
Balance at end of period	57,025,983	57,025,983	(9,231)	77,383,919

Items	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	4,025,637	(1,624,044)	2,401,593	76,038,368
Changes during period				
Dividends of surplus				(3,056,969)
Profit				6,804,406
Purchase of treasury shares				(291)
Net changes of items other than shareholders' equity	(1,023,113)		(1,023,113)	(1,023,113)
Total changes during period	(1,023,113)	–	(1,023,113)	2,724,031
Balance at end of period	3,002,523	(1,624,044)	1,378,479	78,762,399

Significant Accounting Policies

1. Valuation of securities

Securities other than shares, etc., that do not have a market price:

Stated at fair value

(Net unrealized gains or losses are reported as a separate component in net assets, net of applicable income taxes. Gains and losses on disposition are computed based on the moving average method.)

Shares, etc., that do not have a market price:

Stated at cost, cost mainly being determined by the moving average method.

2. Valuation of inventories

Inventories are stated at cost (write-down due to decreased profitability).

(1) Finished goods and work in process are evaluated using the specific identification method.
(2) Raw materials are evaluated using the moving average method.
(3) Supplies are stated at cost, cost being determined by the last purchase price method.

3. Valuation of derivatives

Derivatives are stated at fair value.

4. Method of depreciation or amortization of non-current assets

(1) Property, plant and equipment (except for leased assets) are depreciated by the declining-balance method. In addition, buildings (except for facilities attached to buildings) acquired on and after April 1, 1998 and facilities attached to buildings and structures acquired on and after April 1, 2016 are depreciated by the straight-line method.
(2) Intangible assets (except for leased assets) are amortized by the straight-line method. In addition, software for internal use is amortized by the straight-line method over their estimated useful lives (five years).
(3) Depreciation of leased assets regarding finance leases other than those for which the ownership of the leased items is transferred to the lessee is computed by the straight-line method over the lease period with no residual value.
(4) Long-term prepaid expenses are amortized by the straight-line method.

5. Allowances and provisions

(1) Allowance for doubtful accounts

The Company provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivable balances. The Company reviews individual financial conditions for doubtful or troubled receivables and provides for losses on uncollectible amounts. In addition, a general reserve for other accounts receivable is provided based on historical loss experience for certain past periods.

(2) Provision for bonuses for directors (and other officers)

The Company provides for estimated payment of bonuses to directors.

(3) Provision for product warranties

The Company provides for estimated warranty costs based on the Company’s prior experience and estimated costs to be incurred individually calculated for certain products.

(4) Provision for retirement benefits

The Company provides for estimated cost for future severance payments to employees based on the actuarial present value of retirement benefit obligations and pension plan assets as of the end of the fiscal year under review.

(i) Method of attributing projected benefit obligation to periods

In calculating retirement benefit obligations, the projected benefit obligation attributed to the current fiscal year is determined using the benefit formula basis.

(ii) Calculation treatment for actuarial gains or losses and prior service costs

Actuarial gains or losses are amortized in the fiscal year following the fiscal year in which the gain or loss is recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employees.

Prior service costs are amortized when the prior service costs are recognized by the straight-line method over a fixed period (10 years), which is shorter than the average remaining years of service of the employee.

6. Accounting standards for revenue and expense recognition

The Company manufactures and sells specially equipped vehicles such as digger derricks, aerial work platforms and skid-steer loaders, sells their parts, and provides after-sales services such as repairs. The Company also provides training in the operation of aerial work platforms, etc. The Company usually recognizes revenue from the sales of these products and the provision of these services when they are accepted by customers because customers obtain control of these products and services, and the performance obligations are satisfied when the products and services are accepted by customers. However, the Company recognizes revenue from the sole domestic sales of parts at their shipment by applying the alternative treatment as stipulated in Paragraph 98 of the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30) when the period between the shipment and the transfer of control of these parts to customers falls under the usual period.

There are cases where long-term maintenance contracts are concluded with customers as an after-sales service business and customers receive benefits from the provision of these services as the performance obligations are satisfied. The Company recognizes revenue from these services over the contract periods because the performance obligations of these services are satisfied over time.

For parts supply transactions for fees relating to specially equipped vehicles for which manufacturing consignment agreements are received from customers, the Company recognizes revenue from the sales of these specially equipped vehicles at the amounts excluding the amounts of parts supplied for fees.

7. Hedge accounting

Deferred hedge accounting is applied.

Designated hedge accounting (“Furiate-shori”) is applied for foreign currency forward contracts that meet qualifications for designated hedge accounting.

8. Other important matters for preparing non-consolidated financial statements

Accounting treatment for retirement benefits

The accounting treatment for unrecognized actuarial differences for retirement benefits differ from that of the consolidated financial statements

Notes to Accounting Estimates

Provision for product warranties

The balance of provision for product warranties at the end of the fiscal year ended March 31, 2025 was ¥125,071 thousand.

The provision for product warranties is categorized into a provision for free repairs carried out within the warranty period and a provision for free repairs to rectify defects in specific products.

For the provision for free repairs carried out within the warranty period, future product warranty expenses are estimated and recognized in a lump sum based on the actual ratio of warranty expenses incurred to sales.

For specific products subject to measures for rectifying defects, expected product warranty expenses are estimated and recognized individually based on the number of units to be rectified, the estimated cost of repair per unit, the percentage of the units that have actually been repaired, and the percentage of the liability shared with suppliers.

If liabilities arise due to product defects that were not expected when the estimates were made for the provision, or if warranty expenses exceed the provision, it may become necessary to recognize additional provision for product warranties. Meanwhile, if the actual warranty expenses turn out to be smaller than the provision, a reversal of the provision will be recognized.

Notes to Non-consolidated Balance Sheet

		In Thousands of Yen
1. Accumulated depreciation of property, plant and equipment	¥	25,258,961
2. Receivables from and payables to subsidiaries and affiliates:		
(1) Short-term receivables	¥	1,436,336
(2) Short-term payables	¥	295,552

3. Land revaluation

Pursuant to the Law Concerning Revaluation of Land (Law No. 34, March 31, 1998) and the Law to Partially Amend the Law Concerning Revaluation of Land (Law No. 19, March 31, 2001), the Company revalued land used for business activities on March 31, 2002.

Pursuant to the Law to Partially Amend the Law Concerning Revaluation of Land (Law No. 24, March 31, 1999), the effect of this revaluation has been recorded as deferred tax liabilities for land revaluation in liabilities and as revaluation reserve for land in net assets.

Revaluation was carried out based on an amount rationally calculated using the land value for local government tax and roadside land assessment as prescribed in Article 2, Item 3 and Article 2, Item 4 of the Ordinance Implementing the Law Concerning Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), respectively.

Revaluation date	March 31, 2002
Difference between the fair value at the end of the fiscal year ended March 31, 2025 and the book value of the land after the revaluation	¥ (1,835,988)

Notes to Non-consolidated Statement of Income

		In Thousands of Yen
1. Transactions with subsidiaries and affiliates:		
Operating transactions		
(1) Net sales	¥	3,004,454
(2) Goods purchased	¥	3,585,127
(3) Selling, general and administrative expenses	¥	11,801
(4) Non-operating transactions	¥	400
2. Amount of revenue from contracts with customers within net sales	¥	59,235,838
3. Write-down due to decreased profitability of inventories held for sale in the ordinary course of business		
Cost of sales	¥	98,174
4. TOB related expenses		
The Company conducted a tender offer for treasury shares from March 21, 2025 to April 17, 2025 by a resolution at the Board of Directors meeting on March 19, 2025. TOB related expenses are advisory fees paid to securities companies and attorneys concerning the tender offer.	¥	101,570

Notes to Non-consolidated Statement of Changes in Equity

Class and number of treasury shares

Class of shares	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Common shares	9,697	225	–	9,922

Deferred Tax Assets and Liabilities

1. The significant components of deferred tax assets and liabilities were as follows:

		In Thousands of Yen
Deferred tax assets		
Inventories	¥	152,736
Accrued enterprise tax and business office tax		104,210
Provision for product warranties		38,096
Provision for retirement benefits		365,916
Accrued bonuses		316,907
Buildings, structures, machinery and equipment, software		34,153
Land		569,965
Investment securities		119,843
Others		336,298
Subtotal		2,038,128
Valuation allowance		(928,531)
Total deferred tax assets		1,109,596
Deferred tax liabilities		
Valuation difference on available-for-sale securities	¥	(1,147,396)
Others		(8,880)
Total deferred tax liabilities		(1,156,276)
Deferred tax liabilities (Net)		(46,680)

2. Deferred tax assets in relation to revaluation reserve for land

		In Thousands of Yen
Deferred tax assets		
Unrealized loss on land revaluation	¥	923,260
Subtotal		923,260
Valuation allowance		(923,260)
Total deferred tax assets		–
Deferred tax liabilities		
Unrealized gain on land revaluation	¥	(616,302)
Total deferred tax liabilities		(616,302)
Deferred tax liabilities (Net)		(616,302)

Notes to Revenue Recognition

Useful information in understanding revenue

This note is omitted, as the same information has been stated in Notes to Consolidated Financial Statements.

Per Share Information

		In Yen
Net assets per share	¥	1,056.36
Profit per share		91.26

Notes to Subsequent Events

(Acquisition of treasury shares and tender offer)

This note is omitted, as the same information has been stated in Notes to Subsequent Events under Notes to Consolidated Financial Statements.

Notes to Companies Subject to the Restriction on Consolidated Dividends

There are no applicable items.

Other Notes

There are no applicable items.

Notice to Readers:
Figures below the unit of presentation are discarded from the amounts in the accompanying financial statements stated in thousands of yen.