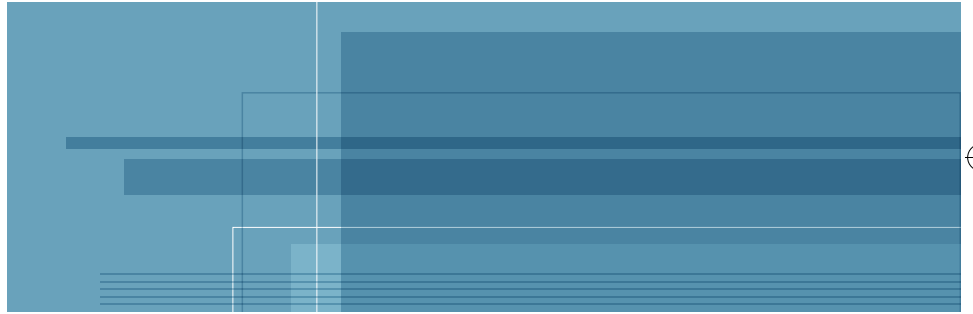


INVESTORS' GUIDE 2023

TOKYO SANGYO CO., LTD.



Message from the President

In the past, in the future, our goal is to be trusted by our customers and to make a contribution.

Dear Stakeholder

I would like to thank you for your continued support.

We, Tokyo Sangyo Co., Ltd., as a general trading company dealing in machinery, always develop and operate business activities with our corporate philosophy of “Trust” and “Contribution”, since being founded in 1947. Specifically, by closely aligning our sales activities to our customers swiftly proposing solutions and providing optimal products to meet their needs, we have successfully earned the trust of our customers while also making a contribution to society.

We have a plan to gain a status as a machinery trading company with strengths in the environmental and energy sectors by 2027, our 80th anniversary. Developing our renewable energy business as well as environmental business, we will work on SDGs and achieve further growth.

To further strengthen a corporate governance which can quickly adapt to severe business environment changes, we will take various kinds of measures such as developing human resources, organizing IT system and optimizing internal controls.

I will make a best effort to meet your expectations and your continuous guidance and support will be highly appreciated.

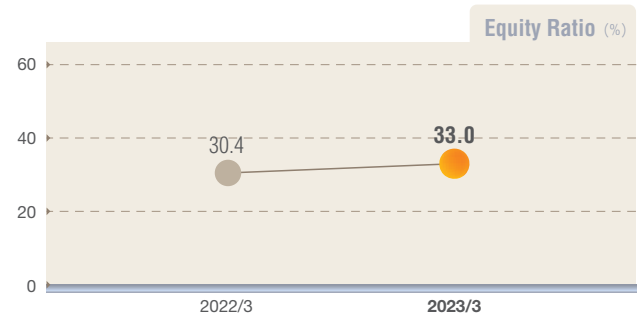
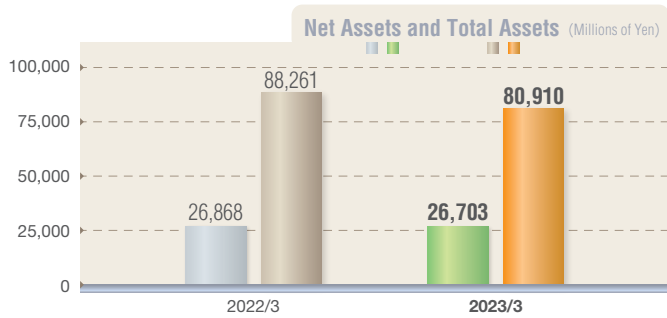
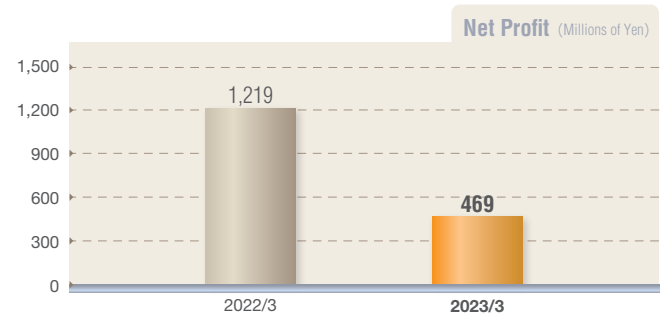
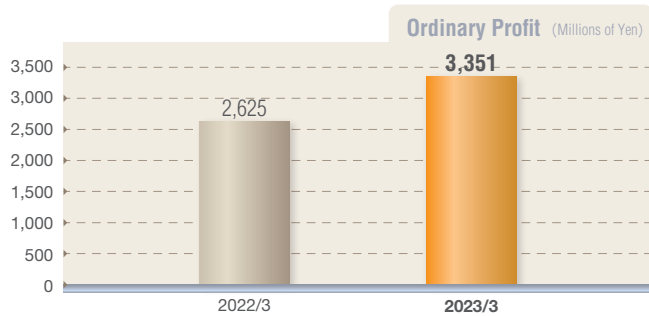
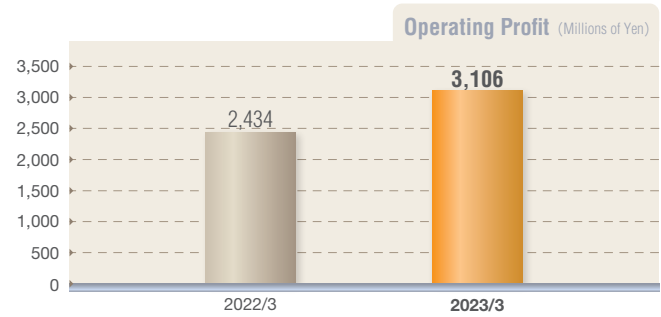
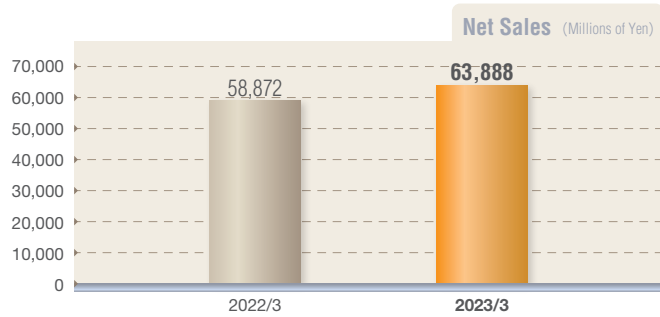
President:

Minoru kambara

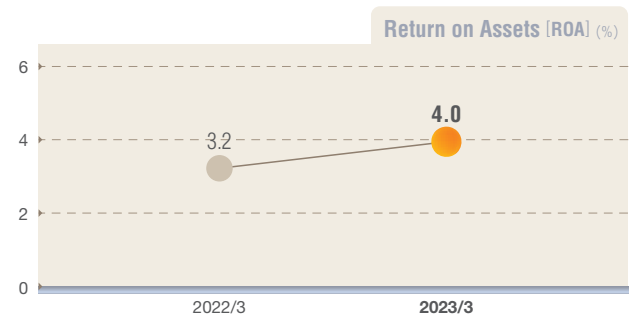
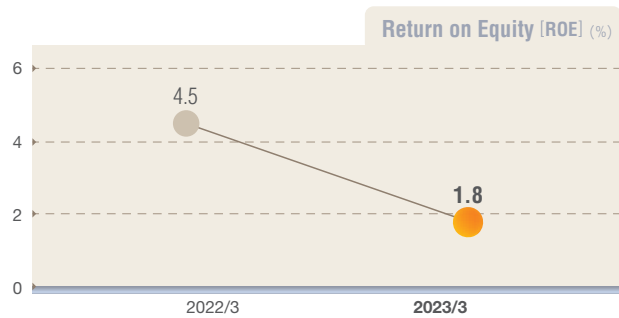


Consolidated Financial Highlights

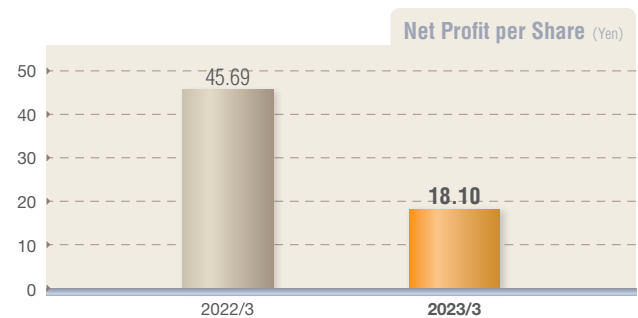
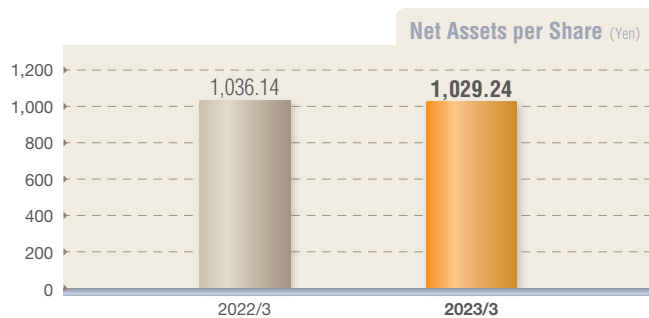
I Result of Operation and Financial Condition



I Profitability and Efficiency



I Dividend Data



Overview of Operations by Segment

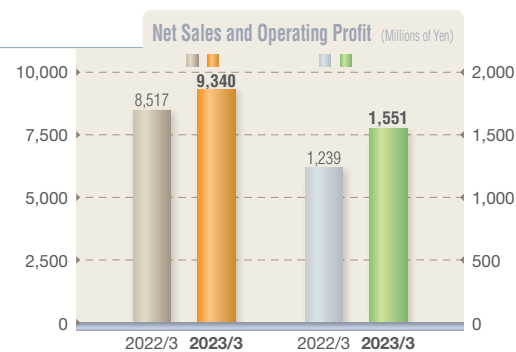
Electric Power Business Segment

Main products and services

Equipment related to thermal power plants, peripheral equipment for nuclear power plants, transmission and transformation equipment, etc.

Overview of Operations for the Current Fiscal Year

Net sales were 9,340 million yen (up 9.7% year on year) and segment profit was 1,551 million yen (up 25.2% year on year), backed by steady sales from the delivery of construction and maintenance services for new power generation facilities for domestic power plants, the delivery of machinery and facilities used in overseas power plants, and procurement of fuel for biomass power plants, etc.



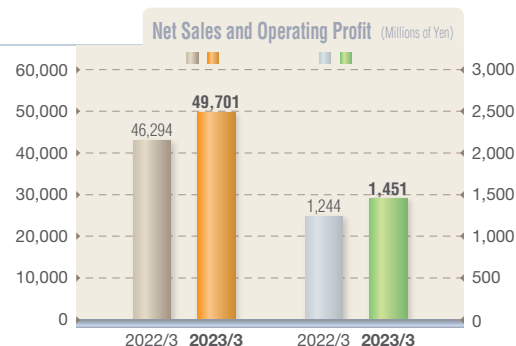
Environment, Chemical and Machinery Business Segment

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, machine tools, etc.

Overview of Operations for the Current Fiscal Year

Net sales were 49,701 million yen (up 7.4% year on year) and segment profit was 1,451 million yen (up 16.6% year on year), driven by progress in the ordered large solar power plant EPC projects, the renewable energy-related business to which the electricity sales fees from Agano Solar Park contributed throughout the fiscal year, and the acquisition of large projects, such as overseas facilities and aquaculture facilities.



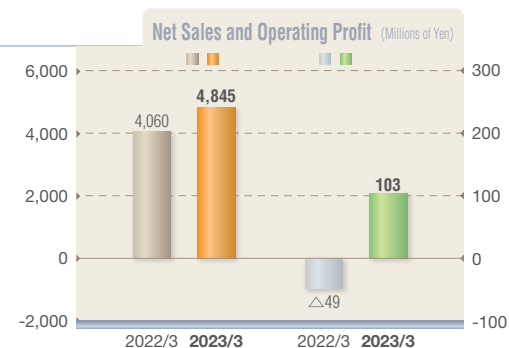
Lifestyle Business Segment

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

Net sales were 4,845 million yen (up 19.3% year on year) and segment profit was 103 million yen (segment loss of 49 million yen in the previous fiscal year), due to a recovery trend in sales of shopping bags, the main product line, which had been depressed by the impact of restrictions on activities in the COVID-19 pandemic, but was buoyed by a pickup in personal consumption due to the easing of restrictions.



Consolidated Statement of Financial Position

	(Millions of Yen)	
	2022	2023
Assets		
Current assets		
Cash and deposits	8,481	7,953
Notes receivable - trade	465	743
Electronically recorded monetary claims - operating	1,571	1,247
Accounts receivable - trade	16,899	21,015
Contract assets	1,702	1,537
Securities	200	200
Merchandise	921	740
Work in process	6,000	6,000
Advance payments - trade	21,143	14,067
Accounts receivable - other	54	41
Other	4,835	3,641
Allowance for doubtful accounts	(13)	(24)
Total current assets	62,262	57,164
Non-current assets		
Property, plant and equipment		
Buildings	520	543
Accumulated depreciation and impairment loss	(403)	(408)
Buildings, net	117	135
Machinery and equipment	269	281
Accumulated depreciation	(169)	(179)
Machinery and equipment, net	100	101
Land	11	11
Leased assets	16	11
Accumulated depreciation	(11)	(8)
Leased assets, net	5	2
Solar power generation assets	9,147	9,188
Accumulated depreciation	(1,114)	(1,591)
Solar power generation assets, net	8,033	7,597
Construction in progress	1,620	17
Other	1,776	1,800
Accumulated depreciation	(1,001)	(1,000)
Other, net	775	800
Total property, plant and equipment	10,663	8,666
Intangible assets		
Leased assets	1	0
Other	26	82
Total intangible assets	27	82
Investments and other assets		
Investment securities	5,458	5,693
Long-term loans receivable	1,049	1,054
Long-term accounts receivable	4,565	4,453
Retirement benefit asset	1,623	1,318
Deferred tax assets	29	26
Other	2,639	2,557
Allowance for doubtful accounts	(56)	(191)
Total investments and other assets	15,308	14,912
Total non-current assets	25,999	23,661
Deferred assets		
Bond issuance cost	-	85
Total deferred assets	-	85
Total assets	88,261	80,910

	(Millions of Yen)	
	2022	2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,057	8,255
Accounts payable - consignment	7,229	10,305
Short-term loans payable	9,901	9,591
Lease obligations	52	53
Accounts payable - other	538	765
Income taxes payable	333	539
Contract liabilities	23,417	12,170
Provision for bonuses	363	463
Provision for directors' bonuses	50	60
Other	3,740	3,073
Total current liabilities	54,685	45,276
Non-current liabilities		
Corporate bond	-	3,000
Long-term loans payable	4,289	3,648
Lease obligations	509	456
Provision for directors' retirement benefits	20	20
Provision for employee stock ownership plan trust	26	40
Provision for management board incentive plan trust	84	88
Retirement benefit liability	14	15
Asset retirement obligations	413	416
Deferred tax liabilities	1,300	1,192
Other	49	52
Total non-current liabilities	6,707	8,930
Total liabilities	61,393	54,207
Net assets		
Shareholders' equity		
Capital stock	3,443	3,443
Capital surplus	2,832	2,832
Retained earnings	20,003	19,795
Treasury shares	(1,493)	(1,486)
Total shareholders' equity	24,784	24,584
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,686	1,863
Deferred gains or losses on hedges	218	332
Foreign currency translation adjustment	65	133
Remeasurements of defined benefit plans	112	(209)
Total accumulated other comprehensive income	2,083	2,119
Total net assets	26,868	26,703
Total liabilities and net assets	88,261	80,910

Consolidated Income Statement

(Millions of Yen)

	2022	2023
Net sales	58,872	63,888
Cost of sales	50,772	54,384
Gross profit	8,099	9,503
Selling, general and administrative expenses	5,665	6,397
Operating profit	2,434	3,106
Non-operating income		
Interest income	18	49
Dividend income	395	334
Rental income from land and buildings	67	66
Foreign exchange gains	76	—
Other	86	52
Total non-operating income	645	502
Non-operating expenses		
Interest expenses	224	162
Provision of allowance for doubtful accounts	49	—
Share of loss of entities accounted for using equity method	74	41
Loss on investments in silent partnerships	—	31
Foreign exchange transaction losses	—	9
Commission expenses	94	3
Other	11	10
Total non-operating expenses	453	258
Ordinary profit	2,625	3,351
Extraordinary income		
Gain on sale of investment securities	473	—
Total extraordinary income	473	—
Extraordinary losses		
Loss on special investigation	—	156
Loss on disposal of non-current assets	0	1
Loss on valuation of investment securities	23	—
Impairment loss	—	1,592
Loss related to impropriety	808	32
Provision of allowance for doubtful accounts	—	139
Other	1	—
Total extraordinary losses	833	1,922
Profit before income taxes	2,265	1,428
Income taxes - current	812	950
Income taxes - deferred	233	8
Total income taxes	1,046	958
Profit	1,219	469
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,219	469

History

October 1947

With the support of Mitsubishi group companies, a new machinery trading company was established. The company's business was the domestic sales, import, and export of general industrial machinery and equipment. The anniversary of the foundation was decided to be October 20.

May 1948

Head Office moved to Kakigara-cho, Nihonbashi, Chuo-ku, Tokyo.

November 1950

Established Nagoya Sub-Branch (current Tokai Branch).

March 1951

Established Sendai Sub-Branch (current Tohoku Branch).

April 1951

Established Osaka Sub-Branch (current Kansai Branch).

July 1951

Head Office moved to 8 2-chome, Marunouchi, Chiyoda-ku, Tokyo.

June 1956

Established Taipei Sub-Branch (current Taipei Branch)

April 1957

Merged with Tokyo Meiki Shokai Ltd., the agent for Mitsubishi Heavy Industries Ltd. in engine products.

August 1959

Listed as an over-the-Counter Traded company on the Tokyo Stock Exchange.

March 1960

Formed an equal merger with Nikkyo Sangyo, an importer and exporter of ships and shipping equipment, to diversify its product lines. The head office moved to 6 2-chome, Marunouchi, Chiyoda-ku, Tokyo.

October 1961

Listed on the Tokyo Stock Exchange Second Section.

July 1963

Head Office moved to 2 3-chome, Marunouchi, Chiyoda-ku, Tokyo.

April 1977

Established TOKYO SANGYO SINGAPORE (PTE) LTD.

February 1987

Established Tokyo Sangyo Fudosan Co., Ltd.

September 1994

Increased capital through a public offering of 2.4 million shares.

August 1995

The investment unit was changed to 500 shares.

September 1996

Listed on a Tokyo Stock Exchange First Section stock.

August 2006

Head Office moved to 2-1 2-chome, Otemachi, Chiyoda-ku, Tokyo.

October 2006

Established TSC (Shanghai) Co., Ltd.

July 2007

Both branches of Osaka and Kobe merged to form Kansai Branch.

November 2011

Established TOKYO SANGYO (THAILAND) CO., LTD.

December 2012

Established PT. TOKYO SANGYO INDONESIA.

April 2013

Established TOKYO SANGYO, INC. in the USA.

October 2013

The Share unit changed to 100.

May 2014

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

July 2014

Established TOKYO SANGYO EUROPE GmbH in Germany.

April 2016

Established Innovation of Social Environment Co., LTD.

November 2017

Established TOKYO SANGYO ASIA TRADING CO., LTD. in Thailand.

April 2018

Acquired I·A·H CO., LTD.

June 2018

Established TOKYO SANGYO VIETNAM CO., LTD.

December 2018

Opened Madagascar Liaison Office.

October 2019

Established TOKYO SANGYO MALAYSIA SDN. BHD.

October 2019

Acquired of Kikuden International Ltd.

December 2019

Established Yasuda TSC International Co., Ltd.

May 2020

Established TOKYO SANGYO EUROPE GmbH Hungarian Branch Office.

September 2020

Established Shandong Tokyo-Union Technology Development Co., Ltd. as a joint company with Liangiao group in China.

July 2021

Established TR Energy Co., Ltd.

October 2021

Merged Kikuden International Ltd. with Tokyo Sangyo Co., LTD.

July 2022

Established CO2 Reducation Co., Ltd.

Corporate Profile

(March 1, 2023)

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	311
URL	http://www.tscom.co.jp/

Business Operations

Domestic and international sales of machinery, plant, materials, tools, chemicals.

Stock and Shareholders Information

Stock Information

(As of March 31, 2023)

Number of Shares Authorized	64,000,000 shares
Total Number of Shares Issued	28,678,486 shares
	(Includes 959,569 shares of treasury stock held by the Company)
Number of Shareholders	6,113

Major Shareholders

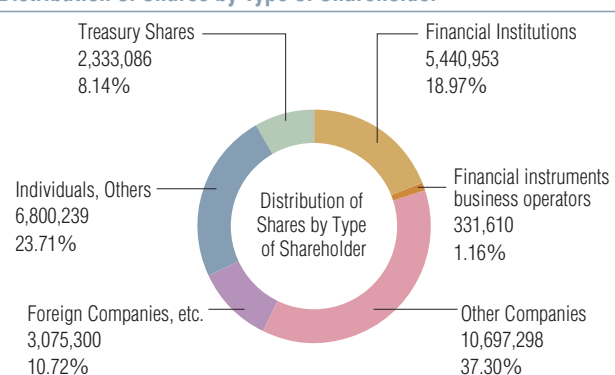
(As of March 31, 2023)

Name	Number of Shares held (Thousands)	Percentage of Share Ownership (%)
Mitsubishi Heavy Industries, Ltd.	3,913	14.8
CGML PB CLIENT ACCOUNT/COLLATERAL	2,317	8.8
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,119	8.0
Hikari Tshushin, Inc.	2,072	7.8
UH Partners 2, Inc.	1,967	7.4
Custody Bank of Japan	1,625	6.1
Mitsubishi Electric Corporation	1,026	3.9
Meiji Yasuda Life Insurance Company	500	1.9
Tokyo Energy & Systems Inc.	461	1.7
Mitsubishi Kakoki Kaisha, Ltd.	384	1.4

Note: The shareholder equity ratio was calculated after deducting treasury shares (2,333,086 shares).

Distribution of Shares by Type of Shareholder

(As of March 31, 2023)



Directors and Corporate Auditors

(As of June 28, 2023)

Representative Director/President & CEO	Minoru Kambara
Director Senior Counselor	Toshio Satomi
Director, Executive Managing Officer	Shingo Nishinami
Director, Managing Officer	Tetsuzoh Shimada
Director, Managing Officer	Kenji Tazawa
Outside Director	Sunao Nakamura
Director, Audit & Supervisory Committee Member (Standing)	Yasuo Asada
Outside Director, Audit & Supervisory Committee Member	Seiko Fukuzaki
Outside Director, Audit & Supervisory Committee Member	Akihiro Kawai

TOKYO SANGYO CO., LTD