東京産業株式会社
TOKYO SANGYO CO., LTD.

1H FY2026 Results Briefing

November 26, 2026

TOKYO SANGYO CO., LTD.



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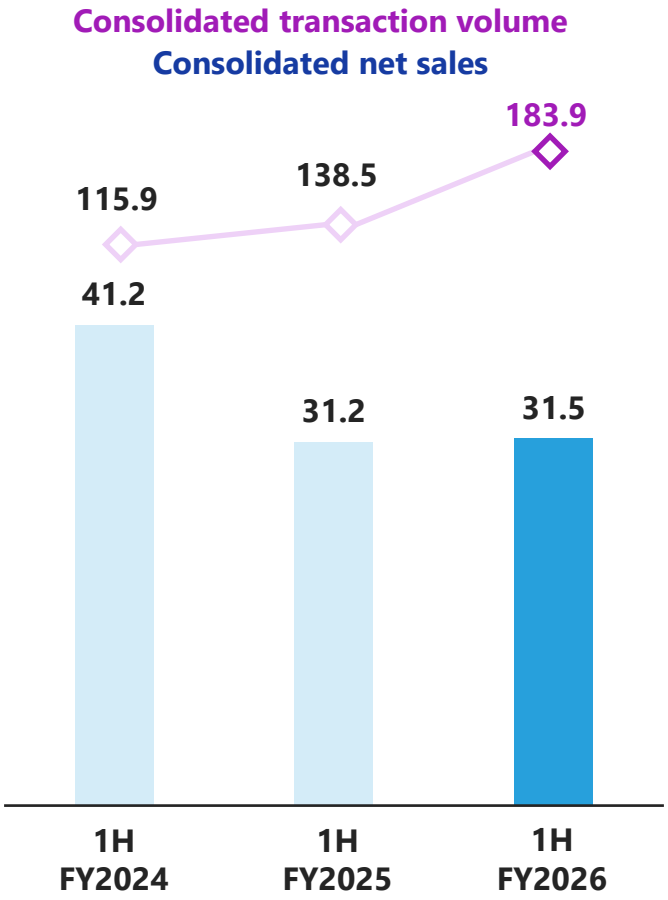
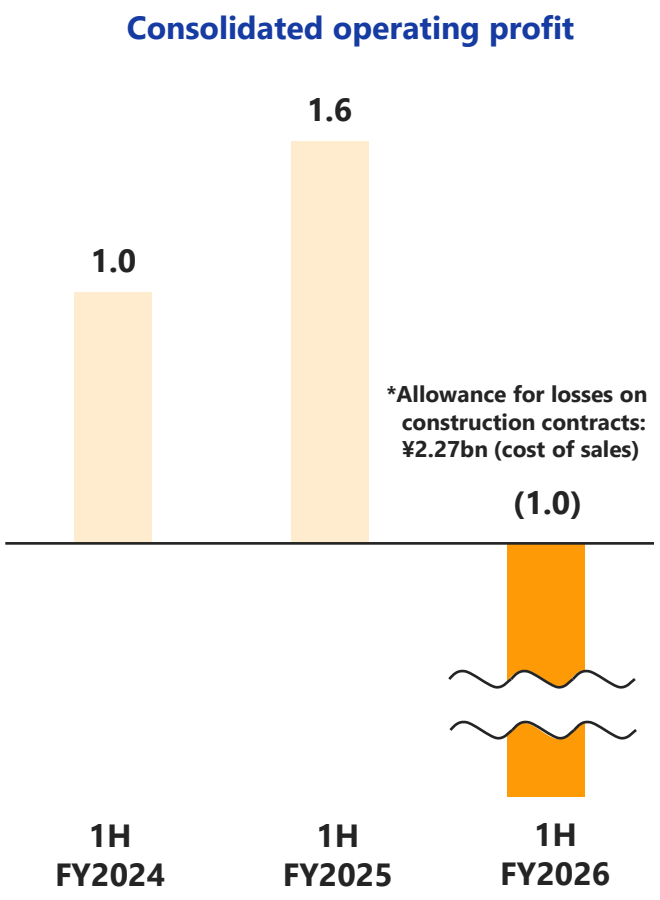
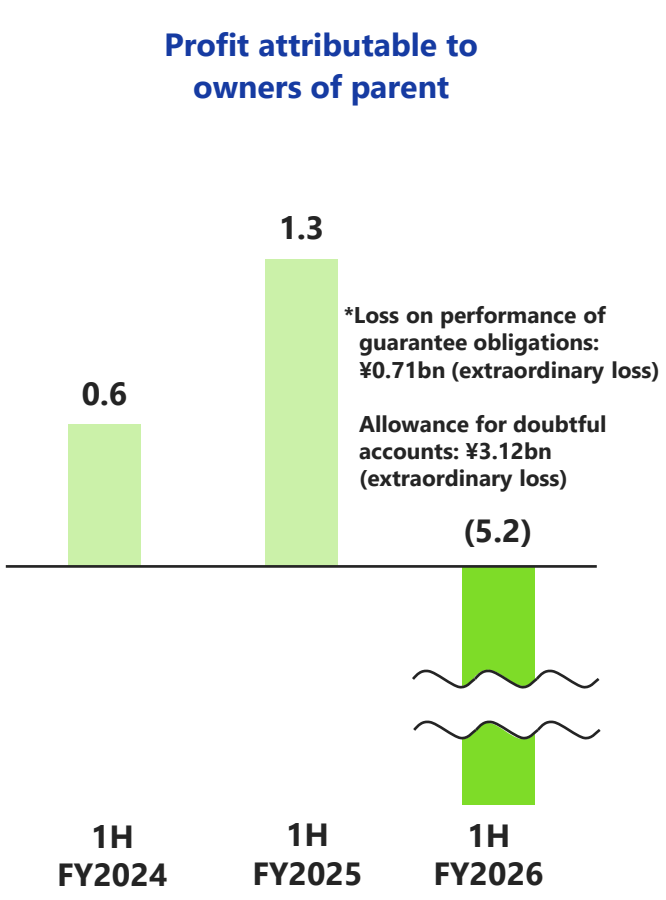
Results Summary: Consolidated Financial Results

- Transaction volume and net sales remained solid, supported by growth in the Nuclear Power, etc. and Production/Environmental Equipment businesses.
- The Company posted an operating loss and a net loss after recording total losses of ¥6.1 billion* on renewable energy power plant construction projects.

(¥ in billion)







Only the commissions are recorded as sales for the Mitsubishi Heavy Industries, Ltd. agency business.

Results Summary: Financial Position

(¥ in billion, unless otherwise indicated)

	FY2025	1H FY2026	vs. FY2025-end	Major factors behind change
Current assets	81.4	70.2	(11.2)	• Cash and deposits decreased by ¥2.7bn from the end of the previous fiscal year, mainly due to the ¥3.0bn lawsuit settlement payment. • Current assets decreased by ¥11.2bn from the end of the previous fiscal year due to a decrease in trade receivables related to the agency business.
Cash and deposits	19.3	16.6	(2.7)	
Non-current assets	23.6	21.2	+0.5	
Total assets	102.1	91.4	(10.6)	

Current liabilities	72.4	65.4	(6.9)	• Current liabilities decreased by ¥6.9bn from the end of the previous fiscal year due to a decrease in accounts payable - other following the settlement payment and a decrease in trade payables related to the agency business. • Net assets decreased by ¥4.6bn from the end of the previous fiscal year due to a decrease in retained earnings.
Short-term borrowings	8.0	8.0	(0.0)	
Current portion of bonds payable	3.0	3.0	0.0	
Non-current liabilities	4.4	5.3	+0.8	
Long-term borrowings	2.0	1.9	(0.0)	
Net assets	25.2	20.6	(4.6)	
Total assets	102.1	91.4	(10.6)	

Equity ratio	24.7%	22.6%	(2.1) pp	

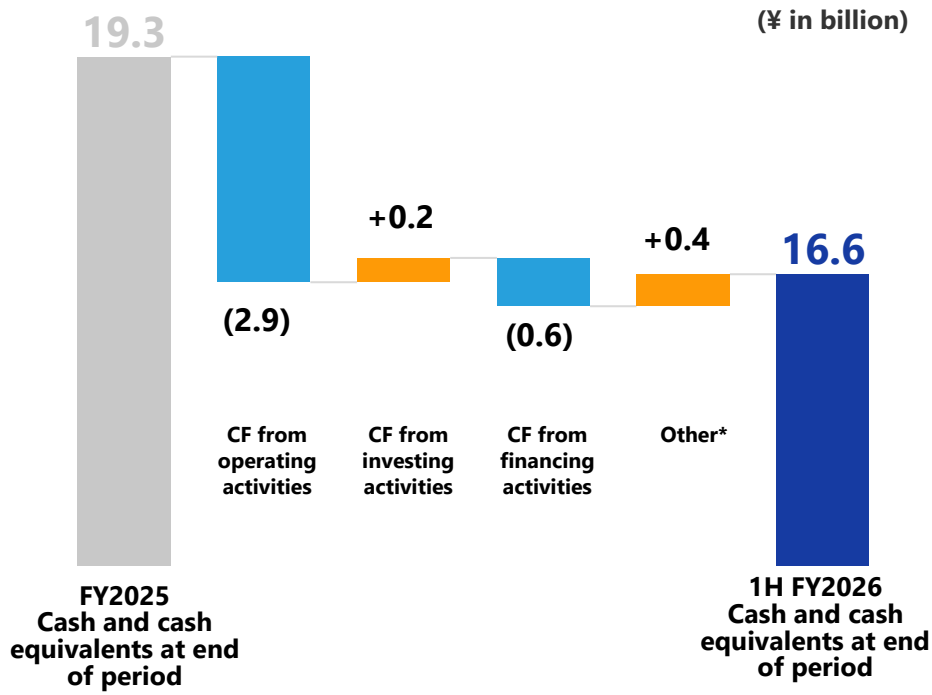
Results Summary: Cash Flows

(¥ in billion)

	1H FY2025	1H FY2026	YoY
CF from operating activities	1.1	(2.9)	(4.0)
Profit (loss) before income taxes	1.9	(4.5)	(6.5)
Income taxes paid	0.1	(1.0)	(1.2)
Payments for loss on litigation	0.0	(3.0)	(3.0)
Increase (decrease) in allowance for doubtful accounts and allowance for losses on construction contracts	(0.1)	5.2	+5.4
CF from investing activities	0.8	0.2	(0.5)
CF from financing activities	(0.7)	(0.6)	+0.1
Increase (decrease) in borrowings	(0.2)	(0.0)	+0.1
Dividends paid	(0.4)	(0.5)	(0.0)

(CF from operating activities)

- Net cash used in operating activities amounted to ¥2.9bn, reflecting the ¥3.0bn lawsuit settlement payment and an increase in income taxes paid.
- Of the ¥6.1bn in losses recognized on renewable energy-related construction projects, ¥5.2bn was recorded as provisions, limiting the impact on operating cash flow.



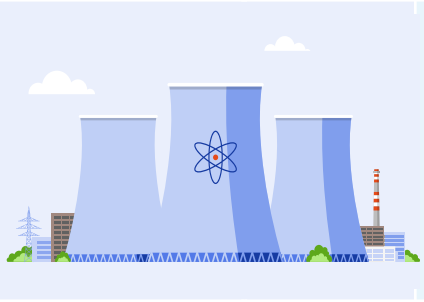
* Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation.

Results by Business Domain

1H FY2026 (Consolidated)

(¥ in billion, unless otherwise indicated)

Reportable segment	Electric Power	YoY	Environment, Chemicals, and Electric Power Machinery	YoY	Lifestyle	YoY
Net sales	12.9	+0.3	15.2	(0.4)	3.3	+0.3
Operating profit [profit margin]	1.4 [10.9%]	+0.2	(2.6) [–]	(2.9)	0.1 [4.5%]	+0.0

Business domain	Thermal Power	YoY	Nuclear Power, etc.	YoY	Renewable Energy	YoY	Production/ Environmental Equipment	YoY
								
Net sales	2.6	(0.0)	3.1	+0.5	7.6	(1.7)	18.1	+1.5
Operating profit [profit margin]	0.4 [18.9%]	(0.0)	0.6 [20.4%]	+0.2	(2.5) [–]	(3.1)	0.4 [2.2%]	+0.1

*Only the commissions are recorded as sales for the Mitsubishi Heavy Industries, Ltd. agency business.
* The fuel supply business for biomass power plants is part of the Renewable Energy business domain and is included in the Electric Power reportable segment.

Results by Business Domain: (1) Thermal Power

- Operating profit remained flat YoY, as profits from our core thermal power plant-related agency business and the related transactions in which we act as principal were broadly in line with the same period last year.
- We expect this business domain to continue to perform steadily in the second half and beyond.

Service offerings

Thermal power plant-related business

- New installation and replacement of thermal power plant-related equipment
- Maintenance on existing equipment and gas turbines for power generation

Equipment import business

- Import and sales of equipment and materials for domestic heavy electrical machinery manufacturers

Consolidated business results

(¥ in billion)

	1H FY2025	1H FY2026	YoY
Net sales	2.7	**2.6**	**(0.0)**
Operating profit	0.52	**0.49**	**(0.03)**



Results by Business Domain: (2) Nuclear Power, etc.

- Net sales and profit increased, driven by strong performance in agency business related to work to meet new regulatory requirements at a spent nuclear fuel reprocessing plant and by strong equipment sales as key plant manufacturing customers planned to increase production.
- We expect both nuclear power-related business and equipment sales to plant manufacturers to remain steady in the second half.

Service offerings

Nuclear power-related business

- Maintenance and renewal for nuclear power plants
- Construction work related to spent nuclear fuel reprocessing facilities

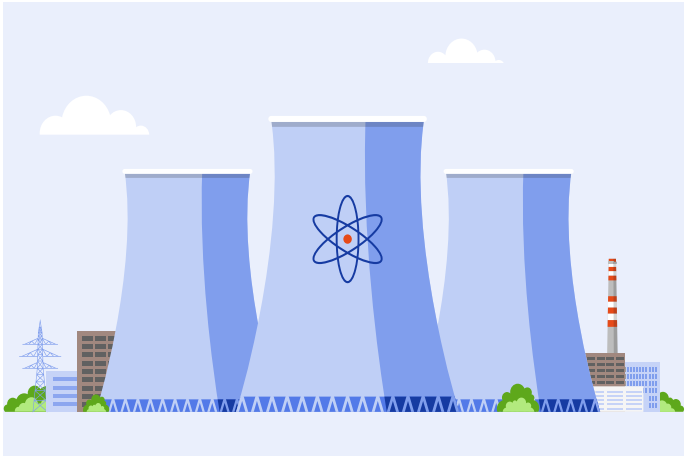
Other than nuclear power business

- Sales of equipment to manufacturers of gas turbines and other plant equipment

Consolidated business results

(¥ in billion)

	1H FY2025	1H FY2026	YoY
Net sales	2.6	**3.1**	**+0.5**
Operating profit	0.35	**0.64**	**+0.29**



Results by Business Domain: (3) Renewable Energy

- We posted an operating loss after recording an allowance for losses on construction contracts* for renewable energy power plant construction projects.
- The biomass fuel supply business remained generally steady.

Service offerings

Renewable energy-related business

- Fuel supply business for biomass power plants
- Construction contracting work related to renewable energy
- Selling of renewable energy

Consolidated business results

(¥ in billion)

	1H FY2025	1H FY2026	YoY
Net sales	9.3	**7.6**	**(1.7)**
Operating profit	0.55	**(2.58)**	**(3.13)**

*Allowance for losses on construction contracts (cost of sales): ¥2.27bn



Results by Business Domain: (3) Construction / Background to Loss Recognition

Project	Status	Account item	Amount recognized (¥ in billion)	Background
Project 1	Construction suspended	Allowance for doubtful accounts (extraordinary loss)	3.12	■ In a lawsuit filed by local residents against the local government, the court ruled to revoke the forest land development permit. We reassessed the collectability of the receivables and recorded an allowance for doubtful accounts for the full amount of receivables.
(Same as above)	(Same as above)	Allowance for losses on construction contracts (cost of sales)	1.31	■ In light of the above circumstances, we reviewed the expenses expected to be incurred and recorded an allowance for losses on construction contracts for the costs we deemed unavoidable.
Project 2	Prior to test operations	Allowance for losses on construction contracts (cost of sales)	0.96	■ As the subcontractor's cash flow position deteriorated, we expected to bear costs that the subcontractor was responsible for. After considering the likelihood of recovering those costs and other factors, we recorded an allowance for losses on construction contracts.
Project 3	Construction complete	Loss on performance of the guarantee obligations (extraordinary loss)	0.71	■ The performance ratio guarantee value was not achieved due to circumstances for which we believe we were not responsible. While discussions with the project owner regarding responsibility are ongoing, we made payment in response to the owner's demand under the bank guarantee and recorded a loss on performance of the guarantee obligations.

Results by Business Domain: (3) Construction / Projects Under Contract

Renewable energy power plant construction projects under contract

Project	Status	Contract year	Contract value (¥ in billion)	Current situation
Project 1	Construction suspended	2020	7.78	■ We are discussing with the project owner whether construction can resume.
Project 2	Prior to test operations	2022	1.88	■ We are discussing with the parties involved how to proceed with test operations and handover.
Project 3	Construction complete	2020	14.05	■ The project owner has indicated that it intends to make further claims under the guarantee. We believe there are no grounds for such claims and are continuing discussions with the project owner.
Project 4	Construction not started	2022	1.30	■ Construction has yet to begin due to opposition from local residents.
Project 5	Construction not started	2024	1.68	■ In July 2026, we issued a notice of termination due to the deterioration in the project owner's cash flow position.

*The table lists projects with a contract value of ¥0.1bn or more.

Results by Business Domain: (3) Construction / Other Matters

Projects with contingent liabilities

Project	Contract year	Guarantee amount (¥ in billion)	Current situation
Project 1	2020	0.76	■ We differ with the project owner over the performance of the contract and may receive a demand for payment under the bank guarantee.

Projects with risks where losses are considered unlikely

Project under litigation	Contract year	Amount claimed	Current situation
Project 6*	2022	THB480mn	■ The project owner countersued our subsidiary and a partner company over an overseas plant construction project for which a loss was recognized in FY2023. Litigation is ongoing.
Project 7	2022	¥750mn	■ Construction has been completed and the power plant handed over. The project owner is seeking repayment of the contract price and other relief, alleging that the project did not conform to the contract. The litigation is ongoing.

* Project 6 falls under the Production/Environmental Equipment business domain.

Results by Business Domain: (3) Businesses Other Than Construction

Power sales from owned plants

Number of sites	Total capacity	Current situation
8 solar sites	12,000 kW	■ All sites operating steadily

Equity investments

Power plant	Investment structure	Current situation
Biomass Power Plant 1	Equity-method investment	■ Began operations in FY2025 and is operating steadily. Turned profitable in FY2026
Biomass Power Plant 2	Silent partnership investment	■ Began operations in FY2025 and is operating steadily

Fuel supply

Contract type	No. of contracts	Current situation
Long-term contracts	5	■ Importing wood pellets and palm kernel shells (PKS) for supply to biomass power plants in Japan (No new long-term contracts)
Spot contracts	As needed	■ Supplying projects under long-term contracts and meeting demand for co-firing at coal-fired power plants

Overview of Measures for Preventing Recurrence in Construction Contracting Business (Selected Measures)

- In addition to the measures for preventing recurrence formulated in 2024, we have taken further steps, including defining a new policy on construction contracting.

Area	Key measures
(i) Establishing a risk management framework	■ Appointed the executive overseeing planning and administration to lead risk management.
(ii) Strengthening risk assessment and response when entering areas where we have limited expertise	■ Clarify which projects we should decline. ■ The newly established Risk Assessment Committee examines project risks from multiple perspectives. The Division Heads Committee, which is responsible for making decisions, then reviews those risks in depth.
(iii) Strengthening the review of unexpected events	■ The Risk Assessment Committee continuously monitors projects that require particular attention and reports monthly to the Division Heads Committee and the Board of Directors.
(iv) [NEW] Adopting a policy on construction contracting	■ Established internal rules to clarify our basic policy on construction contracting, guide appropriate project selection, and ensure rigorous risk management.

Results by Business Domain: (4) Production/Environmental Equipment

- Net sales and profit increased as profitability improved in our overseas machine tool sales business and large-scale works for facilities contracted in the previous fiscal year contributed to earnings.
- We expect performance to remain steady in the second half and beyond, supported by increased transactions in our overseas machine tool sales business and contributions from large-scale contracting works for facilities.

Service offerings

Equipment sales business

- Various machinery and equipment for chemical, food, pharmaceutical, and automotive industries
- Equipment for waste and water treatment and reducing CO_2

Life-style related business

- Sale of packaging materials
- Rental of water-saving automatic water flow devices

Consolidated business results

(¥ in billion)

	1H FY2025	1H FY2026	YoY
Net sales	16.6	**18.1**	**+1.5**
Operating profit	0.22	**0.40**	**+0.17**



Status by Business Domain: Orders received and Backlog (Non-consolidated)

- **Thermal Power** : While work progressed on the thermal power plant replacement project secured in the previous fiscal year, we continued to secure new agency contracts, increasing both backlog and profit.
- **Nuclear Power, etc.** : Although we recognized some sales on existing contracts earlier than planned, backlog and profit remained high, broadly in line with the previous fiscal year-end levels.
- **Renewable Energy** : Backlog declined following the recognition of losses on construction projects.
- **Production/ Environmental Equipment** : Backlog and profit increased as we actively captured demand for machine tool replacements overseas and secured a large-scale maintenance contract.

(¥ in billion)

	Orders received			Backlog		
	1H FY2025	1H FY2026	YoY	1H FY2025	1H FY2026	YoY
Thermal Power	3.0	2.7	(0.3)	5.5	6.0	+0.4
Nuclear Power, etc.	3.7	3.6	(0.1)	4.1	6.1	+1.9
Renewable Energy	8.5	9.6	+1.0	14.4	13.3	(1.1)
Production/ Environmental Equipment	13.8	17.8	+4.0	20.5	22.5	+2.0
Total	29.2	33.8	+4.6	44.7	48.0	+3.3

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FY2026 Plan

- We significantly revised our full-year earnings forecast downward after recording losses on renewable energy power plant construction projects in the first half.
- The annual dividend forecast remains unchanged from the initial forecast at ¥40 per share, with interim and year-end dividends of ¥20 per share each.

(¥ in billion, unless otherwise indicated)

Metric	FY2025 Actual	FY2026				vs. FY2025
		Initial Full-Year Forecast	1H Actual	2H Forecast	Full-Year Forecast	
Consolidated net sales	63.2	63.0	31.5	31.5	63.0	(0.2)
Consolidated operating profit (loss)	3.4	2.5	(1.0)	1.4	0.4	(3.0)
Profit (loss) attributable to owners of parent	2.5	1.7	(5.2)	0.9	(4.3)	(6.8)
Dividend per share	¥38	¥40	¥20	¥20	¥40	+¥2

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03 **Progress on Medium-term Management Plan**

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Progress on Medium-term Management Plan: Priority Strategy (Core 5)

- **Progress by priority strategy is as follows.**

Main theme of priority strategy	Progress in 1H FY2026
Active involvement in energy transition	▶ In the nuclear power-related business, adding personnel since the previous fiscal year and stationing staff at customer sites helped us work more closely with customers, leading to increased principal transactions arising from our agency business. ▶ Strengthened our relationship with the manufacturer to expand the market reach of our agency business for hydropower plants. ▶ Signed agency agreements with overseas manufacturers of measuring instruments and disaster prevention systems to expand sales of equipment and materials for power transmission and substations.
Creation of businesses contributing to building a sustainable society	▶ Secured our first contract with a national research institution for advanced manufacturing equipment that we are helping to develop jointly.
Enhancement of the collective strength of the Group	▶ Began reviewing the strategy for our overseas subsidiaries with the aim of shifting to business models that draw on our strengths.
Development of a strong management foundation	▶ Established a basic policy on construction contracting to strengthen risk management. Going forward, we will limit construction work to projects that accompany equipment sales. ▶ Using AI to make contract reviews more efficient and improve their quality.
Expansion of shareholder returns	▶ Focusing on strengthening our financial foundation for the time being while maintaining our DOE target of above 4%.

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Company Info and History

- Integrated trading company of machinery with a strong focus on the environment and energy, celebrating its 80th anniversary in 2027.
- Offering sales, maintenance, and services of various machinery, plants, materials, tools, and chemicals in Japan and overseas.

Basic Information

Company name	TOKYO SANGYO CO., LTD.
Address	2-1 Otemachi 2-chome, Chiyoda-ku, Tokyo
Representative	Yasuo Asada, President and Representative Director
Founded	October 20, 1947
Capital	¥3,443mn
Number of employees	345 on a non-consolidated basis, 402 on a consolidated basis (As of March 31, 2026)
Group companies	5 in Japan (including 2 consolidated subsidiaries) and 11 outside Japan (including 6 consolidated subsidiaries), for a total of 16
Business locations	19 in Japan and 24 outside Japan *Includes locations of subsidiaries and associates.

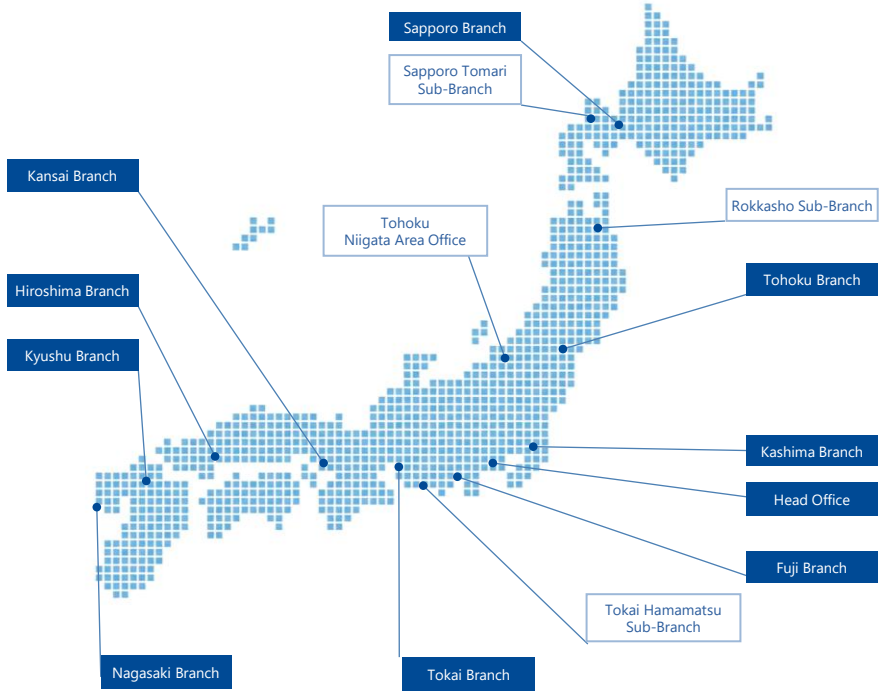
History

- 1942: Established as Daiwa Kikai Co., Ltd., which engaged in the manufacture and sales of equipment and tools
- 1947: After Mitsubishi Corporation was ordered to dissolve, a group of employees from its Machinery Department took over the management of Daiwa Kikai Co., Ltd. and changed its name to TOKYO SANGYO CO., LTD. With the support of Mitsubishi group companies, TOKYO SANGYO CO., LTD. became a dedicated trading company focused on the domestic sales, import, and export of general industrial machinery and equipment
- 1950s: Opened major domestic business locations in Nagoya (currently, Tokai), Sendai (currently, Tohoku) and Osaka (currently, Kansai)
- 1959: Went public on the over-the-counter market, listed on the Second Section of the Tokyo Stock Exchange in 1961, and transferred to the First Section in 1996
- 2000s: Opened overseas business locations and actively expanded internationally
- Oct. 2022: Marked its 75th anniversary

International and Domestic Networks

As of November 26, 2026

Domestic Network

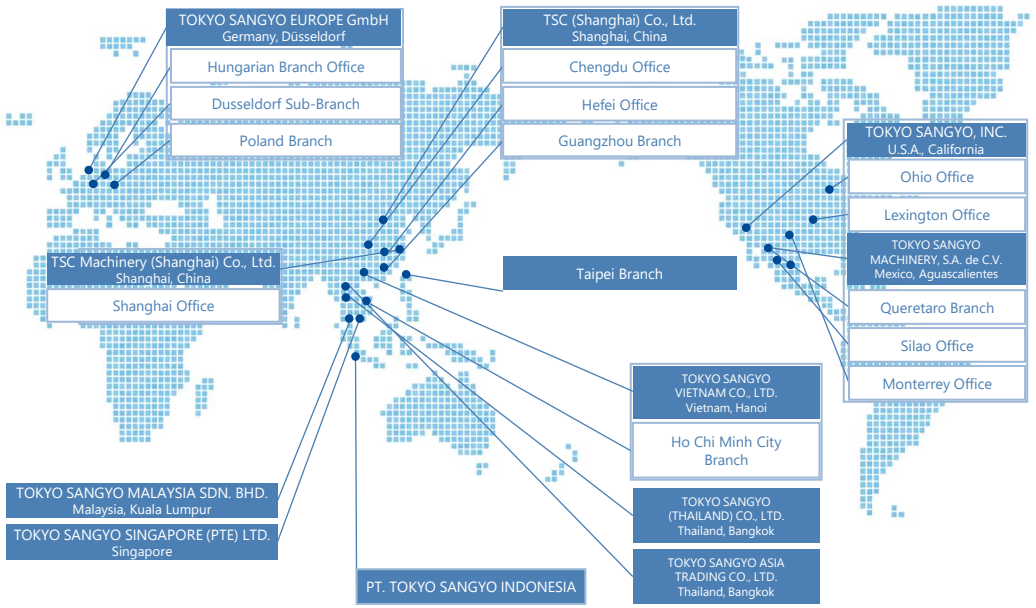


Total: 19 locations

Domestic Affiliates

- Tokyo Sangyo Fudosan Co., Ltd.
- Innovation of Social Environment Co., Ltd.
- I・A・H Co., Ltd.
- Kowa Kogyo Co., Ltd.
- Aizu Komorebi Power Co., Ltd.

International Network



Total: 24 locations

TOKYO SANGYO CO., LTD.

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T Scale Up 2027

Medium-term Management Plan

T-ScaleUp2027

－Entering new domains for a green future－

We support the Sustainable Development Goals (SDGs).

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