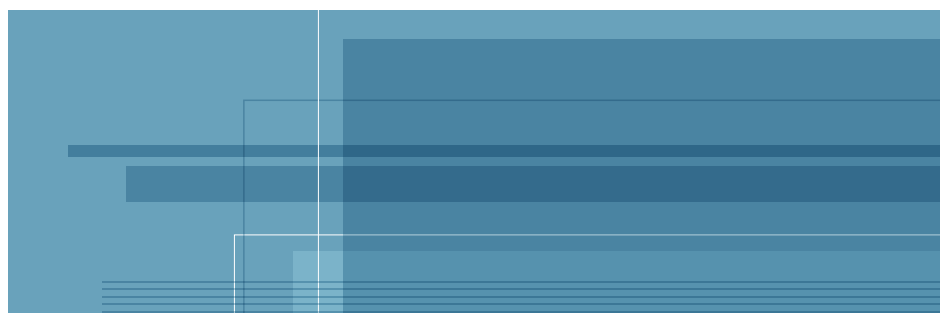


INVESTORS GUIDE 2017

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 successfully earned the trust of our customers while also making a contribution to society. We are truly grateful to our customers and all of our stakeholders for the assistance and support they have provided, without which we would never have celebrated our 70th anniversary.

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. We will also actively undertake CSR-based management while being fully aware of our corporate social responsibility and take various initiatives to establish the optimal internal control system.

Analysis of Operations

The Japanese economy during the fiscal year under review was on a gradual recovery trend as

corporate earnings as well as employment and income conditions stabilized; however, uncertainty still remains due to factors such as the economic trends in emerging countries such as China and resource-rich countries, issues surrounding the U.K.’s exit from the European Union (EU) and uncertainty with regard to the policies of the new U.S. administration.

Under such circumstances, for the fiscal year under review, the Company recorded a contract volume of 94,282 million yen, down 15,160 million yen (Δ 13.9%) from the previous fiscal year. Further, net sales decreased by 26,056 million yen (Δ 23.5%) from the previous fiscal year to 84,972 million yen. As a result, gross profit of 6,299 million yen, operating income of 1,354 million yen, ordinary income of 1,591 million yen and net income of 1,142 million yen were recorded.

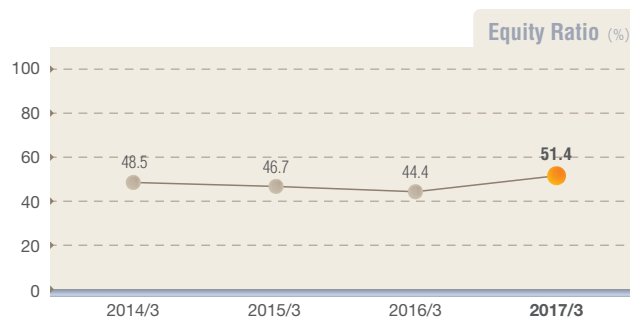
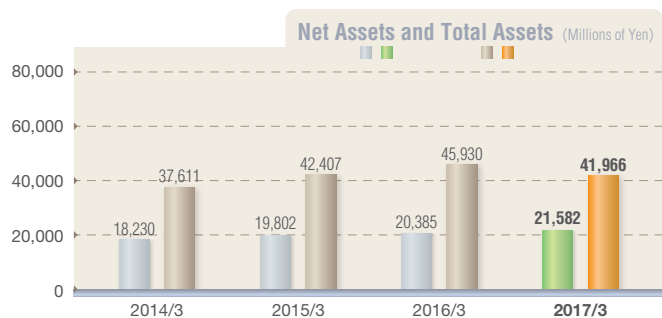
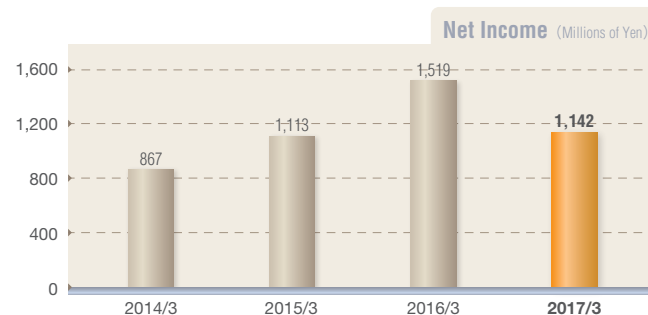
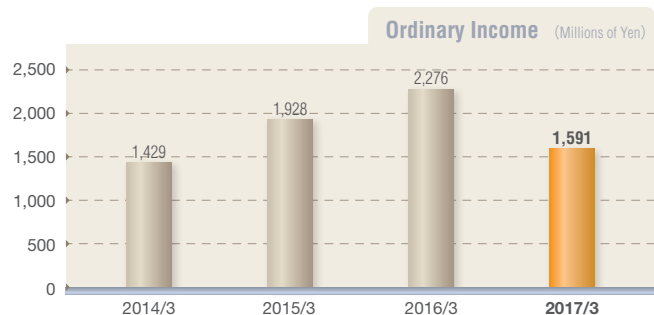
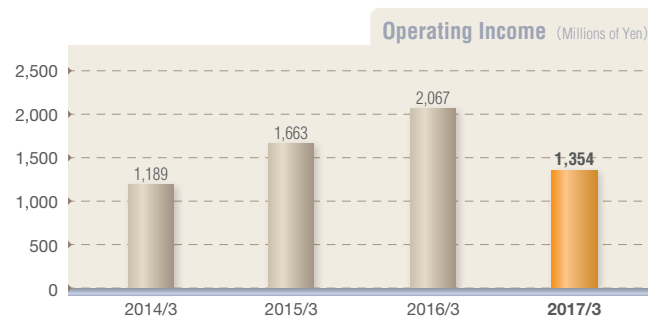
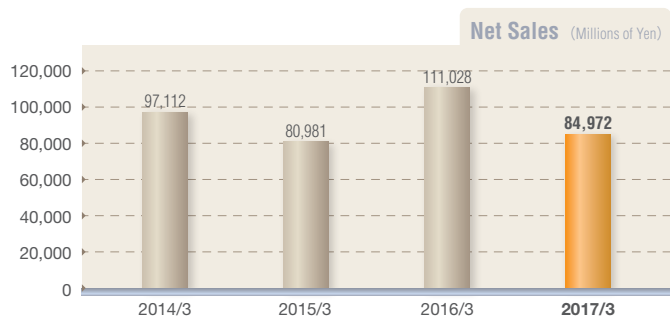
I would like to ask all of our stakeholders for your continued support and encouragement in the years to come.

President:
Toshio Satomi

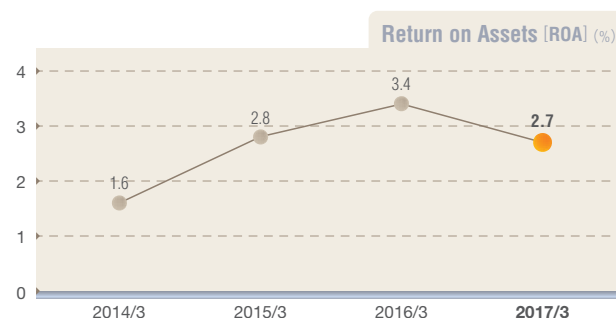
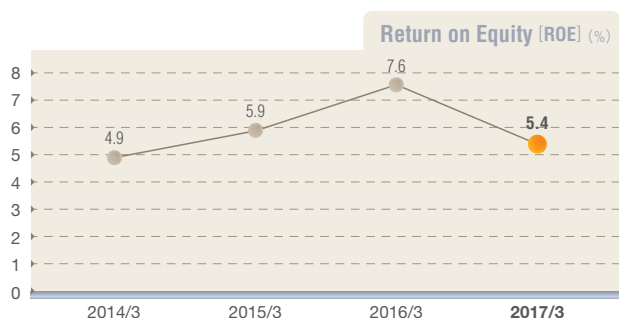


Non-Consolidated Financial Highlights

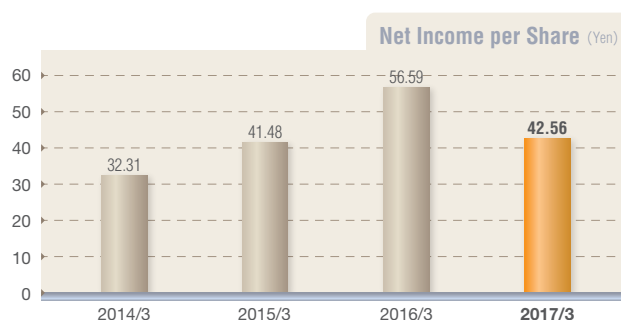
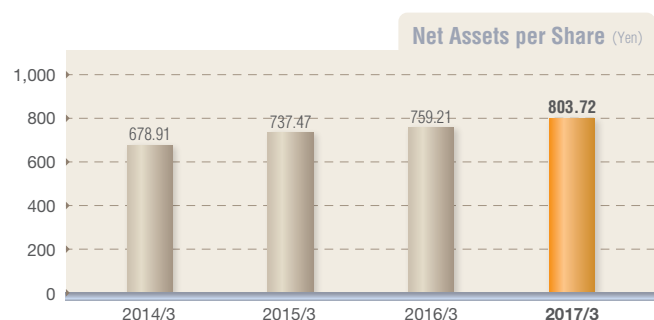
Result of Operation and Financial Condition



Profitability and Efficiency



Dividend Data



Overview of Operations by Segment

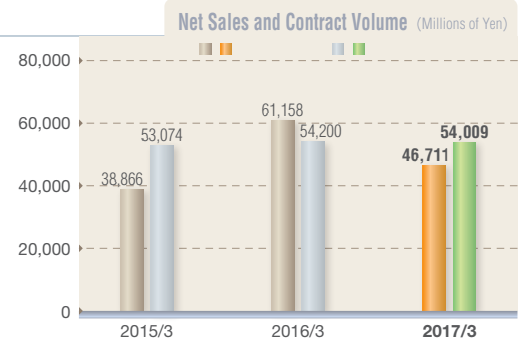
Electrical Power-related Segment

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 was broadly unchanged from the previous fiscal year with a decrease of 191 million yen ($\Delta 0.4\%$) to 54,009 million yen, as solid performance of the after-sales service business was maintained. Further, net sales decreased by 14,447 million yen ($\Delta 23.6\%$) from the previous fiscal year to 46,711 million yen, and an operating income of 675 million yen was recorded.



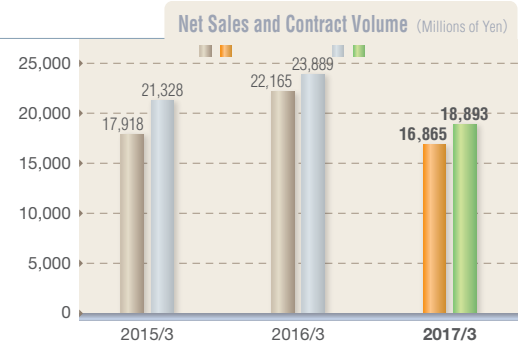
Chemical Machinery-related Segment

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

Although the renewable energy business continued to perform well, contract volume decreased by 4,995 million yen ($\Delta 20.9\%$) from the previous fiscal year to 18,893 million yen as large-scale plant construction ran its course, among other factors. Net sales also decreased by 5,299 million yen ($\Delta 23.9\%$) from the previous fiscal year to 16,865 million yen, and an operating income of 398 million yen was recorded.



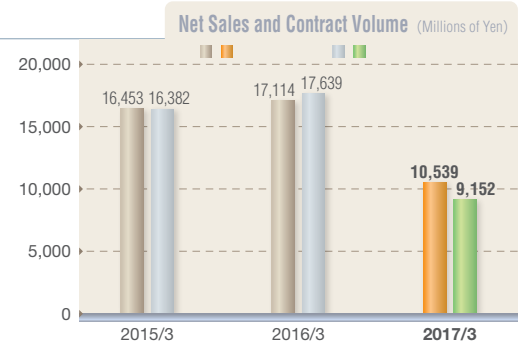
Precision & Electronic Machinery-related Segment

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 decreased by 8,487 million yen ($\Delta 48.1\%$) from the previous fiscal year to 9,152 million yen, attributable primarily to a lull in demand for smartphone-related machinery in China. Net sales also decreased by 6,575 million yen ($\Delta 38.4\%$) from the previous fiscal year to 10,539 million yen, and an operating income of 147 million yen was recorded.



Environment-related Segment

Description of Main Businesses

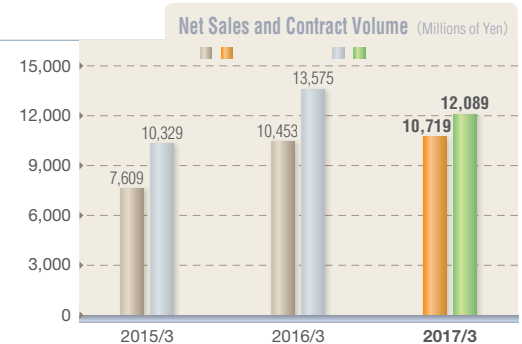
Energy & Environment Department: We select and provide the optimal equipment and products to meet the "energy-saving," "CO2 reduction," and "energy cost reduction" needs of our customers. We also provide a broad spectrum of support services to environment-related businesses ranging from the planning 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 decreased by 1,485 million yen ($\Delta 10.9\%$) from the previous fiscal year to 12,089 million yen mainly due to a decrease in major projects, although orders received for polyethylene packaging materials for convenience stores and supermarkets showed steady growth. Net sales increased by 266 million yen (2.6%) from the previous fiscal year to 10,719 million yen, and an operating income of 61 million yen was recorded.



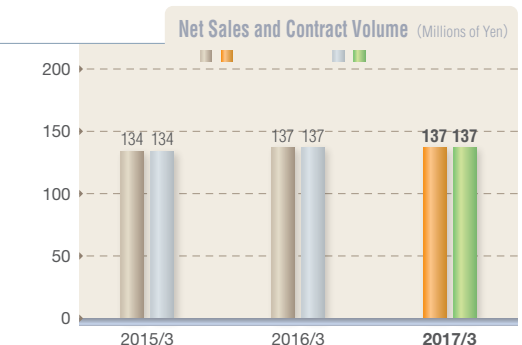
Others

Description of Main Businesses

We are engaged in the leasing of real estate.

Overview of Operations for the Current Fiscal Year

Contract volume and net sales were each 137 million yen, both approximately the same as the previous fiscal year, and an operating income of 71 million yen was recorded.



Non-Consolidated Statement of Financial Position

	(Millions of Yen)	
	2016	2017
Assets		
Current assets		
Cash and deposits	5,569	6,432
Notes receivable - trade	1,945	1,022
Electronically recorded monetary claims - operating	753	2,174
Accounts receivable - trade	21,222	16,892
Operating accounts receivable	490	302
Lease investment assets	0	—
Securities	2,400	1,000
Beneficiary right of accounts receivable in trust	699	199
Merchandise	1,215	315
Advance payments - trade	241	222
Prepaid expenses	173	138
Accounts receivable - other	54	42
Deferred tax assets	188	144
Derivatives	5	49
Other	24	24
Allowance for doubtful accounts	(14)	(12)
Total current assets	34,970	28,949
Non-current assets		
Property, plant and equipment		
Buildings	2,204	2,222
Accumulated depreciation and impairment loss	(1,117)	(1,189)
Buildings, net	1,087	1,032
Machinery and equipment	369	369
Accumulated depreciation	(141)	(186)
Machinery and equipment, net	228	183
Tools, furniture and fixtures	910	919
Accumulated depreciation	(626)	(448)
Tools, furniture and fixtures, net	283	470
Land	626	626
Leased assets	42	42
Accumulated depreciation	(18)	(27)
Leased assets, net	23	15
Solar power generation assets	727	1,643
Accumulated depreciation	(35)	(84)
Solar power generation assets, net	691	1,559
Construction in progress	533	1,105
Total property, plant and equipment	3,474	4,993
Intangible assets		
Patent right	0	0
Software	19	46
Leased assets	195	129
Other	3	3
Total intangible assets	218	181
Investments and other assets		
Investment securities	4,790	4,975
Shares of subsidiaries and associates	181	300
Investments in capital of subsidiaries and associates	287	287
Long-term loans receivable	3	3
Long-term loans receivable from subsidiaries and associates	—	15
Long-term loans receivable from employees	11	9
Golf club membership	91	91
Prepaid pension cost	1,496	1,765
Other	413	402
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	7,267	7,841
Total non-current assets	10,960	13,016
Total assets	45,930	41,966

	(Millions of Yen)	
	2016	2017
Liabilities		
Current liabilities		
Notes payable - trade	2,370	1,465
Accounts payable - trade	6,778	3,808
Accounts payable - consignment	11,228	10,049
Operating accounts payable	69	41
Short-term loans payable	1,570	1,570
Lease obligations	108	116
Accounts payable - other	228	153
Income taxes payable	441	308
Accrued expenses	92	81
Advances received	467	285
Deposits received	44	40
Provision for bonuses	309	311
Provision for directors' bonuses	50	40
Deferred installment income	23	17
Derivatives liabilities	94	16
Other	5	45
Total current liabilities	23,882	18,353
Non-current liabilities		
Long-term loans payable	—	20
Lease obligations	753	756
Provision for directors' retirement benefits	44	44
Provision for loss on guarantees	17	13
Provision for employee stock ownership plan trust	33	70
Provision for management board incentive plan trust	15	31
Long-term guarantee deposited	94	94
Deferred tax liabilities	687	906
Deferred tax liabilities for land revaluation	16	16
Other	—	78
Total non-current liabilities	1,661	2,030
Total liabilities	25,544	20,383
Net assets		
Shareholders' equity		
Capital stock	3,443	3,443
Capital surplus		
Legal capital surplus	2,655	2,655
Other capital surplus	166	166
Total capital surpluses	2,821	2,821
Retained earnings		
Legal retained earnings	385	385
Other retained earnings		
General reserve	7,113	7,113
Reserve for special depreciation	50	41
Reserve for reduction entry	40	40
Retained earnings brought forward	6,295	7,031
Total retained earnings	13,885	14,612
Treasury shares	(705)	(704)
Total shareholders' equity	19,445	20,172
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	965	1,354
Deferred gains or losses on hedges	(61)	17
Revaluation reserve for land	36	36
Total valuation and translation adjustments	940	1,409
Total net assets	20,385	21,582
Total liabilities and net assets	45,930	41,966

Non-Consolidated Income Statement

	2016	2017
(Millions of Yen)		
Net sales		
Net sales of goods	104,778	80,002
Net sales of finished construction	5,358	3,695
Agency commission income	891	1,274
Total net sales	111,028	84,972
Cost of sales		
Beginning goods	853	1,215
Cost of purchased goods	99,613	74,262
Total	100,466	75,478
Ending goods	1,215	315
Cost of goods sold	99,250	75,162
Cost of construction sales	5,068	3,510
Total cost of sales	104,319	78,673
Gross profit	6,709	6,299
Reversal of unrealized income on installment sales	3	5
Gross profit - net	6,713	6,305
Selling, general and administrative expenses	4,645	4,950
Operating profit	2,067	1,354
Non-operating income		
Interest income	2	2
Interest on securities	22	13
Dividend income	173	159
Land and house rent received	48	55
Foreign exchange gains	—	36
Other	33	19
Total non-operating income	280	287
Non-operating expenses		
Interest expenses	18	45
Foreign exchange losses	48	—
Other	4	5
Total non-operating expenses	71	50
Ordinary profit	2,276	1,591
Extraordinary income		
Gain on sales of non-current assets	5	—
Gain on sales of investment securities	1	78
Other	0	—
Total extraordinary income	7	78
Extraordinary losses		
Loss on disposal of non-current assets	0	2
Loss on sales of non-current assets	—	0
Loss on valuation of shares of subsidiaries and associates	61	—
Loss on valuation of golf club membership	8	—
Impairment loss	—	4
Other	1	—
Total extraordinary losses	71	6
Profit before income taxes	2,212	1,663
Income taxes - current	668	465
Income taxes - deferred	25	55
Total income taxes	693	520
Profit	1,519	1,142

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

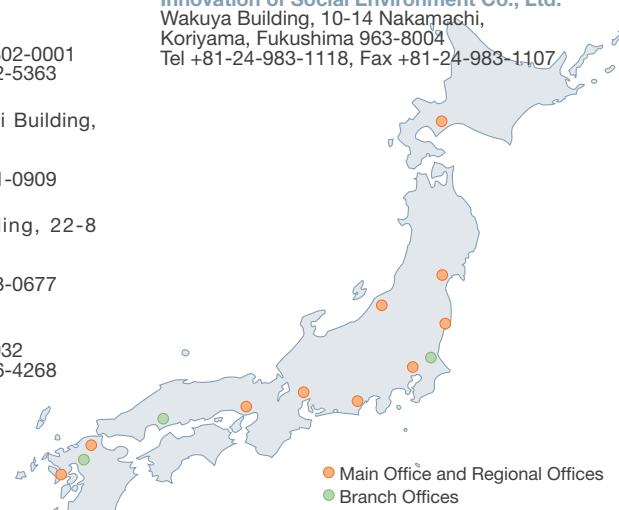
Subsidiary Company

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



Overseas Offices and Locations of Local Representatives

Taipei Branch

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

Ho Chi Minh Representative Office

46th Floor, Bitexco Financial Tower, No.2 Hai Trieu Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Tel 84-28-6287-5905, Fax 84-28-6287-6045

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

(As of July 31, 2017)

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.

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.

July 2017

Opened the Ho Chi Minh Representative Office.

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	266
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, 2017)

Number of Shares Authorized	64,000,000 shares
Total Number of Shares Issued	28,678,486 shares (Includes 957,720 shares of treasury stock held by the Company)
Number of Shareholders	4,188

Major Shareholders

(As of March 31, 2017)

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	2,294	8.3
Japan Trustee Services Bank, Ltd. (Trust account)	1,853	6.7
Mitsubishi Electric Corporation	1,026	3.7
The Master Trust Bank of Japan, Ltd (ESOP Trust account)	609	2.2
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	543	2.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	506	1.8
Meiji Yasuda Life Insurance Company	500	1.8
Mitsubishi Kakoki Kaisha, Ltd.	480	1.7

note) In addition to the above, there are 957,720 shares (3.34%) of treasury shares held by the Company.

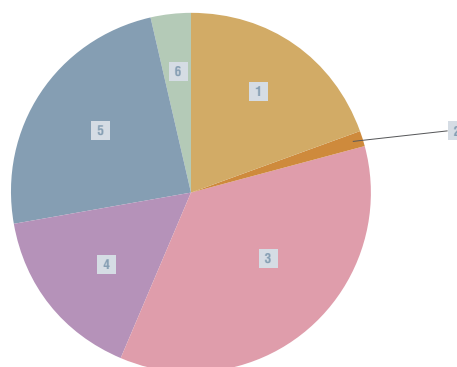
Directors and Corporate Auditors

(As of June 29, 2017)

Representative Director/President & CEO	Toshio Satomi
Director, Senior Executive Managing Officer	Takashi Sudo
Director, Executive Managing Officer	Yoshiaki Yoneyama
Director, Executive Managing Officer	Minoru Kambara
Director, Senior Managing Officer	Masaki Okawara
Director, Audit & Supervisory Committee Member (Standing)	Tamoji Negishi
Director, Audit & Supervisory Committee Member	Yutaka Koide
Director, Audit & Supervisory Committee Member	Seiko Fukuzaki

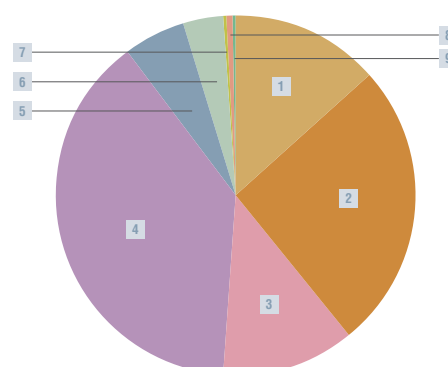
Distribution of Shares

(As of March 31, 2017)



Distribution of Shares by Type of Shareholder

Type of Shareholder	Number of Shares	Percentage
1 Financial Institutions	5,632,523	19.64%
2 Financial instruments business operators	391,350	1.36%
3 Other Companies	10,155,680	35.41%
4 Foreign Companies, etc.	4,536,489	15.82%
5 Individuals, Others	7,004,724	24.43%
6 Treasury Shares	957,720	3.34%



Distribution of Shares by Number of Shares Held

Number of Shares Held	Number of Shareholders	Percentage
1 Less than 1 unit	567	13.54%
2 1 or more units	1,075	25.67%
3 5 or more units	504	12.03%
4 10 or more units	1,619	38.66%
5 50 or more units	227	5.42%
6 100 or more units	156	3.72%
7 500 or more units	15	0.36%
8 1,000 or more units	15	0.36%
9 5,000 or more units	10	0.24%