



東京産業株式会社  
TOKYO SANGYO CO., LTD.

# 1H FY2024 Results Briefing

November 29, 2024

TOKYO SANGYO CO., LTD.



# Agenda

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- 03 Progress on Medium-term Management Plan**
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# Results Summary: Profit/Loss and Dividends (Consolidated)



- ▶ The Company posted increased net sales and profit, returning to profitability. The major factors were the strong performance of the Electric Power business (thermal power, nuclear power, and others) and an improvement in loss on construction contracting work for solar power plants.
- ▶ A year-on-year increase in net sales was mainly due to the transfer of business license for the solar-related business. Meanwhile, key reasons for a year-on-year rise in profit include the fact that there was no longer any impact from the recording of allowance for doubtful accounts related to construction contracting work for solar power plants.
- ▶ The interim dividend was JPY18 per share, the same as initially forecast.

(JPY billions, unless otherwise indicated)

	1H FY2023	1H FY2024	YoY
Net sales	31.3	41.2	+9.8
Gross profit	3.9	4.6	+7.0
Operating profit (loss)	(2.7)	1.0	+3.7
Ordinary profit (loss)	(2.3)	1.0	+3.4
Profit (Loss) attributable to owners of parent	(3.0)	0.6	+3.6
Earnings (Loss) per share (JPY)	(116.58)	23.39	+139.97
Interim dividend (JPY)	18	18	±0

# Results Summary: Financial Standing



(JPY billions, unless otherwise indicated)

	FY2023	1H FY2024	YoY	Main factors behind change
Current assets	55.6	55.3	(0.3)	Cash and deposits increased by JPY4.7 billion, mainly due to the sale of the solar power plant owned by TOKYO SANGYO.
Cash and deposits	11.0	15.8	+4.7	
Non-current assets*	25.0	22.3	(2.7)	
Total assets	80.7	77.7	(3.0)	

\* Deferred assets are included in non-current assets.

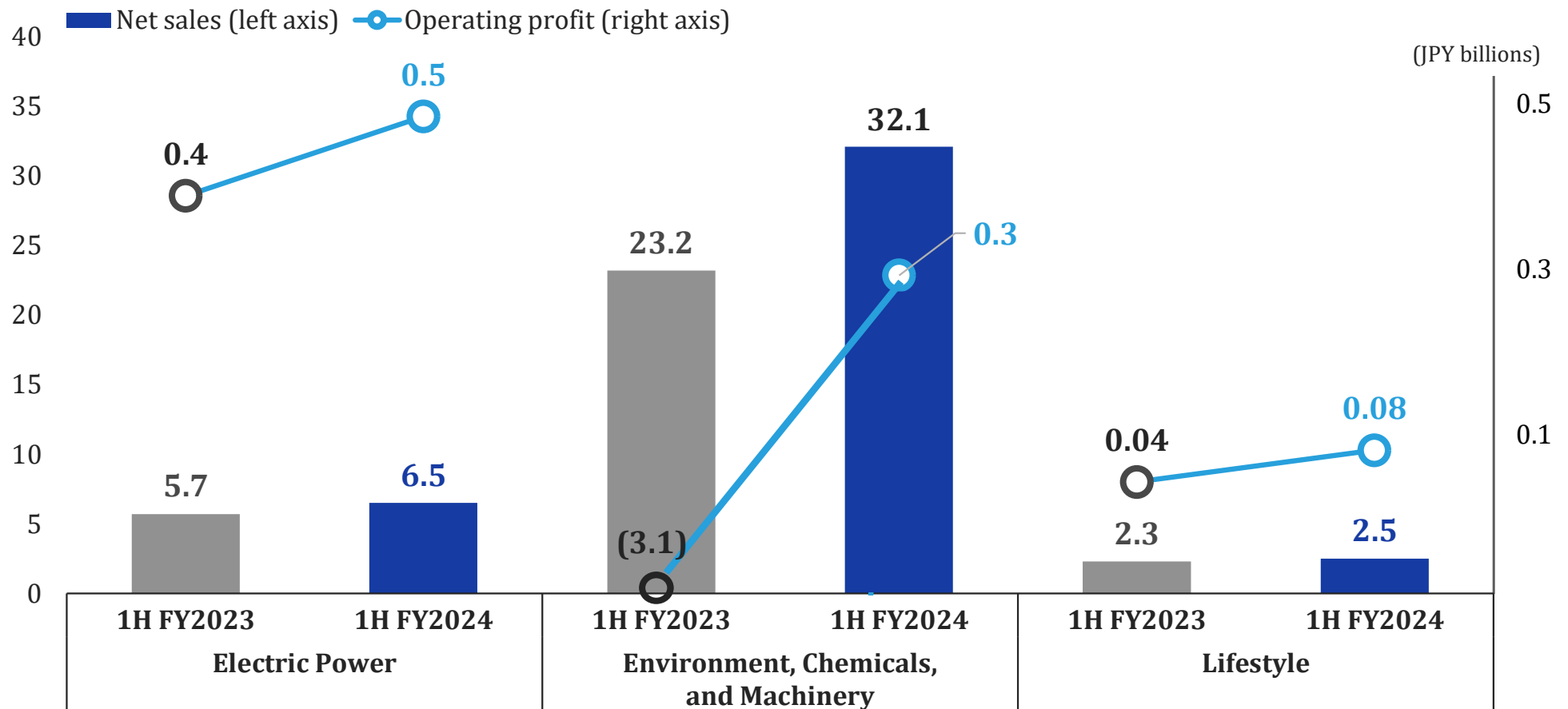
Current liabilities	51.8	50.0	(1.7)	Borrowings decreased by JPY4.9 billion mainly due to the sale of the solar power plant owned by TOKYO SANGYO.
Short-term borrowings	12.8	9.4	(3.3)	
Non-current liabilities	9.0	7.7	(1.3)	
Long-term borrowings	3.8	2.3	(1.5)	
Net assets	19.8	19.9	+0.1	
Total assets	80.7	77.7	(3.0)	

Equity ratio	24.6%	25.7%	+1.1%	
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# Results Summary: Segment Results (Consolidated)



- ▶ **Electric Power** : Net sales and profit increased due to growth in core business for thermal power plants, construction work for safety measures for nuclear power-related business, and equipment supply to plant manufacturers.
- ▶ **Environment, Chemicals, and Machinery** : Net sales increased as a result of the transfer of business license for the solar-related business. Profit increased because there was no longer any impact from the recording of allowance for doubtful accounts related to construction contracting projects for solar power plants.
- ▶ **Lifestyle** : Sales were strong mainly in packaging materials using eco-friendly materials.


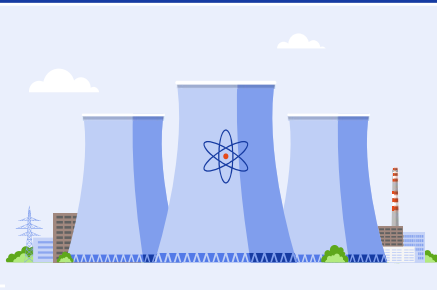




# Results by Business Domain



## 1H FY2024 (Consolidated)

(JPY billions)

Business domain	Thermal Power	Nuclear Power, etc.	Renewable Energy	Production/ Environmental Equipment
				
Net sales (Composition)	2.2 (5%)	2.8 (7%)	15.7 (38%)	20.3 (50%)
Accounting segment	Electric Power		Environment, Chemicals, and Machinery	Lifestyle
	Net sales (Composition)		Net sales (Composition)	Net sales (Composition)
	Operating profit (Composition)		Operating profit (Composition)	Operating profit (Composition)
Net sales (Composition)	6.5 (16%)		32.1 (78%)	2.5 (6%)
Operating profit (Composition)	0.56 (56%)		0.36 (36%)	0.08 (8%)

# Results by Business Domain: (1) Thermal Power



- ▶ Net sales and profit increased due to continued robust performance in after-sales services for thermal power plant-related equipment, our core business, and additional transactions stemming from the core business.
- ▶ The domain saw growth in imports and sales of equipment for domestic heavy electrical machinery manufacturers that handle power plant equipment.

## Business description

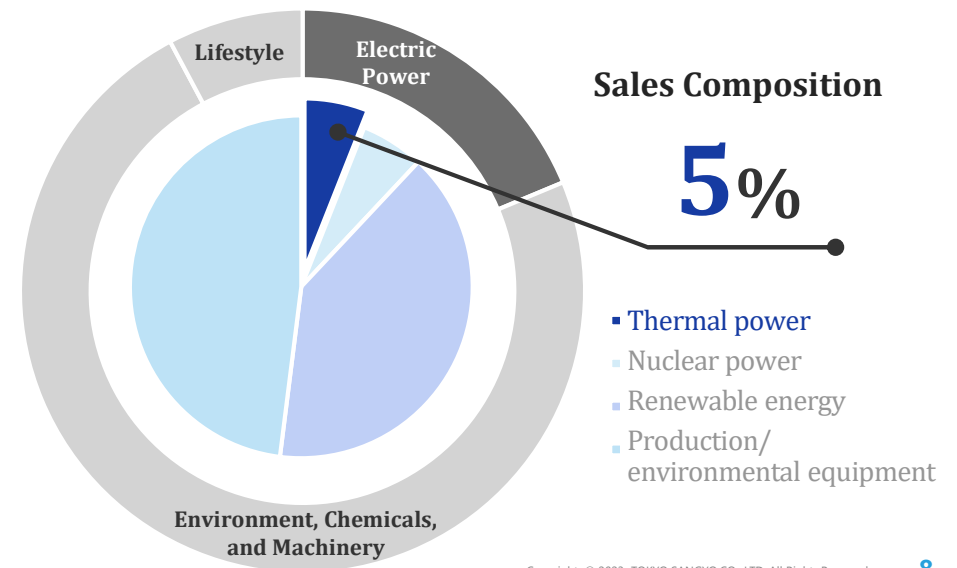
- New installation and renewal of thermal power plant-related equipment
- Maintenance on existing equipment and gas turbines for power generation



## Consolidated net sales

(JPY billions)

1H FY2023	1H FY2024	YoY
1.7	2.2	+0.4



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

- ▶ Net sales and profit increased, mainly from construction work on large-scale safety measures (seismic retrofiting, fire-proofing, etc.) for nuclear-reprocessing plants, ancillary services stemming from such construction work, and equipment supply and maintenance work to plant manufacturers.
- ▶ Other nuclear power station-related services were also strong, including construction work on safety measures, maintenance, and recommissioning support.

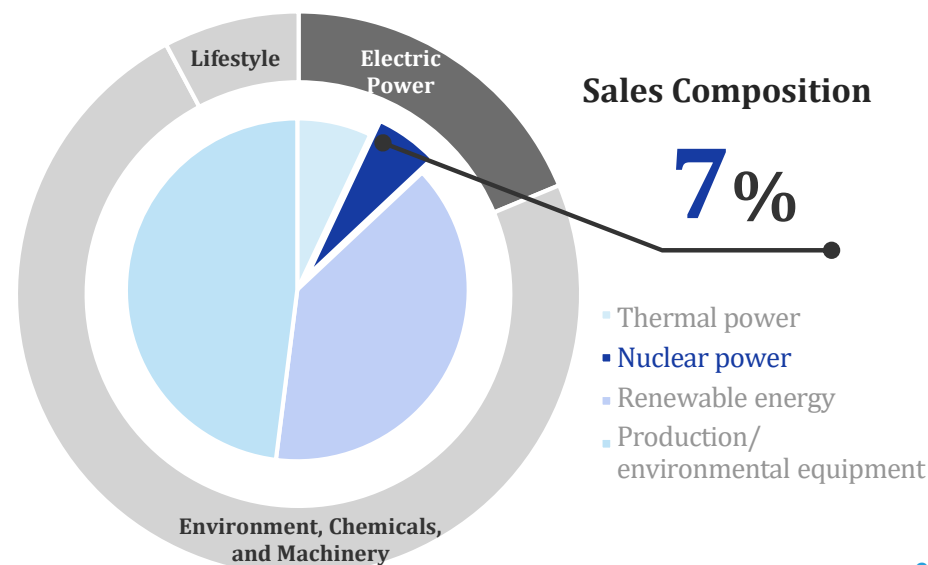
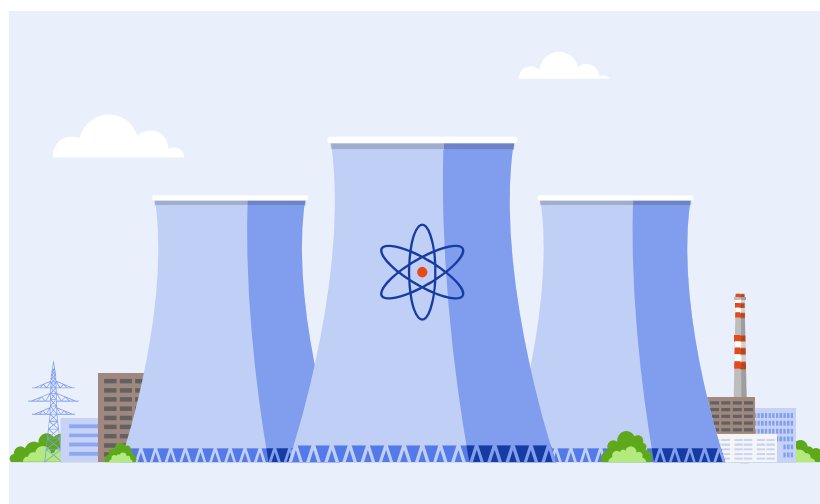
### Business description

- Maintenance and replacement work for nuclear-reprocessing plants and nuclear power stations
- Business relating to decommissioning of nuclear power stations
- Equipment supply to plant manufacturers

### Consolidated net sales

(JPY billions)

1H FY2023	1H FY2024	YoY
1.9	2.8	+0.8



## Results by Business Domain: (3) Renewable Energy

- ▶ The construction contracting project of the large-scale power plant for which we recorded a loss has progressed smoothly toward completion in March 2025.
- ▶ In the fuel supply business, we started supplying wood pellets under a long-term agreement concluded in the previous fiscal year.
- ▶ The Aizu Komorebi Biomass Power Plant, in which the Company has invested and participates in the business, is scheduled to begin operations in December 2024.

### Business description

Biomass, solar, geothermal, and other power generation

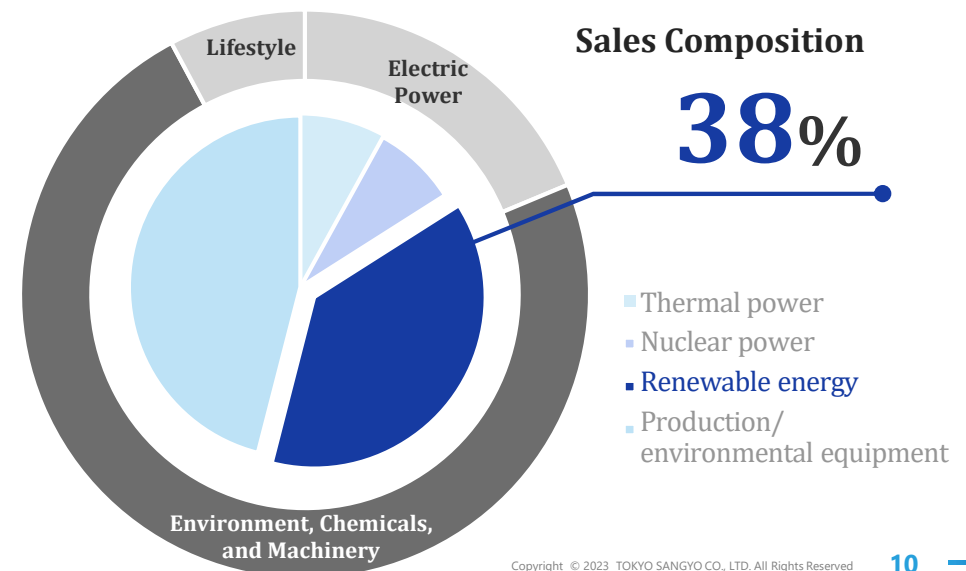
- Engineering, procurement and construction (EPC)
- Selling of electricity and PPA
- O&M
- Fuel supply



### Consolidated net sales

(JPY billions)

1H FY2023	1H FY2024	YoY
13.0	15.7	+2.7



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

- ▶ Performance was driven mainly by the deliveries of export projects for the automotive industry including equipment renewal and EV-related equipment.
- ▶ Business results were also firm for the lifestyle-related business, particularly in packaging materials (such as polyethylene bags made with eco-friendly materials) and toilet automatic flushers.
- ▶ The increase in net sales was mainly due to the transfer of business license related to a solar power generation project.

### Business description

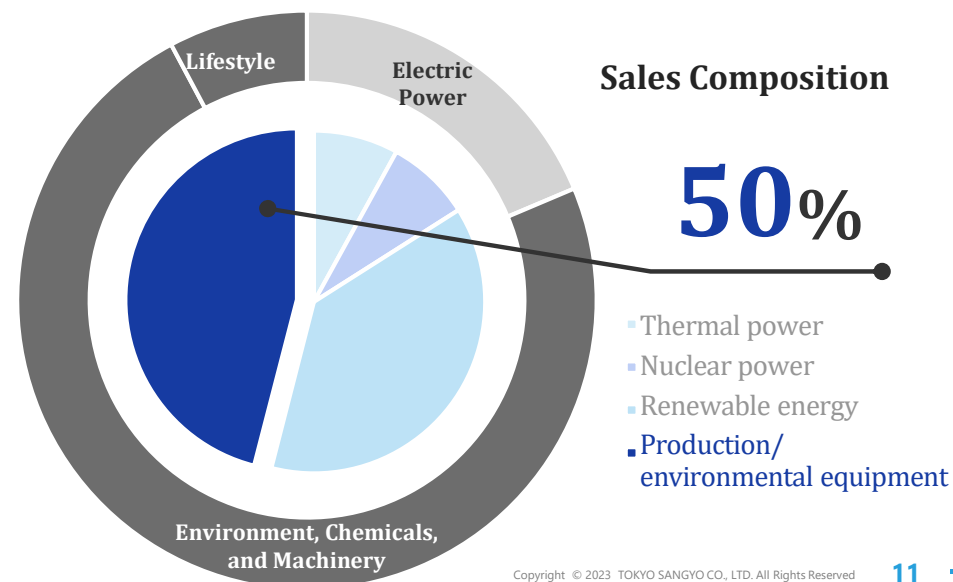
- Various machinery and equipment for chemical, food, pharmaceutical, and automotive industries
- Equipment for waste and water treatment and reducing CO<sub>2</sub>
- Eco-friendly materials



### Consolidated net sales

(JPY billions)

1H FY2023	1H FY2024	YoY
14.6	20.3	+5.6



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# FY2024 Plan



- ▶ The initial forecast for net sales has been raised due to progress in construction contracting work for solar power plants and the transfer of business license.
- ▶ Although operating profit for the first half of FY2024 progressed as planned, the full-year forecast was left unchanged, mainly since projects that were expected in the second half were brought forward.
- ▶ Extraordinary income from the sale of the solar power plant owned by TOKYO SANGYO is scheduled to be recorded in the second half of FY2024.
- ▶ Dividends are planned to be JPY18 for each of the first half and second half of the fiscal year, for JPY36 for the full year.

(JPY billions, unless otherwise indicated)

Metric	FY2024			vs FY2023	Progress in 1H
	1H (Results)	2H (Forecast)	Full year (Forecast)		
Consolidated net sales	41.2	31.8	73.0	+8.0	56%
Consolidated operating profit	1.0	0.6	1.6	+6.1	63%
Consolidated profit	0.6	2.5	3.1	+4.6	19%
Dividend per share	JPY18	JPY18	JPY36	JPY±0	50%

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



- ▶ Progress made on each of the priority strategies is detailed below.

Main theme	Progress in 1H FY2024
Active involvement in energy transition	<ul style="list-style-type: none"> <li>▶ Planning to review approaches to the renewable energy business, including initiatives and resource allocation.</li> <li>▶ Planning to further strengthen our nuclear power-related business, which is expected to grow, by increasing personnel and enhancing the organization.</li> <li>▶ Captured the decarbonization needs of industrial power plants, developing sales activities for converting to pellets for coal-fired power plants.</li> </ul>
Creation of businesses contributing to building a sustainable society	<ul style="list-style-type: none"> <li>▶ Determining policies to promote selection and concentration by examining the growth potential and profitability of each business.</li> </ul>
Enhancement of the collective strength of the Group	<ul style="list-style-type: none"> <li>▶ Started the reorganization and review of domestic and overseas affiliates and other measures from the perspectives of resource redistribution and strengthening governance.</li> </ul>
Development of a strong management foundation	<ul style="list-style-type: none"> <li>▶ Implementing the measures to strengthen risk management as scheduled to prevent a recurrence, following inappropriate disclosure and the recording of a significant loss.</li> <li>▶ Formulated a roadmap for strengthening system governance.</li> </ul>
Expansion of shareholder returns	<ul style="list-style-type: none"> <li>▶ Plan to achieve the target DOE of 4% or higher in the FY2024 fiscal year, following the first year of the medium-term management plan.</li> </ul>

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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	Minoru Kambara, President and Representative Director
Founded	October 20, 1947
Capital	JPY3,443,284,858
Business locations	26 in Japan (including 7 subsidiaries and 2 affiliates)  28 outside Japan (including 11 subsidiaries and 1 affiliate)

## History

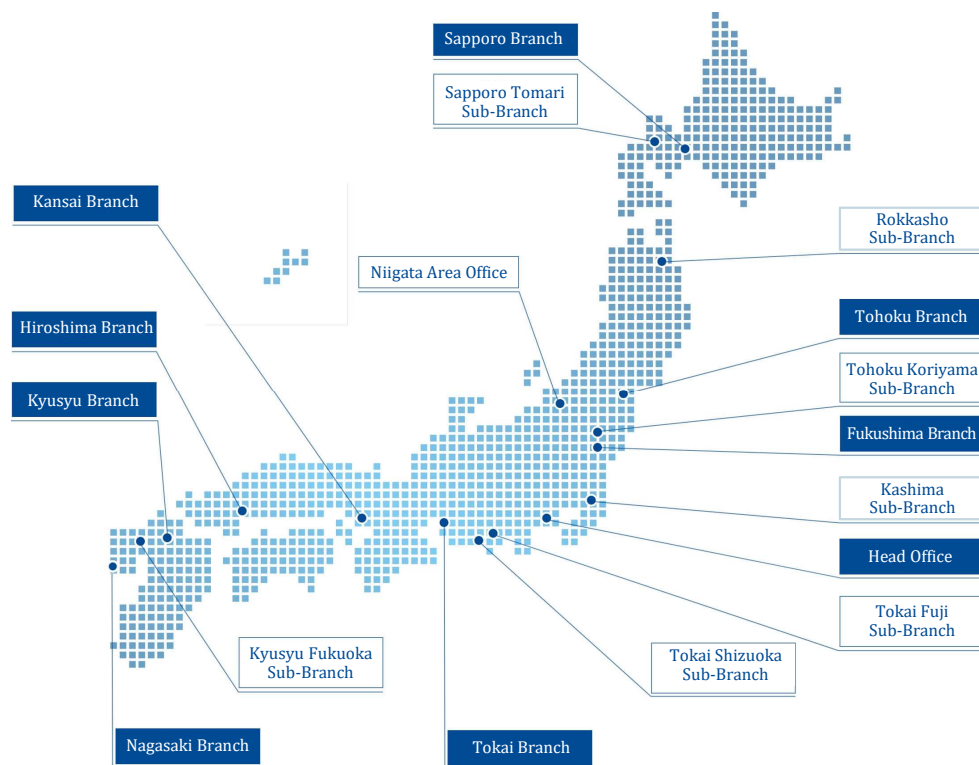
- 1942: Established as Daiwa Kikai Co., Ltd., which engaged in the manufacture and sales of equipment and tools
- 1947: Following its breakup, Mitsubishi Corporation relinquished its management rights in Daiwa Kikai Co., Ltd., and the company changed its trade name to TOKYO SANGYO CO., LTD.  
With the 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: Listed on the Tokyo Stock Exchange as an OTC stock
- 1961: Listed on the Second Section of the Tokyo Stock Exchange
- 2000s: Opened overseas business locations and actively expanded internationally
- Oct. 2022: Marked its 75<sup>th</sup> anniversary

As of September 30, 2024

# International and Domestic Networks

As of September 30, 2024

## Domestic Network

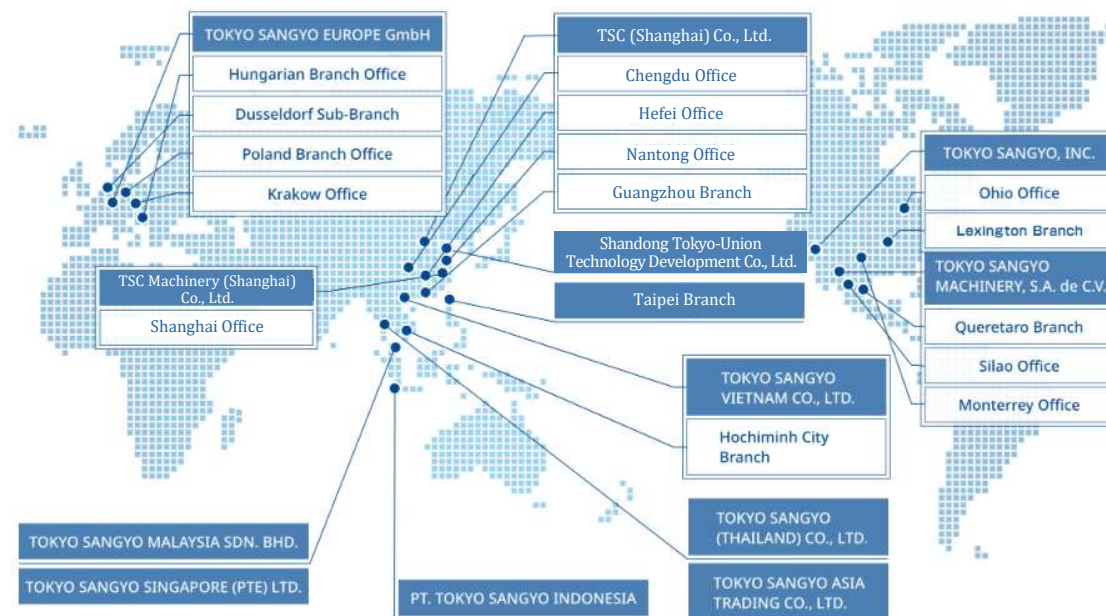


Total of **26** locations

### Domestic Affiliates

- Tokyo Sangyo Fudosan Co., Ltd.
- Innovation of Social Environment Co., Ltd.
- Kowa Kogyo Co., Ltd.
- Joint company Tateшина Sun Sun Farm
- I·A·H Co., Ltd
- TR Energy Co., Ltd
- Development No. 65 Silent Partnership (solar power SPC)
- Aizu Komorebi Power Co., Ltd
- CO2 Reduction Co., Ltd

## International Network



Total of **28** locations

# TOKYO SANGYO CO., LTD.

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Medium-term Management Plan

T-ScaleUp2027

— Entering new domains for a green future —



We support the Sustainable Development Goals (SDGs).

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