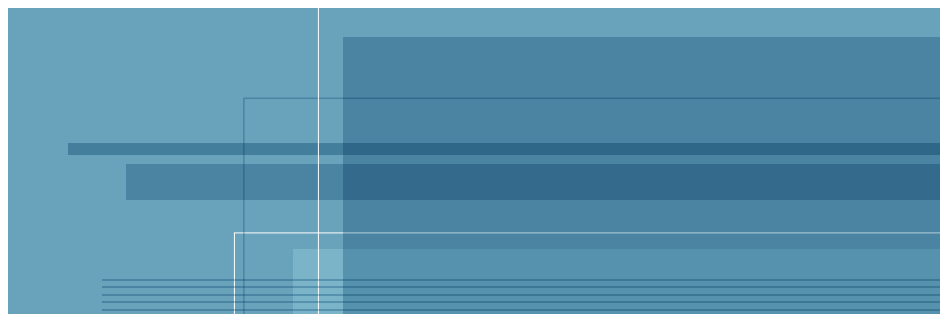


INVESTORS GUIDE 2019

TOKYO SANGYO CO., LTD.



Message from the President

We would like to express our heartfelt appreciation to all of our stakeholders for their support and cooperation.

The Japanese economy during the last fiscal year was on a gradual recovery trend on the back of the continuation of the Japanese government's economic policies and the Bank of Japan's monetary easing policies, despite the impact of the slowdown of the global economy.

On the other hand, the outlook of the global economy still remains uncertain because of several factors, including U.S.-China trade frictions and the economic slowdown in China, as well as the rise of populism in the EU and the issue of the UK's exit from the EU.

For the last fiscal year, the Company recorded net sales in the amount of 125,549 million yen, gross profit of 7,615 million yen, ordinary profit of 2,573 million yen and net profit of 1,745 million yen, achieving record-high profit for two consecutive fiscal years.

The fiscal year ending March 31, 2020, is the final year of the three-year mid-term business plan, which was formulated as the first phase of the long-term plan with an eye on our 80th anniversary.

We will continue to execute the following growth business strategies steadily:

- (i) Meet various kinds of energy-related needs;
- (ii) Follow up on manufacturing innovation;
- (iii) Develop new business initiatives;
- (iv) Enhance global businesses; and
- (v) Reinforce organizational strengths through human resource development, with the aim of accomplishing the mid-term business plan and achieving record-high profit for three consecutive fiscal years.

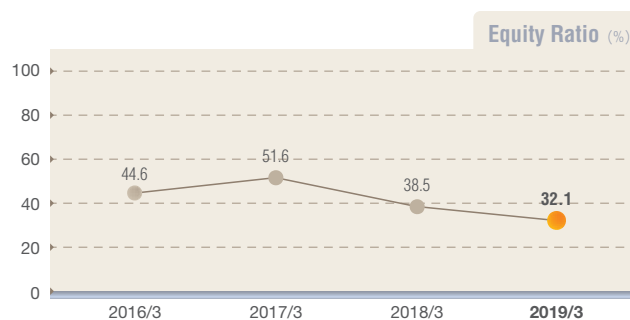
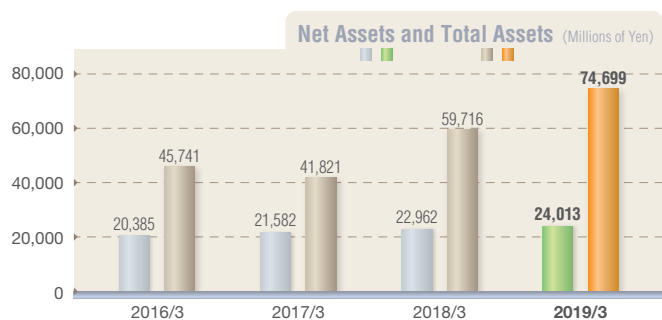
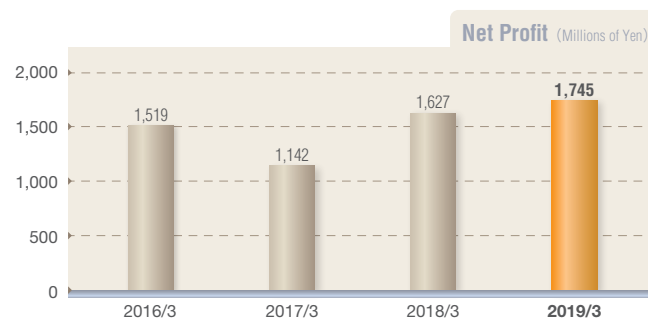
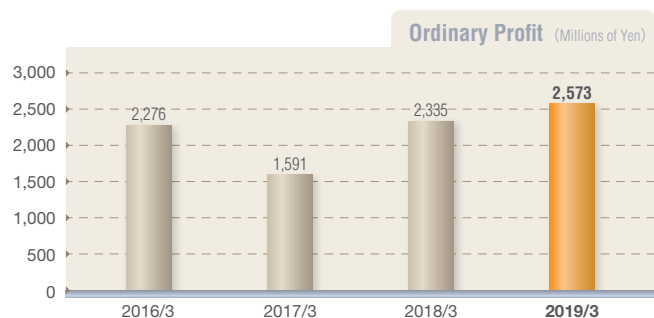
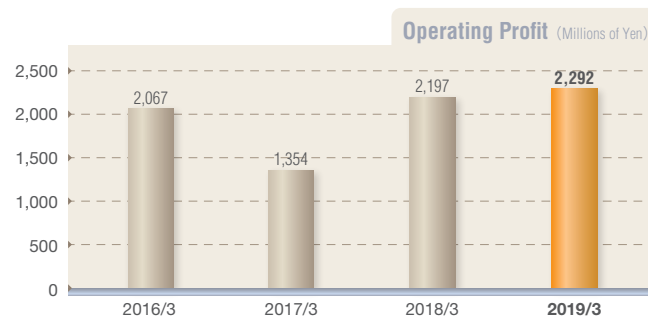
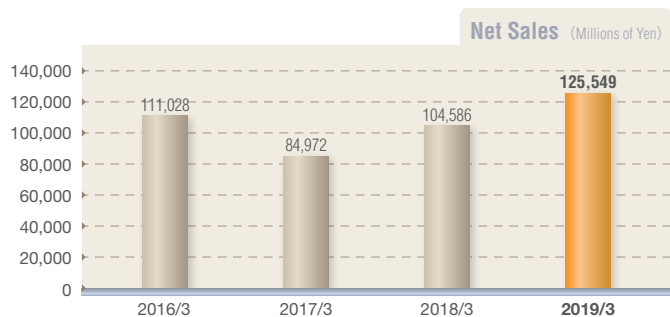
We would like to ask all of our stakeholders for their continued support and cooperation in the future.

President:
Toshio Satomi

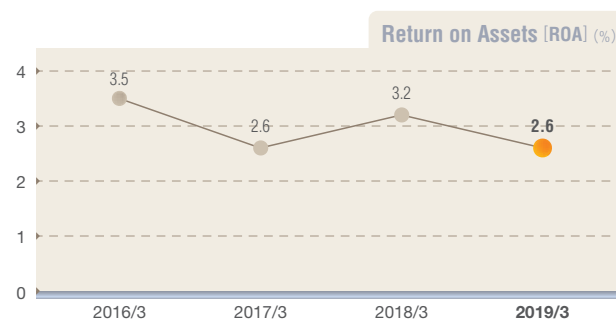
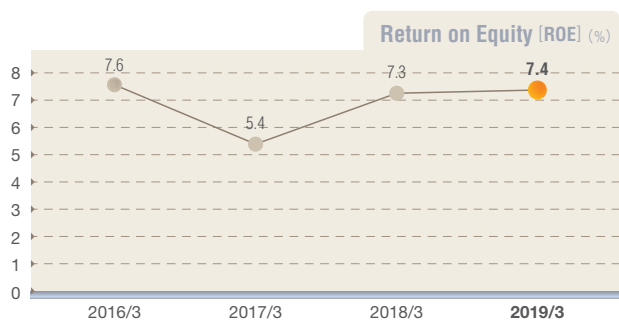


Non-Consolidated Financial Highlights

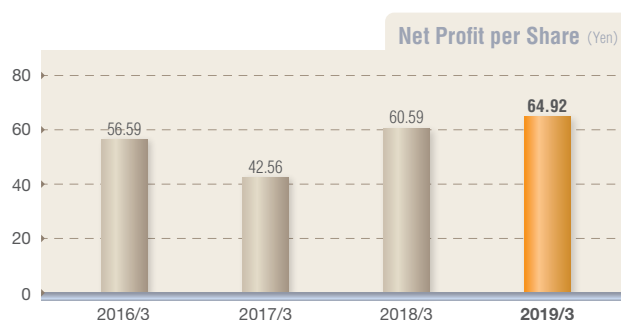
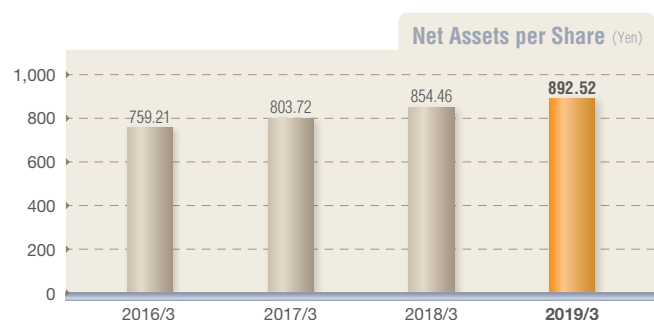
Result of Operation and Financial Condition



Profitability and Efficiency



Dividend Data



Overview of Operations by Segment

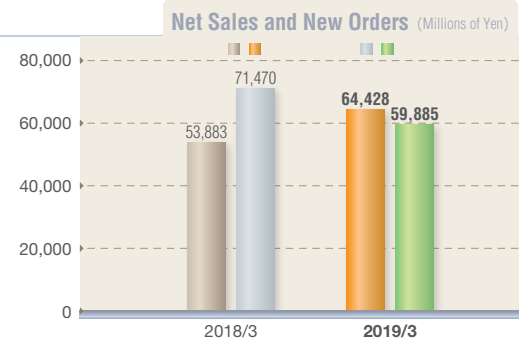
Electric power business Segment

Main products and services

Equipment related to thermal power plants, peripheral equipment for nuclear power plants, equipment related to wind power generation, industrial turbine equipment and construction work transactions, transmission and transformation equipment, electricity information communication equipment, equipment related to hydroelectric power plants, structures for electric power, hydraulic power and other environment-related equipment, engine generators, etc.

Overview of Operations for the Current Fiscal Year

Amount of new orders received decreased by 11,584 million yen (down 16.2%) from the previous fiscal year to 59,885 million yen, due to the reactionary drop in orders received for large-scale biomass-related construction work. On the other hand, net sales increased by 10,545 million yen (up 19.6%) from the previous fiscal year to 64,428 million yen, and an operating profit of 607 million yen was recorded.



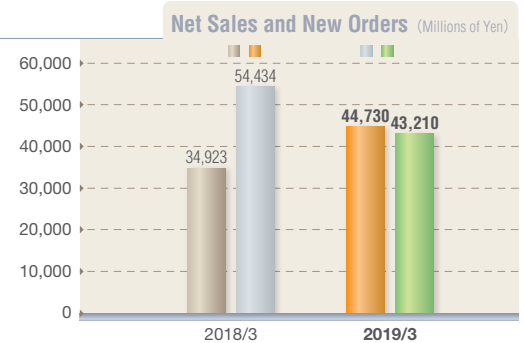
Environment and chemical machinery business Segment

Main products and services

Plants, machinery and equipment for chemical, petroleum refinery, pharmaceutical, textile, rubber and non-ferrous metal industries, Solar power generation business and solar panel sale and installation operations, construction, refurbishing and repair of ships, sale and import of ship/land equipment, polyethylene pipe-related equipment, transactions involving equipment related to construction work based on trenchless technology, ice-making machinery and ice sale, etc., environment-related equipment such as waste incinerators (for general and industrial purposes), wood power generation, biomass-related facilities, hydrated lime, systems for reducing volume of radiation-contaminated soil, plant facilities for food manufacturing industry, various food manufacturing facilities, air conditioning and refrigeration facilities, etc.

Overview of Operations for the Current Fiscal Year

Amount of new orders received decreased by 11,223 million yen (down 20.6%) from the previous fiscal year to 43,210 million yen mainly due to the decrease in orders received for the construction of large-scale Solar power generation plants. On the other hand, net sales increased by 9,807 million yen (up 28.1%) from the previous fiscal year to 44,730 million yen, due to the operation of Solar power-related business for which orders had been already received and the delivery of large-scale shield machine projects remaining at a high level, and an operating profit of 1,272 million yen was recorded.



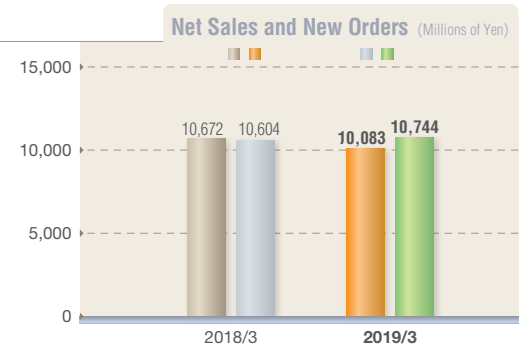
Precision and electronic machinery business Segment

Main products and services

Machine tools, die-cast machines and peripheral equipment, shape measuring instruments, gear testing machines, 3D measuring machines, industrial robots, factory automation systems, automatic assembly machines, painting facilities, cleaning devices, solvent recovery devices, crushing facilities, stripping machines, sorting machines, etc.

Overview of Operations for the Current Fiscal Year

Amount of new orders received increased by 140 million yen (up 1.3%) from the previous fiscal year to 10,744 million yen thanks to the solid performance of automobile-related contracts in Japan and overseas. Net sales decreased by 589 million yen (down 5.5%) from the previous fiscal year to 10,083 million yen, and an operating profit of 127 million yen was recorded.



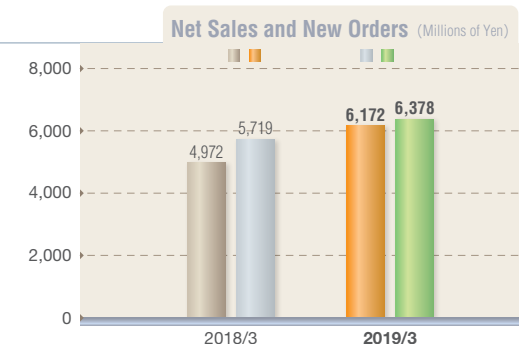
Lifestyle business Segment

Main products and services

Water-saving automatic toilet flushing devices, checkout bags, fashion bags, waste collection bags, etc.

Overview of Operations for the Current Fiscal Year

Amount of new orders received increased by 659 million yen (up 11.5%) from the previous fiscal year to 6,378 million yen, due to the steady growth of orders received for packaging materials for convenience stores and supermarkets. Net sales increased by 1,200 million yen (up 24.1%) from the previous fiscal year to 6,172 million yen, and an operating profit of 216 million yen was recorded.



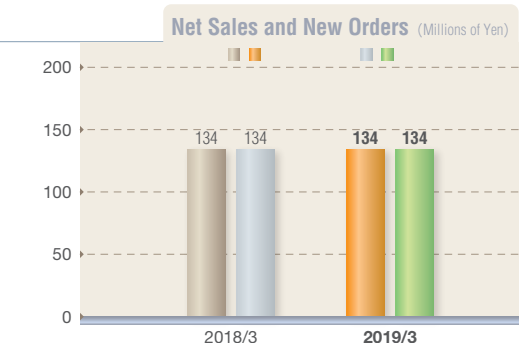
Others

Main products and services

Management in the leasing of real estate. Administration, etc. of the Company-owned buildings.

Overview of Operations for the Current Fiscal Year

Amount of new orders received and net sales were more or less the same in amount as in the previous year at 134 million yen each, and an operating profit of 68 million yen was recorded.



Non-Consolidated Statement of Financial Position

	(Millions of Yen)	
	2018	2019
Assets		
Current assets		
Cash and deposits	12,114	5,424
Notes receivable - trade	2,453	1,335
Electronically recorded monetary claims - operating	1,384	1,926
Accounts receivable - trade	23,673	34,396
Operating accounts receivable	341	350
Beneficiary right of accounts receivable in trust	2,099	2,200
Merchandise	745	1,210
Advance payments - trade	1,573	9,506
Prepaid expenses	195	207
Accounts receivable - other	13	10
Derivatives	3	40
Other	34	142
Allowance for doubtful accounts	(13)	(14)
Total current assets	44,621	56,737
Non-current assets		
Property, plant and equipment		
Buildings	2,239	2,259
Accumulated depreciation and impairment loss	(1,256)	(1,324)
Buildings, net	982	935
Machinery and equipment	352	352
Accumulated depreciation	(272)	(291)
Machinery and equipment, net	79	60
Tools, furniture and fixtures	930	1,147
Accumulated depreciation	(404)	(462)
Tools, furniture and fixtures, net	525	685
Land	626	626
Leased assets	41	13
Accumulated depreciation	(30)	(4)
Leased assets, net	11	8
Solar power generation assets	2,791	3,693
Accumulated depreciation	(193)	(373)
Solar power generation assets, net	2,597	3,319
Construction in progress	1,721	1,598
Total property, plant and equipment	6,545	7,234
Intangible assets		
Patent right	0	0
Software	40	35
Leased assets	72	20
Other	3	4
Total intangible assets	116	60
Investments and other assets		
Investment securities	5,105	6,986
Shares of subsidiaries and associates	300	375
Investments in capital of subsidiaries and associates	289	396
Long-term loans receivable	3	3
Long-term loans receivable from subsidiaries and associates	11	-
Long-term loans receivable from employees	8	8
Golf club membership	91	91
Prepaid pension cost	2,108	2,261
Derivatives liabilities	—	23
Other	522	529
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	8,432	10,667
Total non-current assets	15,095	17,962
Total assets	59,716	74,699

	(Millions of Yen)	
	2018	2019
Liabilities		
Current liabilities		
Notes payable - trade	2,571	2,357
Accounts payable - trade	5,526	6,034
Accounts payable - consignment	14,189	23,733
Operating accounts payable	58	22
Short-term loans payable	1,570	1,447
Lease obligations	112	57
Accounts payable - other	316	248
Income taxes payable	498	464
Accrued expenses	101	95
Advances received	6,228	10,775
Deposits received	48	48
Provision for bonuses	329	334
Provision for directors' bonuses	50	55
Deferred installment income	12	-
Derivatives liabilities	65	2
Other	37	88
Total current liabilities	31,716	45,766
Non-current liabilities		
Long-term loans payable	3,010	2,812
Lease obligations	717	666
Provision for directors' retirement benefits	24	24
Provision for loss on guarantees	8	4
Provision for employee stock ownership plan trust	116	155
Provision for management board incentive plan trust	49	56
Long-term guarantee deposited	93	97
Deferred tax liabilities	873	817
Deferred tax liabilities for land revaluation	16	16
Other	126	269
Total non-current liabilities	5,036	4,920
Total liabilities	36,753	50,686
Net assets		
Shareholders' equity		
Capital stock	3,443	3,443
Capital surplus		
Legal capital surplus	2,655	2,655
Other capital surplus	166	167
Total capital surpluses	2,821	2,822
Retained earnings		
Legal retained earnings	385	385
Other retained earnings		
General reserve	7,113	7,113
Reserve for special depreciation	32	23
Reserve for reduction entry	40	40
Retained earnings brought forward	8,253	9,453
Total retained earnings	15,824	17,015
Treasury shares	(693)	(678)
Total shareholders' equity	21,395	22,603
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,574	1,397
Deferred gains or losses on hedges	(43)	(24)
Revaluation reserve for land	36	36
Total valuation and translation adjustments	1,567	1,410
Total net assets	22,962	24,013
Total liabilities and net assets	59,716	74,699

Non-Consolidated Income Statement

	2018	2019
(Millions of Yen)		
Net sales		
Net sales of goods	99,173	115,258
Net sales of finished construction	4,114	9,223
Agency commission income	1,298	1,066
Total net sales	104,586	125,549
Cost of sales		
Beginning goods	315	745
Cost of purchased goods	93,825	109,912
Total	94,141	110,658
Ending goods	745	1,210
Cost of goods sold	93,395	109,447
Cost of construction sales	3,890	8,486
Total cost of sales	97,285	117,934
Gross profit	7,300	7,615
Reversal of unrealized income on installment sales	5	12
Gross profit - net	7,306	7,627
Selling, general and administrative expenses	5,109	5,334
Operating profit	2,197	2,292
Non-operating income		
Interest income	3	4
Interest on securities	10	8
Dividend income	183	214
Land and house rent received	56	58
Foreign exchange gains	—	21
Subsidy income	4	28
Other	27	26
Total non-operating income	286	361
Non-operating expenses		
Interest expenses	48	69
Foreign exchange losses	37	—
Commission fee	52	—
Other	10	11
Total non-operating expenses	148	80
Ordinary profit	2,335	2,573
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	26	0
Insurance income	88	0
Compensation income	52	—
Total extraordinary income	167	0
Extraordinary losses		
Loss on disaster	33	—
Loss on disposal of non-current assets	25	0
Loss on reduction of non-current assets	15	—
Impairment loss	65	—
Other	—	0
Total extraordinary losses	138	0
Profit before income taxes	2,364	2,574
Income taxes - current	694	814
Income taxes - deferred	42	14
Total income taxes	736	828
Profit	1,627	1,745

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

Rokkasho Sub-Branch

Mutsuogawahara Building, 1-35, Obuchinozuki, Rokkashomura, Kamikitagun, Aomori 039-3212

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

Wakuya Building, 10-14 Nakamachi, Koriyama, Fukushima 963-8004

Fukushima Iwaki Sub-Branch

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

Kashima Sub-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

Shizuoka Fuji Sub-Branch

KAYA Building, 80-1 1-chome, Nagatacho, Fuji-shi, Shizuoka 417-0055

Shizuoka Hamamatsu Sub-Branch

Hamamatsu Daiichi Seimei Nittsu Building, 110-5 Itayamachi, Naka-ku, Hamamatsu-shi, Shizuoka 430-0928
Tel +81-53-413-2002, Fax +81-53-413-2007

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 Office

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 Sub-Branch

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 Sub-Branch

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

I·A·H CO., LTD.

196, Higashisakata, Habikino-shi, Osaka 583-0846
Tel +81-72-957-2163, Fax +81-72-957-2164

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

Madagascar Liaison Office

Lot 187 A Plle 14/33 Morafeno Atsinanana 501 Toamasina I Madagascar

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, VILLI International Bldg, No.167, LinHexi Rd, Tian He Dist, Guangzhou 510000, P.R.China

Pinghu Office (TSC (Shanghai) Corp.)

Room2113, 288 Changsheng Pinghu, Economic Development Zone, Zhejiang 314200, 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

Tokyo Sangyo Asia Trading Co., Ltd.

323, United Center Building, Unit 2901, 29Floor, 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 Machinery, S.A.de C.V. Queretaro Branch

Blvd. De las Ciencias 3015 Int. 403 Santa Fe, Santiago de Querétaro, Qro. CP. 76230
Tel 52-442-241-5964

Tokyo Sangyo Europe GmbH

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

Tokyo Sangyo Vietnam Co., Ltd.

Unit 606, 6th floor, Block A1, Indochina Plaza Hanoi, 241 Xuan Thuy str., Dich Vong Hau ward, Cau Giay district, Hanoi, Vietnam
Tel 84-24-6256-0671, Fax 84-24-6263-5077

Tokyo Sangyo Vietnam Co., Ltd. Ho Chi minh City Branch

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

(As of July 31, 2019)

History

April 1942

Establishment of Yamato Kikai Co.,Ltd. a manufacturer and seller of machinery and equipment. The origin of the Company.

July 1947

With the dissolution of the former Mitsubishi corporation members of the Machinery Division take over the management of Yamato Kikai Co.,Ltd, and change the company name to TOKYO SANGYO CO.,LTD.

October 1947

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

August 1959

Listed on the Tokyo Stock Exchange as an OTC company.

March 1960

Merged with Nikkyo Sangyo, a ship and shipping machinery importer-exporter. Main office moved to 2-6 Marunouchi, Chiyoda-Ku, Tokyo.

October 1961

Listed 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

Listed 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.

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.

November 2017

Established Tokyo Sangyo Asia Trading Co., Ltd.

April 2018

Acquired 100% ownership of I·A·H CO., LTD.

June 2018

Established Tokyo Sangyo Vietnam Co., Ltd.

December 2018

Opened Madagascar Liaison 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	281
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, 2019)

Number of Shares Authorized	64,000,000 shares
Total Number of Shares Issued (Includes 958,429 shares of treasury stock held by the Company)	28,678,486 shares
Number of Shareholders	4,926

Major Shareholders

(As of March 31, 2019)

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	2,321	8.4
Japan Trustee Services Bank, Ltd. (Trust Account)	1,970	7.1
Mitsubishi Electric Corporation	1,026	3.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	832	3.0
The Master Trust Bank of Japan, Ltd. (Stock Grant ESOP Trust Account)	585	2.1
DFA INTL SMALL CAP VALUE PORTFOLIO	576	2.1
Meiji Yasuda Life Insurance Company	500	1.8
Mitsubishi Kakoki Kaisha, Ltd.	480	1.7

Note: The shareholder equity ratio was calculated after deducting treasury shares (958,964 shares).

Directors and Corporate Auditors

(As of June 28, 2019)

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

Distribution of Shares by Type of Shareholder

(As of March 31, 2019)

