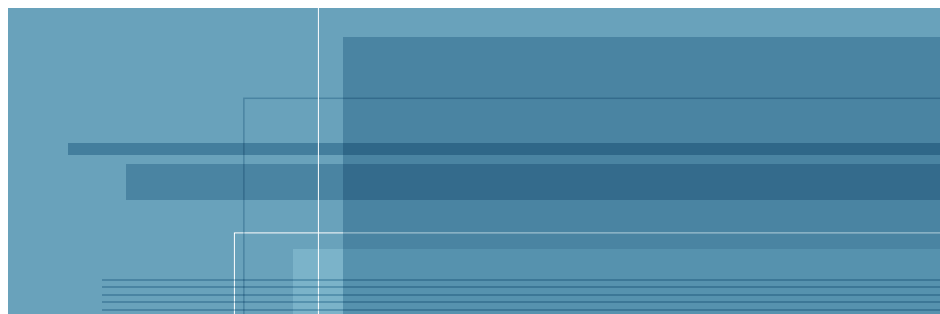


INVESTORS GUIDE 2016

TOKYO SANGYO CO., LTD.



Message from the President

Since its founding in 1947, Tokyo Sangyo Co., Ltd., as a general trading company dealing in machinery, has always upheld the ideas of “Trust” and “Contribution” as part of its corporate philosophy when pursuing its activities. Specifically, by closely aligning our sales activities to our customers, accurately grasping their needs, and swiftly proposing solutions to their problems and providing optimal products, we have been able to earn the trust of our customers while also making contributions to society. We are truly grateful to our customers and all of our stakeholders for the assistance and support they have provided, without which our history of more than 60 years would have never been possible. By making efforts to further streamline our organization and enhance efficiency and by focusing on the cultivation of human resources and new product development, we will continue to steadily build up a corporate structure capable of responding quickly to drastic changes in the business climate.

Analysis of Operations

The Japanese economy during the fiscal year under review was on a gradual recovery trend as corporate earnings and employment conditions

tended to improve on the back of the government’s economic policies and the Bank of Japan’s monetary policies; however, uncertainty still remains due to such factors as the economic slowdown of emerging countries such as China and resource-rich countries, the introduction of negative interest rates by the Bank of Japan and exchange rate fluctuations.

Under such circumstances, for the fiscal year under review, the Company recorded a contract volume of 109,443 million yen, up 8,194 million yen (8.1%) from the previous fiscal year. Further, net sales increased by 30,046 million yen (37.1%) from the previous fiscal year to 111,028 million yen. As a result, gross profit of 6,709 million yen, operating income of 2,067 million yen, ordinary income of 2,276 million yen and net income of 1,519 million yen were recorded.

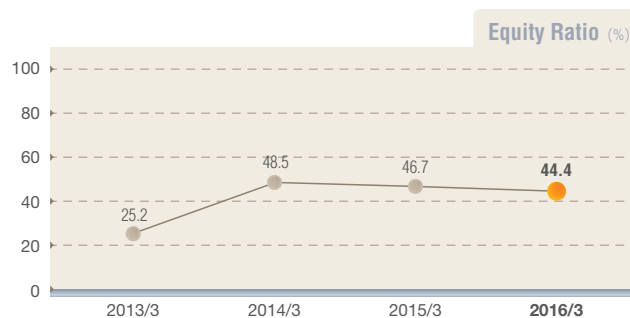
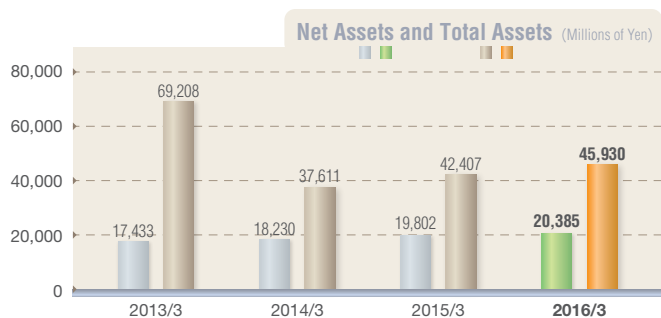
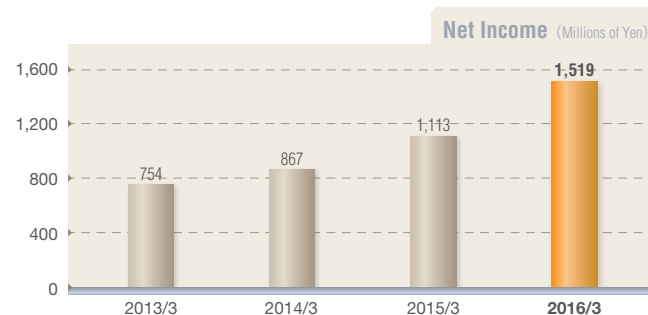
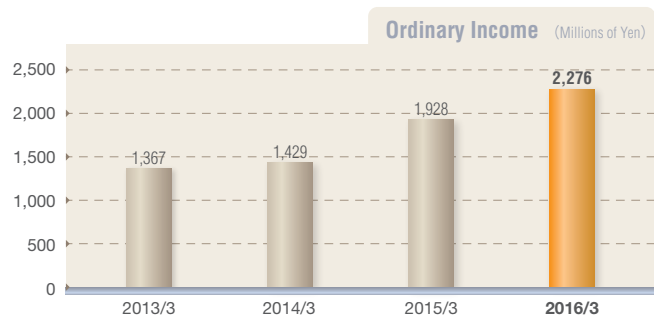
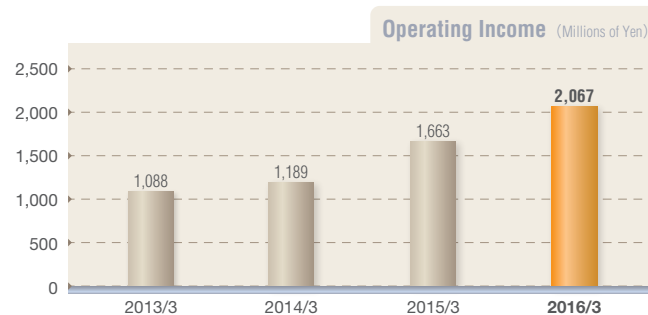
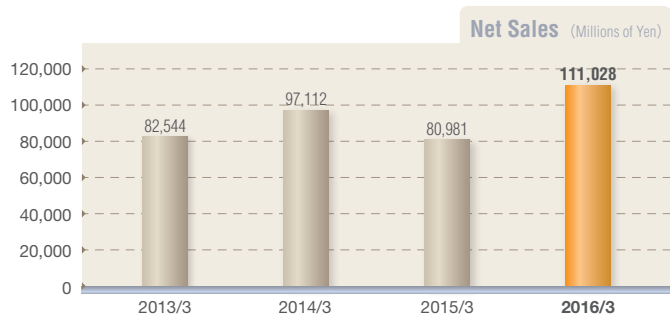
I would like to ask all of our stakeholders for your continued support and encouragement in the years to come.

President:
Toshio Satomi

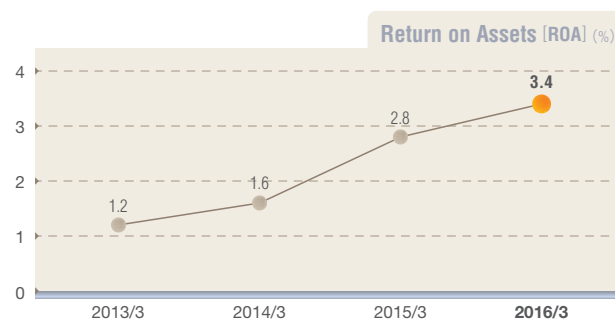
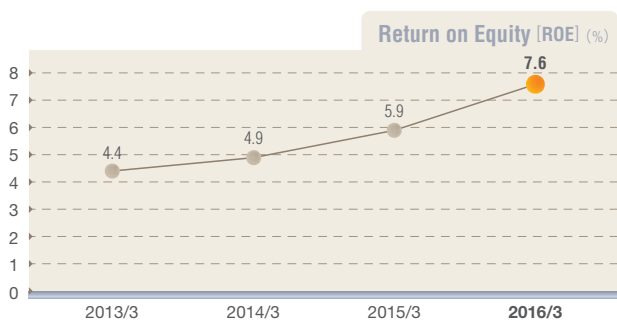


Non-Consolidated Financial Highlights

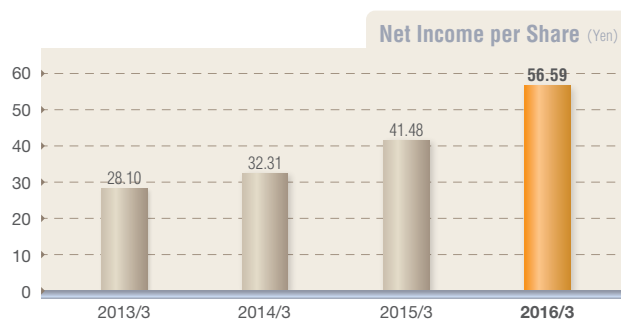
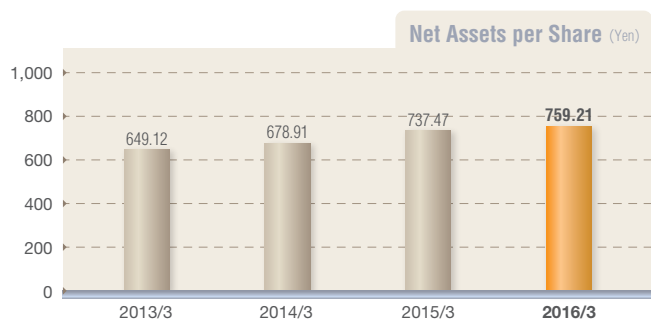
I Result of Operation and Financial Condition



I Profitability and Efficiency



I Dividend Data



Overview of Operations by Segment

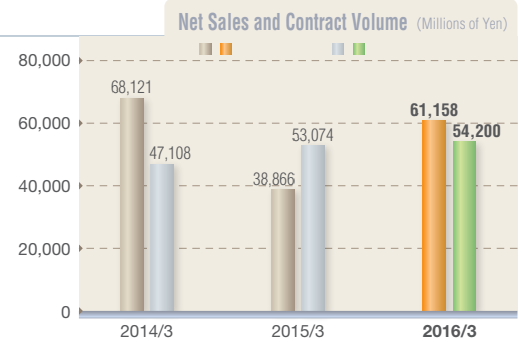
Electrical Power-related Segment

Description of Main Businesses

Power Department, Electrical Machinery Department: We are mainly engaged in the sale of various facilities to the power industry, including turbines and boilers for power generation and power transmission and distribution equipment, as well as in the maintenance of existing facilities.

Overview of Operations for the Current Fiscal Year

Contract volume increased by 1,126 million yen (2.1%) from the previous fiscal year to 54,200 million yen, due to the solid performance of the after-sales service business. Further, net sales increased by 22,291 million yen (57.4%) from the previous fiscal year to 61,158 million yen, and an operating income of 770 million yen was recorded.



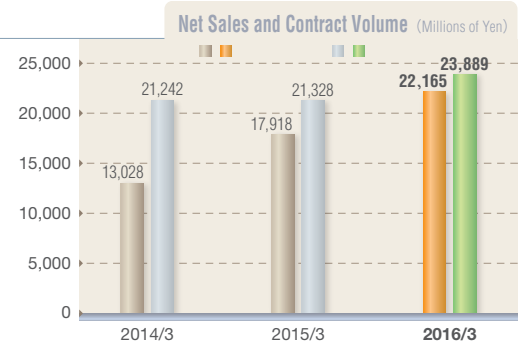
Chemical Machinery-related Segment

Description of Main Businesses

Chemical Engineering Department, Plant Machinery Department: From the sale of stand-alone equipment to the chemical, pharmaceutical, paper manufacturing, non-ferrous metals industries, to total plant engineering and construction, we are engaged in a wide range of domestic and overseas businesses that meet the needs of our customers. We are also focusing our efforts on the renewable energy business, including photovoltaic, binary cycle and wind generation. Additionally, we were the first in Japan after World War II to engage in ship exporting, and since then we have been handling various types of marine vessels, ship board machines and ship maintenance materials.

Overview of Operations for the Current Fiscal Year

Significant growth of the renewable energy business, among other factors, resulted in an increase in contract volume by 2,560 million yen (12.0%) from the previous fiscal year to 23,889 million yen. Net sales also increased by 4,246 million yen (23.7%) from the previous fiscal year to 22,165 million yen, and an operating income of 360 million yen was recorded.



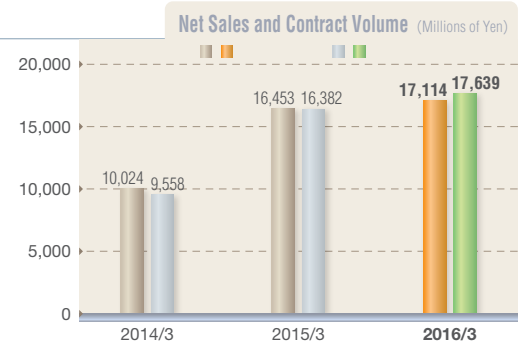
Precision & Electronic Machinery-related Segment

Description of Main Businesses

Precision & Electronic Machinery Department: In addition to supplying machine tools, metal processing machinery, precision measurement equipment, various automated machinery, and electronic machinery, we provide total engineering services for facilities and equipment. In our overseas business, we have been providing various machinery, equipment and services over the years from Japan to each region in the world from our bases in China, Taiwan, the ASEAN countries, Europe and the United States.

Overview of Operations for the Current Fiscal Year

Contract volume increased by 1,257 million yen (7.7%) from the previous fiscal year to 17,639 million yen, attributable primarily to brisk capital investments targeted at overseas automotive-related industries, as well as solid demand for smartphone-related machinery in China. Net sales also increased by 661 million yen (4.0%) from the previous fiscal year to 17,114 million yen, and an operating income of 827 million yen was recorded.



Environment-related Segment

Description of Main Businesses

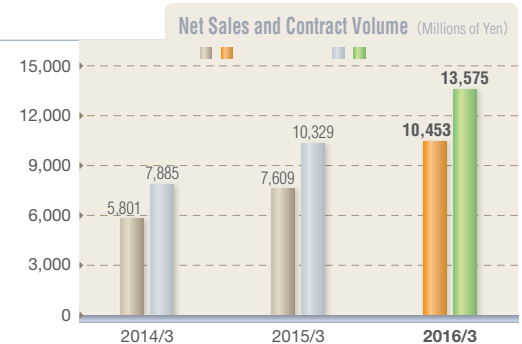
Energy & Environment Department: We select and provide the optimal equipment and products to meet the "energy-saving," "CO2 reduction," and "energy cost reduction" needs of our customers. We also provide a broad spectrum of support services to environment-related businesses ranging from the planning of various waste disposal and processing facilities and the acquisition of permits and subsidies to the construction and operation of such facilities.

We are engaged in the leasing and sale of environmentally consideration devices, including water-saving devices for toilets.

We are engaged in the sale of general polyethylene products including packaging and bags made of environmentally-friendly materials, garbage bags designated by municipalities and plastic bags for retailers, in addition to the sale of packaging materials.

Overview of Operations for the Current Fiscal Year

Contract volume increased by 3,246 million yen (31.4%) from the previous fiscal year to 13,575 million yen, due to such factors as the increase in orders received for polyethylene packaging materials targeted at convenience stores and supermarkets. Net sales also increased by 2,843 million yen (37.4%) from the previous fiscal year to 10,453 million yen, and an operating income of 44 million yen was recorded.



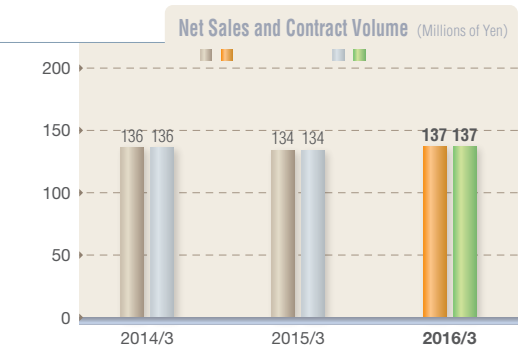
Others

Description of Main Businesses

We are engaged in the leasing of real estate.

Overview of Operations for the Current Fiscal Year

Contract volume increased by 2 million yen from the previous fiscal year to 137 million yen. Net sales likewise increased by 2 million yen from the previous fiscal year to 137 million yen, and an operating income of 64 million yen was recorded.



Non-Consolidated Statement of Financial Position

	(Millions of Yen)	
	2015	2016
Assets		
Current assets		
Cash and deposits	7,322	5,569
Notes receivable - trade	1,763	2,698
Accounts receivable - trade	14,763	21,222
Operating accounts receivable	348	490
Lease receivables	14	—
Lease investment assets	2	0
Securities	1,100	2,400
Beneficiary right of accounts receivable in trust	2,399	699
Merchandise	853	1,215
Advance payments - trade	2,716	241
Prepaid expenses	141	173
Accounts receivable - other	59	54
Deferred tax assets	148	188
Derivatives	42	5
Other	24	24
Allowance for doubtful accounts	(37)	(14)
Total current assets	31,664	34,970
Non-current assets		
Property, plant and equipment		
Buildings	2,173	2,204
Accumulated depreciation and impairment loss	(1,048)	(1,117)
Buildings, net	1,124	1,087
Machinery and equipment	244	533
Accumulated depreciation and impairment loss	(126)	(175)
Machinery and equipment, net	117	358
Vehicles	2	—
Accumulated depreciation	(2)	—
Vehicles, net	0	—
Tools, furniture and fixtures	883	910
Accumulated depreciation and impairment loss	(587)	(626)
Tools, furniture and fixtures, net	296	283
Land	626	626
Leased assets	43	605
Accumulated depreciation	(13)	(21)
Leased assets, net	29	584
Construction in progress	96	533
Total property, plant and equipment	2,290	3,474
Intangible assets		
Patent right	0	0
Software	6	19
Leased assets	223	195
Other	3	3
Total intangible assets	234	218
Investments and other assets		
Investment securities	6,079	4,790
Shares of subsidiaries and associates	243	181
Investments in capital of subsidiaries and associates	287	287
Long-term loans receivable	3	3
Long-term loans receivable from subsidiaries and associates	40	—
Long-term loans receivable from employees	12	11
Golf club membership	97	91
Prepaid pension cost	1,140	1,496
Other	336	413
Allowance for doubtful accounts	(23)	(8)
Total investments and other assets	8,217	7,267
Total non-current assets	10,742	10,960
Total assets	42,407	45,930

	(Millions of Yen)	
	2015	2016
Liabilities		
Current liabilities		
Notes payable - trade	2,233	2,370
Accounts payable - trade	4,805	6,778
Accounts payable - consignment	7,723	11,228
Operating accounts payable	121	69
Short-term loans payable	1,570	1,570
Lease obligations	81	108
Accounts payable - other	150	228
Income taxes payable	242	441
Accrued expenses	74	92
Advances received	3,878	467
Deposits received	43	44
Provision for bonuses	292	309
Provision for directors' bonuses	40	50
Deferred installment income	27	23
Derivatives liabilities	11	94
Other	19	5
Total current liabilities	21,315	23,882
Non-current liabilities		
Long-term loans payable	10	—
Lease obligations	195	753
Provision for directors' retirement benefits	46	44
Provision for loss on guarantees	22	17
Provision for employee stock ownership plan trust	—	33
Provision for management board incentive plan trust	—	15
Long-term guarantee deposited	92	94
Deferred tax liabilities	906	687
Deferred tax liabilities for land revaluation	17	16
Total non-current liabilities	1,289	1,661
Total liabilities	22,604	25,544
Net assets		
Shareholders' equity		
Capital stock	3,443	3,443
Capital surplus		
Legal capital surplus	2,655	2,655
Other capital surplus	108	166
Total capital surpluses	2,764	2,821
Retained earnings		
Legal retained earnings	385	385
Other retained earnings		
General reserve	7,113	7,113
Reserve for special depreciation	36	50
Reserve for reduction entry	39	40
Retained earnings brought forward	5,205	6,295
Total retained earnings	12,779	13,885
Treasury shares	(647)	(705)
Total shareholders' equity	18,339	19,445
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,406	965
Deferred gains or losses on hedges	21	(61)
Revaluation reserve for land	35	36
Total valuation and translation adjustments	1,462	940
Total net assets	19,802	20,385
Total liabilities and net assets	42,407	45,930

Non-Consolidated Income Statement

	(Millions of Yen)	
	2015	2016
Net sales		
Net sales of goods	77,795	104,778
Net sales of finished construction	2,306	5,358
Agency commission income	879	891
Total net sales	80,981	111,028
Cost of sales		
Beginning goods	572	853
Cost of purchased goods	73,088	99,613
Total	73,660	100,466
Ending goods	853	1,215
Cost of goods sold	72,807	99,250
Cost of construction sales	2,103	5,068
Total cost of sales	74,911	104,319
Gross profit	6,070	6,709
Reversal of unrealized income on installment sales	3	3
Gross profit - net	6,074	6,713
Selling, general and administrative expenses	4,411	4,645
Operating income	1,663	2,067
Non-operating income		
Interest income	3	2
Interest on securities	21	22
Dividend income	158	173
Land and house rent received	49	48
Other	74	33
Total non-operating income	308	280
Non-operating expenses		
Interest expenses	19	18
Foreign exchange losses	—	48
Provision of allowance for doubtful accounts	17	—
Other	5	4
Total non-operating expenses	42	71
Ordinary income	1,928	2,276
Extraordinary income		
Gain on sales of non-current assets	—	5
Gain on sales of investment securities	8	1
Other	—	0
Total extraordinary income	8	7
Extraordinary losses		
Loss on disposal of non-current assets	4	0
Loss on sales of non-current assets	20	—
Loss on valuation of shares of subsidiaries and associates	19	61
Loss on sales of golf club memberships	3	—
Loss on valuation of golf club membership	—	8
Impairment loss	13	—
Other	0	1
Total extraordinary losses	62	71
Profit before income taxes	1,874	2,212
Income taxes - current	513	668
Income taxes - deferred	247	25
Total income taxes	760	693
Profit	1,113	1,519

Office and Locations

Main Office

Shin-Otemachi Building, 2-1 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004
Tel +81-3-5203-7690, Fax +81-3-5203-0640
http://www.tscom.co.jp/

Sapporo Office

Hokkaido Building, 1 Kita 2 Jo Nishi 4-chome, Chuo-ku, Sapporo, Hokkaido 060-0002
Tel +81-11-221-7146, Fax +81-11-221-7149

Sendai Office

Toryo Building, 8-1, Ichibancho 1-chome, Aoba-ku, Sendai, Miyagi 980-0811
Tel +81-22-266-4111, Fax +81-22-227-6693

Niigata Office

Hokuriku Building, 2-23, Higashi Odori 1-chome, Chuo-ku, Niigata 950-0087
Tel +81-25-243-0011, Fax +81-25-243-0014

Fukushima Office

Sanen Building, 1-7, Taira Tamachi, Iwaki, Fukushima 970-8026
Tel +81-246-35-5015, Fax +81-246-24-0025

Kashima Branch

Otake Building, 64-181 Hiraizumi Higashi 1-chome, Kamisu, Ibaraki 314-0145
Tel +81-299-93-5131, +81-299-93-5132, Fax +81-299-93-5137

Shizuoka Office

South Spot Shizuoka Building, 18-1 Minamicho, Suruga-ku, Shizuoka 422-8067
Tel +81-54-280-0551, Fax +81-54-281-5041

Nagoya Office

Dai Nagoya Building, 28-12 Meieki 3-chome, Nakamura-ku, Nagoya, Aichi 450-6421
Tel +81-52-589-1770, Fax +81-52-583-5570

Kansai Office

Ship Kobe Kaigan Building, 3 Kaigan Street, Chuo-ku, Kobe, Hyogo 650-0024
Tel +81-78-321-2461, Fax +81-78-321-2463

West Japan

KMM Building, 14-1 Asano 2, Kokurakita-ku, Kitakyushu, Fukuoka 802-0001
Tel +81-93-512-5361, Fax +81-93-512-5363

West Japan Hiroshima Office

Hiroshima Inarimachi Daiichi Seimei Building, 2-16 Inarimachi, Minami-ku, Hiroshima 732-0827
Tel +81-82-261-0870, Fax +81-82-261-0909

West Japan Fukuoka Office

Asahiseimei Hakataekimae Building, 22-8 Hakataekimae, 3-chome, Hakata-ku, Fukuoka 812-0011
Tel +81-92-432-3811, Fax +81-92-483-0677

Nagasaki Office

Nagasaki Daiichi Seimei Building, 2-24 Kouzen-machi, Nagasaki 850-0032
Tel +81-95-826-4266, Fax +81-95-826-4268

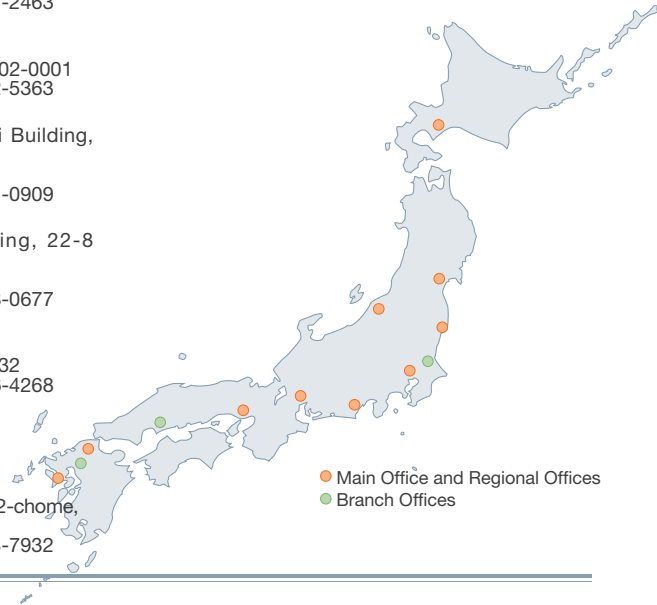
Subsidiary Company

Tokyo Sangyo Fudosan K.K.

(real estate management, brokerage, and insurance businesses)
Shin-Otemachi Building, 2-1 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004
Tel +81-3-5203-7868, Fax +81-3-5203-7932

Innovation of Social Environment Co., Ltd.

Wakuya Building, 10-14 Nakamachi, Koriyama, Fukushima 963-8004
Tel +81-24-983-1118, Fax +81-24-983-1107



● Main Office and Regional Offices
● Branch Offices

Overseas Offices and Locations of Local Representatives

Taipei Office

14F-5, No.85, Zhongxiao E Rd., Sec.1, Taipei R.O.C.
Sec.1, Taipei R.O.C.
Tel 886-2-2396-6131, 886-2-2396-6151, Fax 886-2-2396-6171

Subsidiary Companies

Tokyo Sangyo Singapore (Pte.) Ltd.

80 Raffles Place UOB Plaza 1 #36-12 048624, Singapore
Tel +65-6248-4637, Fax +65-6248-4531

TSC (Shanghai) Corp.

Room D-405, Oriental International Plaza, 85-Loushanguan Road, Chang Ning, Shanghai 200336 P.R.China
Tel 86-21-6235-1333, Fax 86-21-6235-1821

Guangzhou Branch (TSC (Shanghai) Corp.)

Room D-13, 16th Floor, VILL International Bldg, No.167, LinHexi Rd, Tian He Dist, Guangzhou 510000, P.R.China

Tokyo Sangyo (Thailand) Co., Ltd.

323, United Center Building, Unit 2901, 29 Floor Silom Road, Bangrak, Bangkok 10500, Thailand
Tel 66-2-631-1981, Fax 66-2-631-1983

PT. Tokyo Sangyo Indonesia

Indonesia Stock Exchange Tower 1Lt. 17 Suite 1707A, Jl. Sudirman Kav. 52-53, Jakarta Selatan 12190, Indonesia
Tel 62-21-515-1267, Fax 62-21-515-1268

Tokyo Sangyo, Inc.

1510 W 135th Street Gardena, CA 90249, U.S.A.

Tokyo Sangyo, Inc. Ohio Office

7577 Central Parke Blvd. Suite 213 Mason, OH 45040, U.S.A.
Tel 1-513-204-1679, Fax 1-513-204-1610

Tokyo Sangyo Machinery, S. A. de C. V.

Edificio Montecarlo Av. Las Americas #608-203 Fracc. La Fuente C.P. 20239 Aguascalientes, Ags. Mexico
Tel 52-449-915-5091, Fax 52-449-915-5315

Tokyo Sangyo Europe GmbH

An der Welle 4, 60322 Frankfurt/Main, Germany
Tel 49-69-7593-8556, Fax 49-69-7593-8200

History

April 1942

Establishment of Yamato Kikai Co.,Ltd. the forerunner of the current company a manufacturer and seller of machinery and equipment.

July 1947

With the breakup of the previous Mitsubishi corporation members of the Machinery Division take over the management of the company, and change the company name to TOKYO SANGYO CO.,LTD.

October 1947

With the support of Mitsubishi Group companies,beginning of domestic sales and the import-export of general industrial equipment and machinery.

August 1959

First listing on the Tokyo Stock Exchange as an OTC company.

March 1960

To diversify its product line, company makes equal-partner merger with Nikkyo Sangyo, a ship and shipping machinery importer-exporter. Main office moved to 2-6 Marunouchi, Chiyoda-Ku,Tokyo.

October 1961

First listing on the Tokyo Stock Exchange, Second Section.

July 1963

Main office moved to 3-2 Marunouchi, Chiyoda-Ku,Tokyo.

April 1977

Established Tokyo Sangyo Singapore (Pte) Ltd.

April 1996

Opened the Jakarta Representative office.

September 1996

First listing on the Tokyo Stock Exchange, First Section.

July 2003

Main office moved to No.16-4 2-Chome Konan Minato-Ku,Tokyo.

August 2006

Main office moved to 2-1, Otemachi 2-Chome Chiyoda-Ku,Tokyo.

August 2006

Opened the Bangkok Representative Office.

October 2006

Established TSC (Shanghai) Co.,Ltd.

July 2007

Integrated the Osaka Office and the Kobe Office and opened the Kansai Office.

October 2011

Established Tokyo Sangyo (Thailand) Co., Ltd.

December 2012

Established PT. Tokyo Sangyo Indonesia

April 2013

Established Tokyo Sangyo, Inc.

April 2014

Established TSC Machinery Co.,Ltd.

May 2014

Established Tokyo Sangyo Machinery, S.A. de C.V.

June 2014

Established Tokyo Sangyo Europe GmbH.

April 2016

Established Innovation of Social Environment Co., Ltd.

Corporate Profile

Name of the Company	Tokyo Sangyo Co.,Ltd.
Address	Shin-Otemachi Building, 2-1 Otemachi 2-chome, Chiyoda-Ku, Tokyo 100-0004, Japan
Date of Establishment	October 20, 1947
Capital Fund	3,443 million Japanese yen (the stock is listed on Tokyo stock Exchange, First Section)
Number of Employees	258
URL	http://www.tscom.co.jp/

Business Operations

Domestic and international sales of machinery, plant, materials, tools, chemicals and real estate renting operations.

Stock and Shareholders Information

Stock Information

(As of March 31, 2016)

Number of Shares Authorized	64,000,000 shares
Total Number of Shares Issued	28,678,486 shares (Includes 957,269 shares of treasury stock held by the Company)
Number of Shareholders	4,191

Major Shareholders

(As of March 31, 2016)

Name	Number of Shares held (Thousands)	Percentage of Share Ownership (%)
MITSUBISHI HITACHI POWER SYSTEMS,LTD.	3,913	14.1
Mitsubishi Corporation	3,849	13.9
CGML PB CLIENT ACCOUNT/COLLATERAL	2,125	7.7
Japan Trustee Services Bank, Ltd. (Trust account)	1,759	6.3
Mitsubishi Electric Corporation	1,026	3.7
The Master Trust Bank of Japan, Ltd (ESOP Trust account)	611	2.2
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	543	2.0
Meiji Yasuda Life Insurance Company	500	1.8
Mitsubishi Kakoki Kaisha, Ltd.	480	1.7
Tokyo Energy & Systems Inc.	461	1.7

note) In addition to the above, there are 957,269 shares (3.34%) of treasury shares held by the Company.

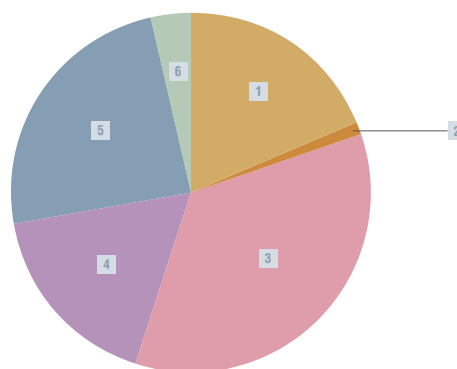
Directors and Corporate Auditors

(As of June 29, 2016)

Representative Director/President	Toshio Satomi
Senior Executive Director	Yuji Kanemaki
Managing Director	Hiroshi Ito
Managing Director	Takashi Sudo
Managing Director	Ichiro Ito
Director	Yoshiaki Yoneyama
Director	Minoru Kambara
Director	Yoshiki Fuse
Director	Osamu Kawaguchi
Director	Shozo Kaneko
Standing Corporate Auditor	Tamoji Negishi
Corporate Auditor	Yutaka Koide
Corporate Auditor	Seiko Fukuzaki

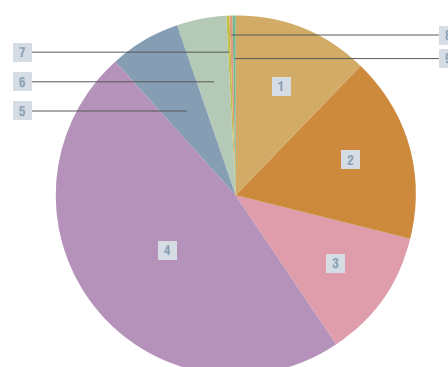
Distribution of Shares

(As of March 31, 2016)



Distribution of Shares by Type of Shareholder

Type of Shareholder	Number of Shares	Percentage
1 Financial Institutions	5,414,813	18.88%
2 Financial instruments business operators	272,101	0.95%
3 Other Companies	10,118,998	35.28%
4 Foreign Companies, etc.	4,913,574	17.13%
5 Individuals, Others	7,001,731	24.42%
6 Treasury Shares	957,269	3.34%



Distribution of Shares by Number of Shares Held

Number of Shares Held	Number of Shareholders	Percentage
1 Less than 1 unit	557	13.29%
2 1 or more units	1,037	24.74%
3 5 or more units	489	11.67%
4 10 or more units	1,678	40.04%
5 50 or more units	231	5.51%
6 100 or more units	158	3.77%
7 500 or more units	13	0.31%
8 1,000 or more units	19	0.45%
9 5,000 or more units	9	0.22%