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October 15, 2025

Consolidated Financial Results for the Three Months Ended August 31, 2025 (Under Japanese GAAP)

Company name: Toyo Denki Seizo K.K.
 Listing: Tokyo Stock Exchange
 Securities code: 6505
 URL: <https://www.toyodenki.co.jp>
 Representative: Akira Watanabe, President, Representative Director
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2025	8,409	3.0	367	-	533	280.8	465	379.4
August 31, 2024	8,166	22.7	27	-	140	(20.3)	97	(34.4)

Note: Comprehensive income For the three months ended August 31, 2025: ¥1,971 million [- %]
 For the three months ended August 31, 2024: ¥(488) million [- %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
August 31, 2025	51.48	-
August 31, 2024	10.43	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
August 31, 2025	54,241	28,684	52.9
May 31, 2025	53,210	27,385	51.5

Reference: Equity
 As of August 31, 2025 ¥28,684 million
 As of May 31, 2025 ¥27,385 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	-	0.00	-	70.00	70.00
Fiscal year ending May 31, 2026	-				
Fiscal year ending May 31, 2026 (forecast)		0.00	-	75.00	75.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial results forecast for the fiscal year ending May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending November 30, 2025	19,000	(0.1)	900	18.1	1,050	6.3	750	(6.3)	82.95
Fiscal year ending May 31, 2026	40,000	(1.3)	2,400	0.7	2,500	(3.3)	2,250	5.7	248.84

Note: Revisions to the financial results forecast most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies (Company name)

Excluded: - companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2025	9,735,000 shares
As of May 31, 2025	9,735,000 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2025	703,766 shares
As of May 31, 2025	693,146 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2025	9,040,201 shares
Three months ended August 31, 2024	9,311,011 shares

Note: Due to the introduction of the Employee Shareholding Incentive Plan (E-Ship), the number of treasury shares at the end of the period includes the Company's shares held by the Toyo Denki Employee Shareholding Association Exclusive Trust Account (as of August 31, 2025: 158,200 shares; as of May 31, 2025: 168,400 shares). The Company's shares held by the said trust are included in treasury shares that are deducted when calculating the average number of shares outstanding during the period (the three months ended August 31, 2025: 163,100 shares).

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements)

The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors in the future.

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2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of May 31, 2025	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	5,007	4,585
Notes and accounts receivable - trade, and contract assets	15,161	14,212
Electronically recorded monetary claims - operating	1,640	1,323
Merchandise and finished goods	752	697
Work in process	3,553	4,454
Raw materials and supplies	3,770	3,813
Advance payments to suppliers	16	63
Accounts receivable - other	157	80
Other	356	337
Allowance for doubtful accounts	(327)	(327)
Total current assets	30,086	29,240
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,984	9,901
Accumulated depreciation	(6,860)	(6,836)
Buildings and structures, net	3,124	3,065
Machinery, equipment and vehicles	8,509	8,503
Accumulated depreciation	(8,124)	(8,138)
Machinery, equipment and vehicles, net	385	364
Land	1,246	1,223
Construction in progress	2	33
Other	5,234	5,307
Accumulated depreciation	(4,815)	(4,857)
Other, net	418	449
Total property, plant and equipment	5,177	5,136
Intangible assets		
Software	137	145
Other	22	17
Total intangible assets	159	163
Investments and other assets		
Investment securities	14,178	16,458
Deferred tax assets	292	-
Other	3,318	3,245
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	17,786	19,700
Total non-current assets	23,124	25,001
Total assets	53,210	54,241

Consolidated Financial Results of Toyo Denki Seizo K.K. (6505) for the Three Months Ended August 31, 2025 (Under Japanese GAAP)

(Millions of yen)

	As of May 31, 2025	As of August 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,496	2,031
Electronically recorded obligations - operating	5,014	4,576
Short-term borrowings	4,585	6,205
Accrued expenses	1,107	1,078
Income taxes payable	891	39
Accrued consumption taxes	80	67
Contract liabilities	214	278
Deposits received	126	182
Provision for bonuses for directors (and other officers)	56	14
Provision for bonuses	1,044	574
Provision for loss on orders received	944	767
Provision for product warranties	413	485
Other	268	248
Total current liabilities	17,244	16,547
Non-current liabilities		
Long-term borrowings	4,622	4,418
Long-term accounts payable - other	11	29
Deferred tax liabilities	-	613
Retirement benefit liability	3,933	3,936
Other	12	11
Total non-current liabilities	8,580	9,009
Total liabilities	25,825	25,556
Net assets		
Shareholders' equity		
Share capital	4,998	4,998
Capital surplus	3,177	3,177
Retained earnings	14,122	13,943
Treasury shares	(914)	(941)
Total shareholders' equity	21,384	21,177
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,256	6,882
Foreign currency translation adjustment	627	510
Remeasurements of defined benefit plans	117	114
Total accumulated other comprehensive income	6,000	7,507
Total net assets	27,385	28,684
Total liabilities and net assets	53,210	54,241

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Three months ended August 31, 2025

	(Millions of yen)	
	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)	Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)
Net sales	8,166	8,409
Cost of sales	6,325	6,014
Gross profit	1,841	2,395
Selling, general and administrative expenses	1,814	2,027
Operating profit	27	367
Non-operating income		
Interest income	0	1
Dividend income	140	200
Share of profit of entities accounted for using equity method	52	-
Foreign exchange gains	-	26
Miscellaneous income	14	2
Total non-operating income	207	229
Non-operating expenses		
Interest expenses	14	26
Foreign exchange losses	79	-
Share of loss of entities accounted for using equity method	-	1
Fees in arrears due to delayed delivery	-	25
Miscellaneous losses	0	10
Total non-operating expenses	94	63
Ordinary profit	140	533
Extraordinary income		
Gain on sale of investment securities	34	102
Total extraordinary income	34	102
Profit before income taxes	175	636
Income taxes - current	10	12
Income taxes - deferred	67	157
Total income taxes	78	170
Profit	97	465
Profit attributable to owners of parent	97	465

Consolidated Financial Results of Toyo Denki Seizo K.K. (6505) for the Three Months Ended August 31, 2025 (Under Japanese GAAP)

Quarterly Consolidated Statement of Comprehensive Income
Three months ended August 31, 2025

	(Millions of yen)	
	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)	Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)
Profit	97	465
Other comprehensive income		
Valuation difference on available-for-sale securities	(717)	1,626
Foreign currency translation adjustment	48	(17)
Remeasurements of defined benefit plans, net of tax	5	(3)
Share of other comprehensive income of entities accounted for using equity method	77	(99)
Total other comprehensive income	(586)	1,506
Comprehensive income	(488)	1,971
Comprehensive income attributable to		
Owners of parent	(488)	1,971
Non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Notes on the Statement of Cash Flows)

The Company did not prepare quarterly consolidated statements of cash flows for the first three months of the fiscal year under review.

Depreciation (including amortization of intangible assets) for the first quarter of the fiscal year under review are as follows:

	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)	Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)
Depreciation	¥156 million	¥157 million

(Segment Information, etc.)

[Segment Information]

Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)

1. Information regarding net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on quarterly consolidated statement of income (Note 3)
	Transportation Business	Industry Business	ICT Solution Business				
Net sales							
Net sales to external customers	5,594	2,242	328	0	8,166	-	8,166
Inter-segment sales and transfers	15	0	-	80	96	(96)	-
Total	5,610	2,242	328	81	8,263	(96)	8,166
Segment profit (loss)	440	235	82	(1)	757	(729)	27

- Note:
1. "Other" is a business segment that is not included in reporting segments, and includes the worker dispatching business.
 2. Adjustments to segment profit (loss) of ¥(729) million are the elimination of intersegment transactions of ¥0 million and corporate expenses of ¥(730) million that are not attributable to reporting segments. Corporate expenses are primarily general and administrative expenses as well as research and development expenses that are not attributable to reporting segments.
 3. Segment profit (loss) has been adjusted with operating profit recorded on the quarterly consolidated statement of income.

Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)

1. Information regarding net sales and profit (loss) by reporting segment

(Millions of yen)

	Reporting segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount recorded on quarterly consolidated statement of income (Note 3)
	Transportation Business	Industry Business	ICT Solution Business				
Net sales							
Net sales to external customers	5,871	2,307	229	1	8,409	-	8,409
Inter-segment sales and transfers	-	1	-	100	101	(101)	-
Total	5,871	2,308	229	101	8,511	(101)	8,409
Segment profit (loss)	1,105	100	(44)	0	1,161	(793)	367

- Note:
1. "Other" is a business segment that is not included in reporting segments, and includes the worker dispatching business.
 2. Adjustments to segment profit (loss) of ¥(793) million are the elimination of intersegment transactions of ¥0 million and corporate expenses of ¥(794) million that are not attributable to reporting segments. Corporate expenses are primarily general and administrative expenses as well as research and development expenses that are not attributable to reporting segments.
 3. Segment profit (loss) has been adjusted with operating profit recorded on the quarterly consolidated statement of income.

(Revenue Recognition)

The information of revenue from contracts with customers by reporting segment is as follows:

(Millions of yen)

			Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)	Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)
Reporting segments	Transportation Business	Domestic railways	3,106	3,254
		Overseas railways	1,857	1,880
		Other	629	737
		Subtotal	5,594	5,871
	Industry Business	Automobile testing equipment	487	704
		Production and processing facilities	766	453
		Power generation and infrastructure	370	454
		Other	618	694
		Subtotal	2,242	2,307
	ICT Solution Business	ICT Solutions	328	229
		Subtotal	328	229
Other (Note)			0	1
Total			8,166	8,409
Revenue from contracts with customers			8,166	8,409
Net sales to external customers			8,166	8,409

- Note:
1. “Other” is a business segment that is not included in reporting segments, and includes the worker dispatching business.
 2. Effective from the three months ended August 31, 2025, the former “Power generation and power supply” has been renamed to “Power generation and infrastructure.” The information that breaks down revenue from contracts with customers for the three months ended August 31, 2024 uses the name after the change. This change is only a name change.

3. Other

(1) Status of Production, Orders, and Sales

(i) Production status

Business segment	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)		Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Business	4,993	67.9	6,908	77.8
Industry Business	2,263	30.8	1,929	21.7
ICT Solution Business	102	1.4	44	0.5
Other	-	-	-	-
Total	7,358	100.0	8,882	100.0

(Note) Amounts are based on sales prices.

(ii) Status of orders received

Business segment	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)		Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)	
	Orders received (Millions of yen)	Order backlog (Millions of yen)	Orders received (Millions of yen)	Order backlog (Millions of yen)
Transportation Business	7,184	33,479	8,046	33,989
Industry Business	2,367	9,101	3,097	9,858
ICT Solution Business	197	377	159	202
Other	0	-	1	-
Total	9,750	42,958	11,305	44,050

(Note) Amounts are based on sales prices.

(iii) Sales status

Business segment	Three months ended August 31, 2024 (from June 1, 2024 to August 31, 2024)		Three months ended August 31, 2025 (from June 1, 2025 to August 31, 2025)	
	Amount (Millions of yen)	Share (%)	Amount (Millions of yen)	Share (%)
Transportation Business	5,594	68.5	5,871	69.8
Industry Business	2,242	27.5	2,307	27.4
ICT Solution Business	328	4.0	229	2.7
Other	0	0.0	1	0.0
Total	8,166	100.0	8,409	100.0