

---

**Financial Results Briefing  
for the Fiscal Year Ended  
May 31, 2025**

---

July 14, 2025

**Toyo Denki Seizo K.K.**

# Program

## ■ Briefing on Financial Results: 40 minutes

1. Overview of Financial Results for the Fiscal Year Ended May 31, 2025
2. Financial Results Forecast for the Fiscal Year Ending May 31, 2026
3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price
4. Sustainability Initiatives

## ■ Q&A: 20 minutes

**1. Overview of Financial Results for the  
Fiscal Year Ended May 31, 2025  
(From June 2024 to May 2025)**

# 1-1. Overview of Consolidated Financial Results

While orders received decreased due to a reaction from the previous fiscal year, the major numerical targets of Medium-Term Management Plan 2026 were achieved one year ahead of schedule due to the recording of large overseas projects, etc.

100 million yen

|                                      | FYE May<br>2024 | FYE May<br>2025 | YoY Change |         | FYE May<br>2025<br>Forecast | Change vs. Forecast |        | Medium-Term<br>Management<br>Plan 2026<br>Targets |
|--------------------------------------|-----------------|-----------------|------------|---------|-----------------------------|---------------------|--------|---|
|                                      |                 |                 |            | %       |                             |                     | %      |   |
| Orders received                      | 440.1           | 403.1           | (37.0)     | (8.4%)  | 400.0                       | +3.1                | 100.8% | -   |
| Net sales                            | 321.4           | 405.3           | +83.9      | +26.1%  | 380.0                       | +25.3               | 106.7% | 400.0   |
| Operating profit                     | 9.2             | 23.8            | +14.5      | +157.0% | 15.0                        | +8.8                | 158.9% | 20.0  |
| %                                    | 2.9%            | 5.9%            | +3.0%      | -       | 3.9%                        | +2.0pt              | -      | 5.0%  |
| Ordinary profit                      | 14.8            | 25.8            | +10.9      | +73.8%  | 18.0                        | +7.8                | 143.6% | 24.0  |
| Profit                               | 9.3             | 21.2            | +11.9      | +127.6% | 13.0                        | +8.2                | 163.8% | 16.0  |
| [ Profit per share (yen)]            | 99.53           | 231.29          | +131.76    | -       | 140.65                      | +90.64              | -      |   |
| ROE                                  | 3.7%            | 8.0%            | +4.3pt     | -       |                             |                     |        | 8.0%  |
| Ratio of overseas sales to net sales | 22.4%           | 28.6%           | +6.2pt     | -       |                             |                     |        |   |

(Revised on April 11)

# <Reference> Review of the Business Environment for the Fiscal Year Ended May 31, 2025

## Transportation Business

- In Japan, an increase in railway users due in part to the recovery of inbound travel stimulated investment in rolling stock by railway operators, leading to an increase in orders received for products for newly built rolling stock and equipment upgrades.
- Overseas, production and shipments for large projects in Indonesia progressed steadily.  
In China, maintenance parts for high-speed railways increased.

## Industry Business

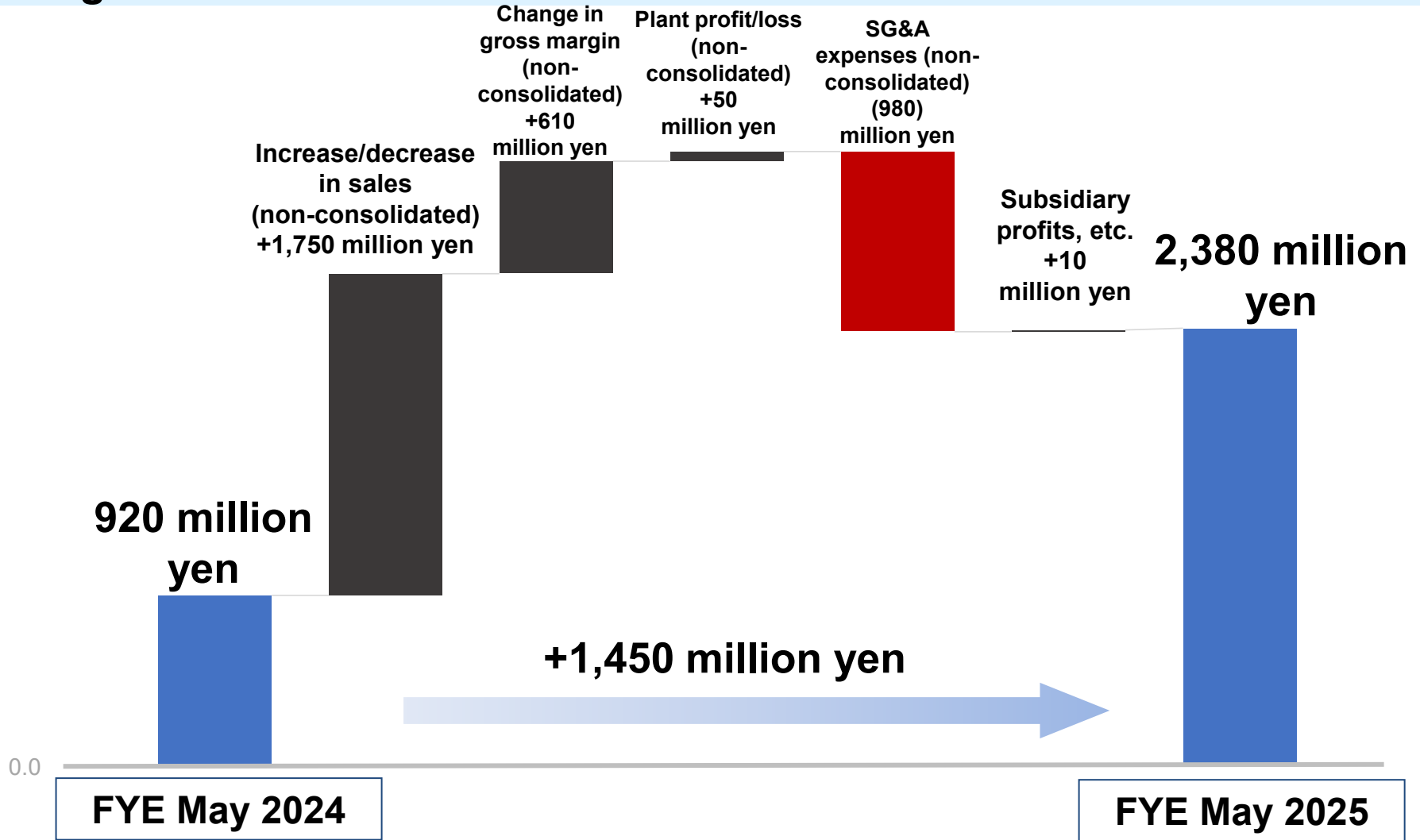
- In the testing system for automobiles, inquiries increased as we enhanced the In-Tire House Dynamo lineup to respond to the electrification of automobiles.
- In power generation and power supply systems, we saw an increase in orders received for and inquiries about emergency generators to support business continuity plans (BCP) for government agencies (the Acquisition, Technology & Logistics Agency, etc.), telecommunications carriers, and financial institutions.

## ICT Solution Business

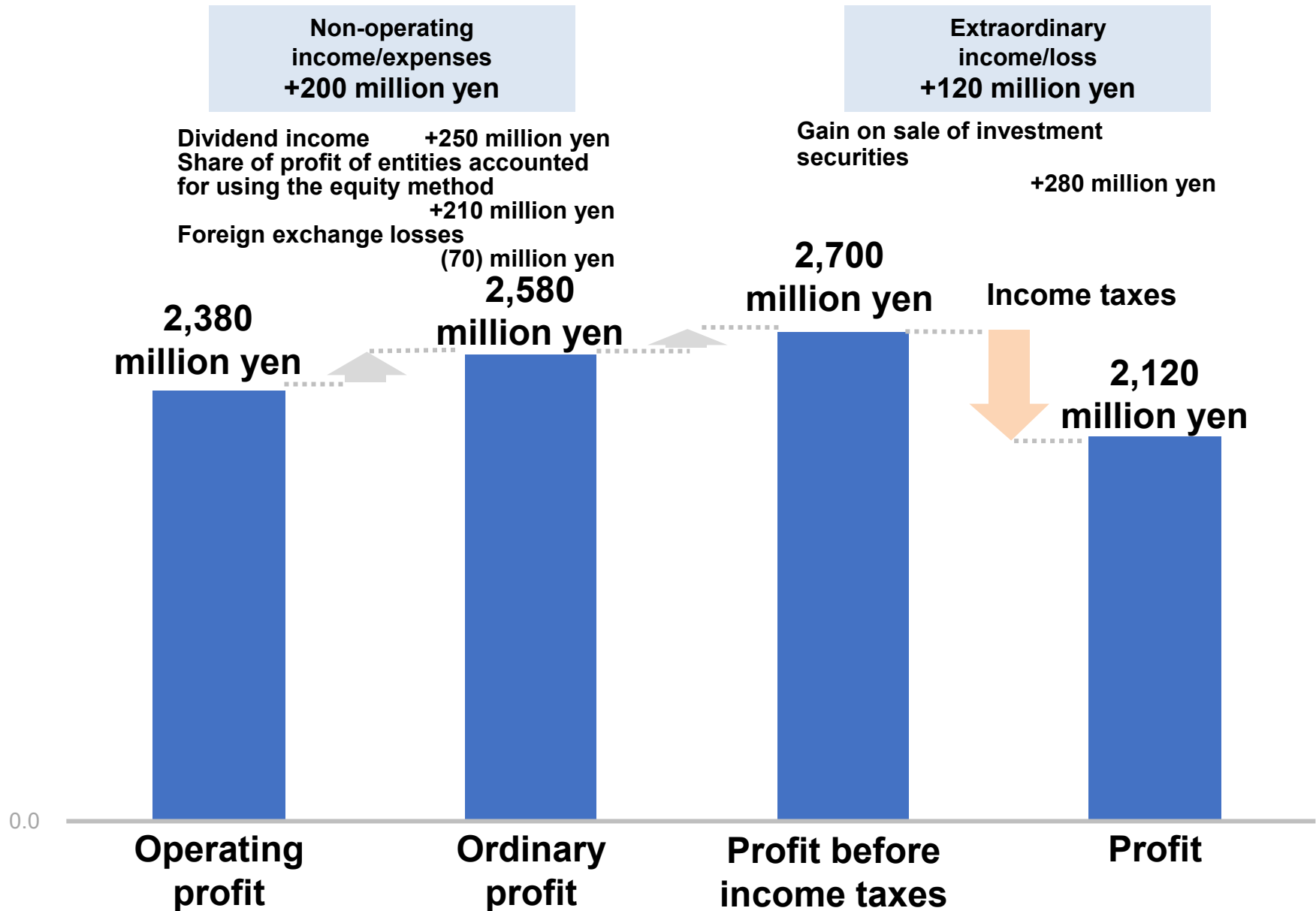
- In the area of station operating equipment systems, we carried out system development for cashless and ticketless services.
- And in the area of remote monitoring systems, we promoted the development of a new IoT terminal that can monitor mobile devices and equipment at a low cost in order to expand the scope of the business.

# 1-2. Factors for Increase and Decrease in Consolidated Operating Profit (YoY change)

**Significant profit increase due to net sales growth and improved gross margin**



# 1-3. Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Loss



# 1-4. Segment Performance: Transportation Business

Transportation

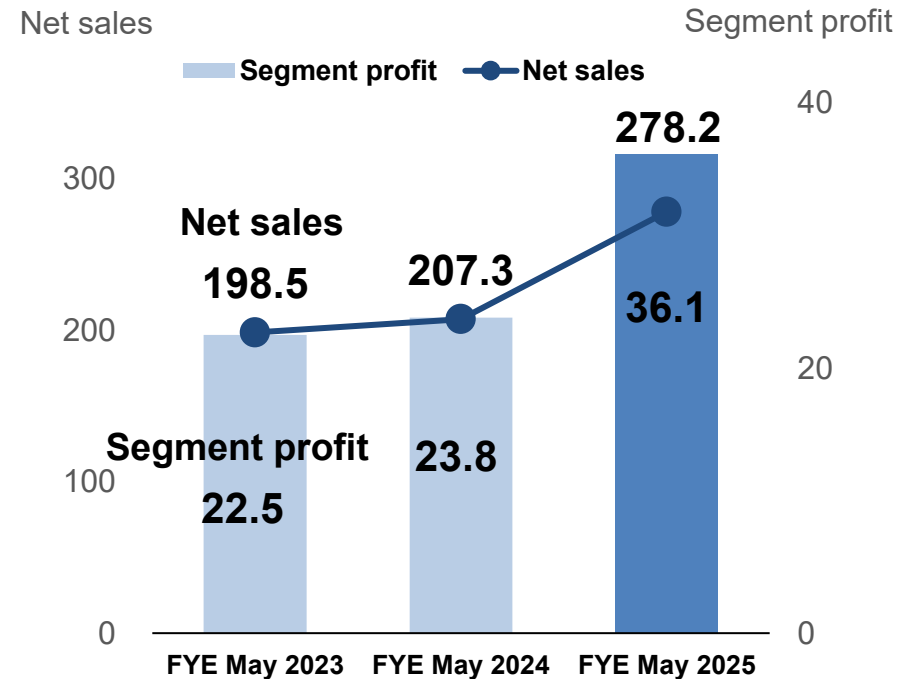
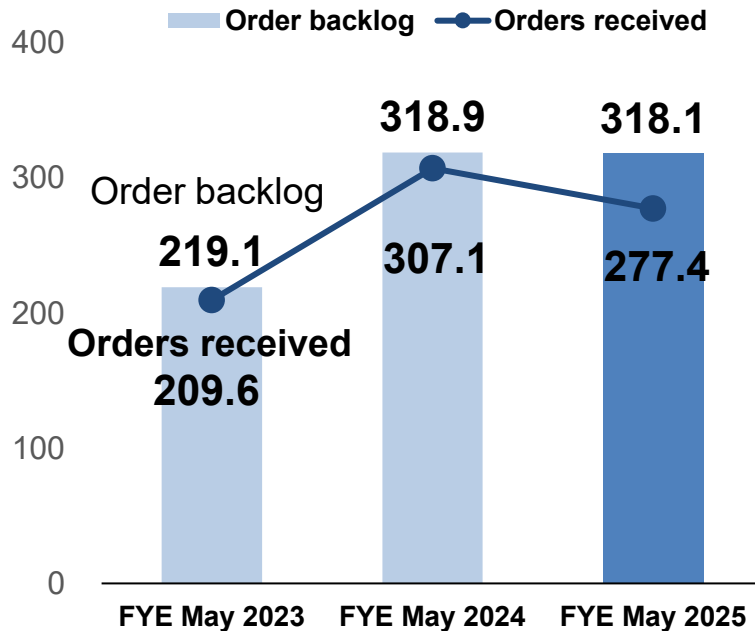
Orders received: **Decreased** due to a reaction from large projects for Indonesia in the previous fiscal year

Net sales: **Significantly increased** due to steady progress in production and shipments for large projects in Indonesia, and an increase in products for newly built rolling stock for private railways and maintenance parts for China

Segment profit: **Increased** due to higher net sales, etc.

## Orders received and order backlog

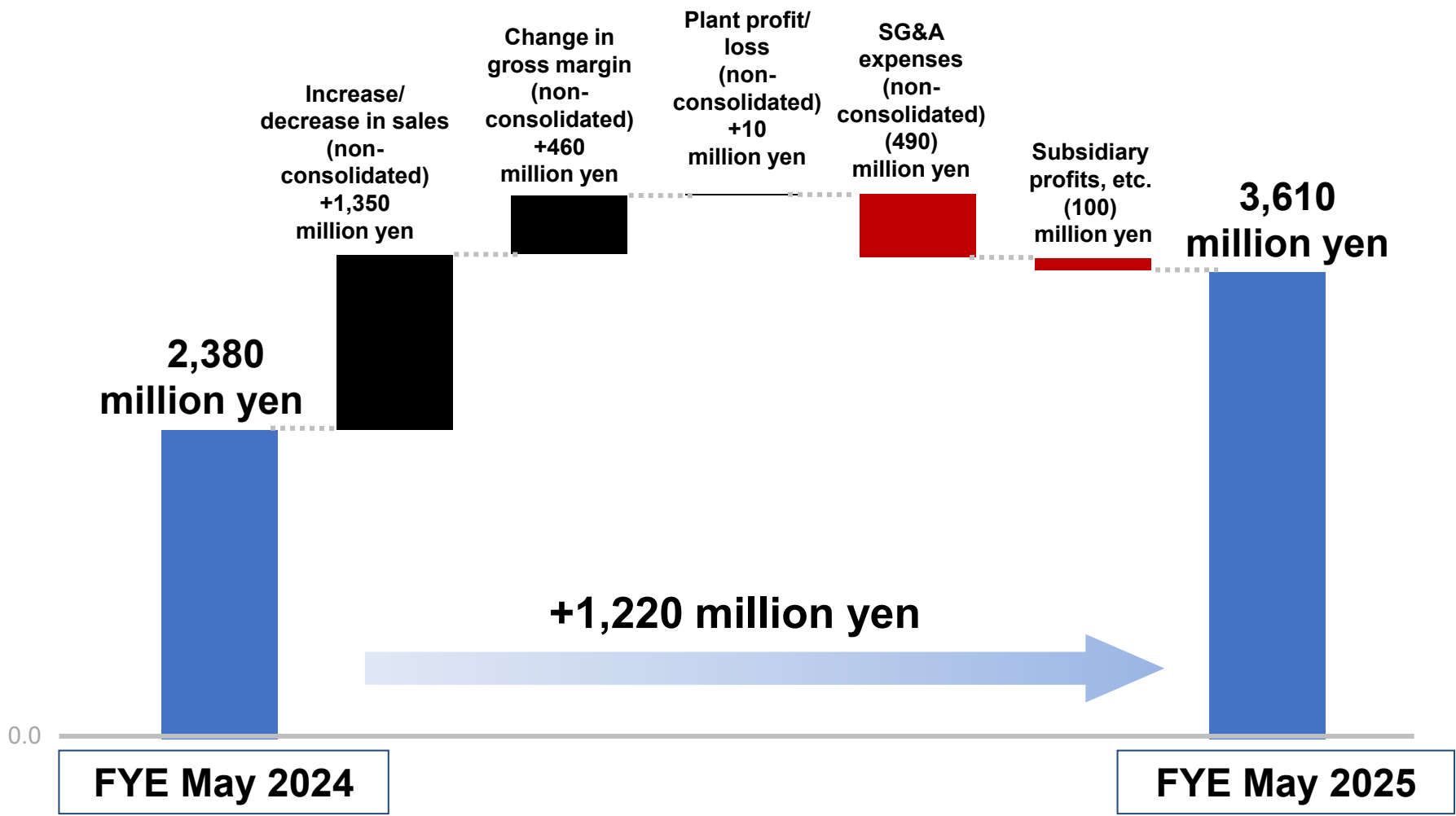
## Net sales and segment profit (100 million yen)





# 1-5. Transportation Business: Factors for Increase and Decrease in Segment Profit

Profit grew due to an increase in net sales and improvement in gross margin resulting from large projects for Indonesia



# 1-6. Segment Performance: Industry Business

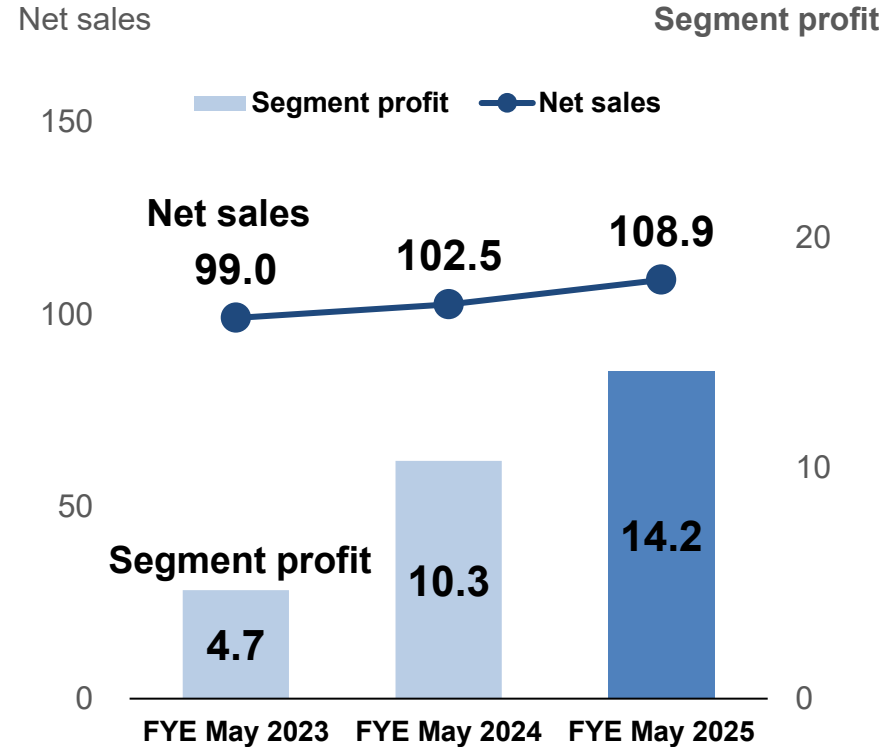
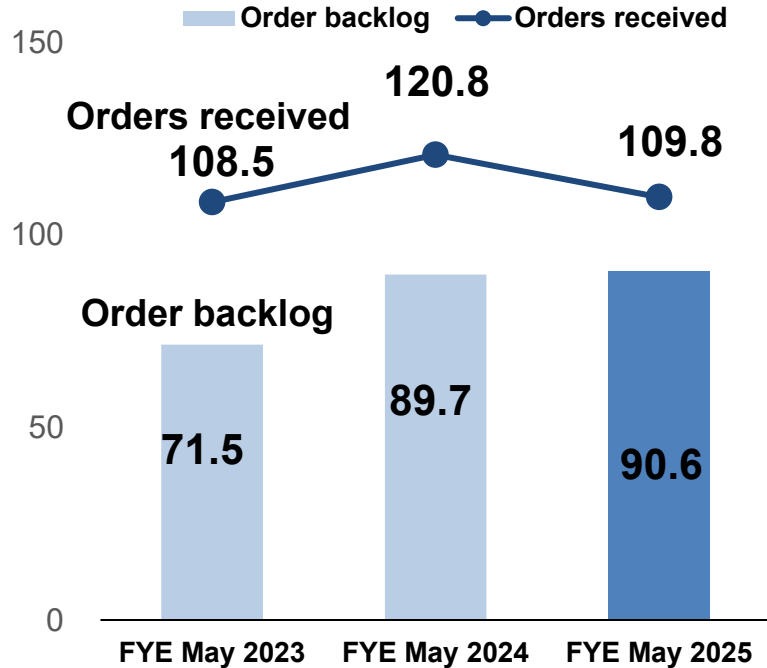
Orders received: **Decreased** for the testing system for automobiles and production and processing equipment systems partly due to postponement of large projects

Net sales: **Rose** due to an increase in power generation and power supply systems and the testing system for automobiles

Segment profit: **Increased** due to improved profitability

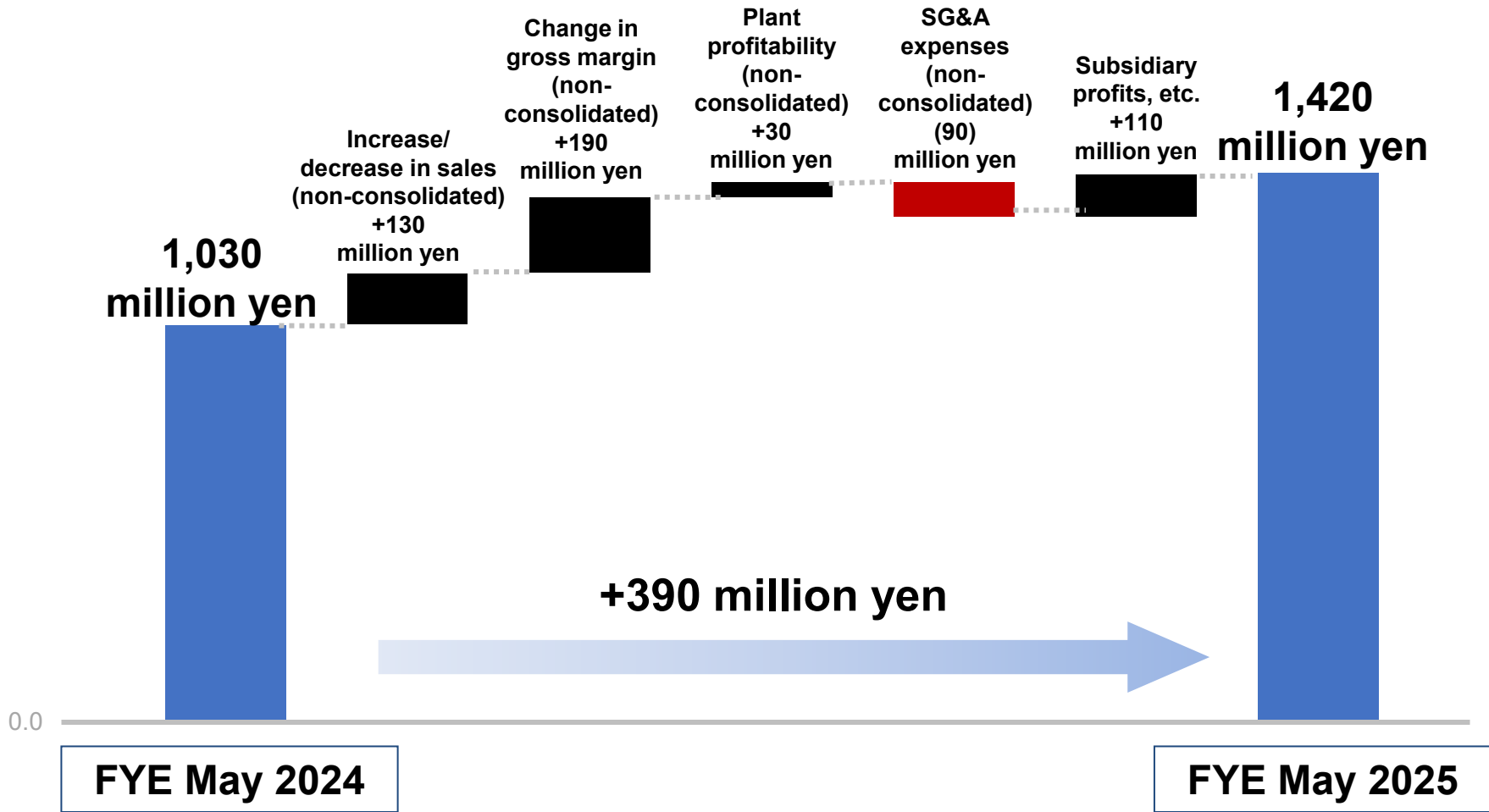
### Orders received and order backlog

### Net sales and segment profit (100 million yen)



# 1-7. Industry Business: Factors for Increase and Decrease in Segment Profit

Segment profit increased due to improved profitability and higher subsidiary profits



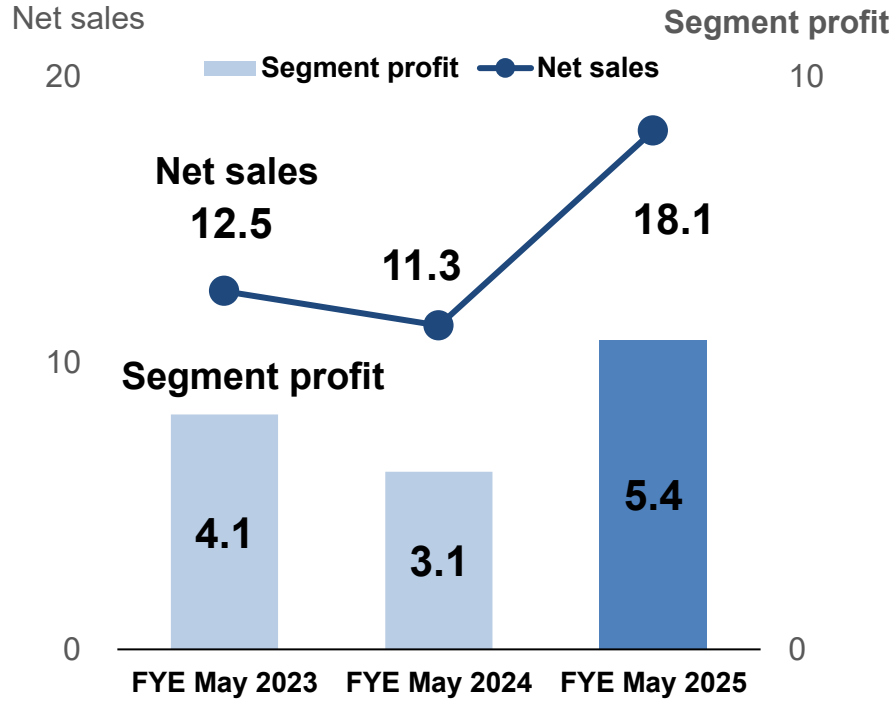
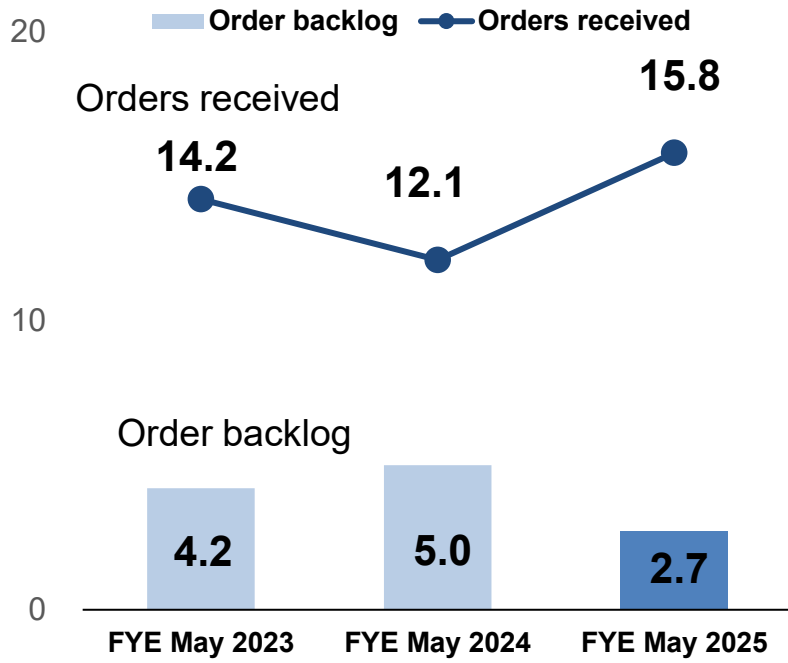
# 1-8. Segment Performance: ICT Solution Business

Orders received: **Increased** for station operating equipment for cashless services  
Net sales: **Increased significantly** due to steady progress of large projects for which we received orders in the previous fiscal year  
Segment profit: **Grew** due to an increase in net sales, etc.

### Orders received and order backlog

### Net sales and segment profit

(100 million yen)



# 1-9. Consolidated Financial Position

|                                     | May 31, 2024    | May 31, 2025    |                            |   |
|-------------------------------------|-----------------|-----------------|----------------------------|---|
|                                     | Fiscal year-end | Fiscal year-end | Fiscal year-end comparison |   |
| (100 million yen)                   |                 |                 |                            |   |
| <b>Total assets</b>                 | 516.5           | <b>532.1</b>    | +15.5                      |   |
| <b>Current assets</b>               | 279.6           | <b>300.8</b>    | +21.2                      | Trade receivables: +3,190 million yen<br>Inventories: +520 million yen<br>Cash and deposits: (1,410) million yen  |
| <b>Non-current assets</b>           | 236.9           | <b>231.2</b>    | (5.6)                      | Investment securities: (830) million yen  |
| <b>Total liabilities</b>            | 255.8           | <b>258.2</b>    | +2.4                       |   |
| Of which, net interest-bearing debt | 41.6            | <b>42.0</b>     | +0.3                       |   |
| <b>Net assets</b>                   | 260.7           | <b>273.8</b>    | +13.1                      | Retained earnings: +1,820 million yen<br>Valuation difference on available-for-sale securities: (430) million yen |
| <b>Equity-to-asset ratio</b>        | 50.5%           | <b>51.5%</b>    | +1.0pt                     |   |

# 1-10. Trends in Consolidated Cash Flows

| (100 million yen)                         | FYE May 2023 | FYE May 2024 | FYE May 2025 |
|---|--------------|--------------|--------------|
| Cash flows from operating activities      | 8.1          | 18.4         | 6.0          |
| Cash flows from investing activities      | 6.3          | (4.1)        | (2.9)        |
| Purchase of property, plant and equipment | (3.2)        | (3.1)        | (5.0)        |
| Cash flows from financing activities      | (3.9)        | (9.7)        | (20.0)       |
| Cash at the end of the period             | 55.2         | 64.2         | 47.4         |
| Interest-bearing debt                     | 111.7        | 105.8        | 92.0         |
| Net interest-bearing debt                 | 56.5         | 41.6         | 42.0         |

- ◆ **Cash flows from operating activities**      Cash flows provided by operating activities of 600 million yen due to the posting of profit before income taxes
- ◆ **Cash flows from investing activities**      Cash flows used in investing activities of 290 million yen due to purchase of property, plant and equipment
- ◆ **Cash flows from financing activities**      Cash flows used in financing activities of 2,000 million yen due to repayment of borrowings
- ◆ **Net interest-bearing debt**      Remained nearly the same due to decrease in cash and deposits (up 30 million yen year-on-year)

## 2. Financial Results Forecast for the Fiscal Year Ending May 31, 2026

# 2-1. Outlook for Financial Results for Fiscal Year Ending May 31, 2026 (consolidated)

Orders received: 41 billion yen (the level remains high)

Projected net sales of 40 billion yen, operating profit of 2.4 billion yen, profit of 2.25 billion yen, and dividend of 75 yen per share

| (100 million yen)               | FYE May 2025 (Results) |           | FYE May 2026 (Forecast) |           | YoY Change | Medium-Term<br>Management Plan<br>2026 |
|---------------------------------|------------------------|-----------|-------------------------|-----------|------------|--|
|                                 | 2Q                     | Full year | 2Q                      | Full year | Full year  | Target                                 |
| <b>Orders received</b>          | 204.4                  | 403.1     | 180.0                   | 410.0     | +6.8       | -                                      |
| <b>Net sales</b>                | 190.1                  | 405.3     | 190.0                   | 400.0     | (5.3)      | 400.0                                  |
| <b>Operating profit</b>         | 7.6                    | 23.8      | 9.0                     | 24.0      | +0.1       | 20.0                                   |
| <b>%</b>                        | 4.0%                   | 5.9%      | 4.7%                    | 6.0%      | +0.1pt     | 5.0%                                   |
| <b>Ordinary profit</b>          | 9.8                    | 25.8      | 10.5                    | 25.0      | (0.8)      | 24.0                                   |
| <b>Profit</b>                   | 8.0                    | 21.2      | 7.5                     | 22.5      | +1.2       | 16.0                                   |
| <b>[Profit per share (yen)]</b> | 86.24                  | 231.29    | 82.95                   | 248.84    | +17.55     |  |
| <b>Dividend per share (yen)</b> |                        | 70.00     |                         | 75.00     |            |  |



## 2-2. Outlook for Financial Results (by Segment)

|  |                         | FYE May 2026 |                                      |
|--|-------------------------|--------------|--------------------------------------|
|  |                         | Full year    |                                      |
|  |                         | Forecast     | Change from the previous fiscal year |
| <b>Orders received</b><br>41 billion yen | Transportation Business | 263.0        | (14.4)                               |
|  | Industry Business       | 127.0        | +17.1                                |
|  | ICT Solution Business   | 20.0         | +4.1                                 |
| <b>Net sales</b><br>40 billion yen       | Transportation Business | 269.0        | (9.2)                                |
|  | Industry Business       | 116.0        | +7.0                                 |
|  | ICT Solution Business   | 15.0         | (3.1)                                |
| <b>Segment profit</b>                    | Transportation Business | 41.5         | +5.3                                 |
|  | Industry Business       | 14.0         | (0.2)                                |
|  | ICT Solution Business   | 4.0          | (1.4)                                |

# <Reference> Assumptions for Outlook for Financial Results

## The business environment assumed in the outlook for the financial results for the fiscal year ending May 31, 2026

### Transportation Business

- In Japan, demand for upgrades to sustainable equipment for GX and DX is expected to increase, and newly built rolling stock and equipment upgrades are forecast to grow, against a backdrop of the strong business performance of railway operators.
- Overseas, initiatives for continuously receiving orders will be promoted, anticipating continuous demand mainly for maintenance parts for China and new investments in Indonesia.

### Industry Business

- Order-receiving activities will be promoted while we closely monitor the impact of U.S. tariff measures and China's rare earth export restrictions on corporate capital investment trends.
- In the testing system for automobiles, we expect an increase in orders received for development of automotive electrification.
- In power generation and power supply systems, we will respond to increasing demand for emergency generators against the backdrop of BCP support.
- In production and processing equipment systems, we will strengthen order-receiving activities to meet the growing demand for equipment replacement to save energy and reduce maintenance costs.

### ICT Solution Business

- We will continue to expand the scope of business by developing cloud-based remote monitoring systems, in addition to cashless and ticketless station operating systems.

**3. Action to Implement Management  
that is Conscious of Cost of Capital and  
Stock Price (Update)**

# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Current recognition and issues

Improvement of **PBR** through improvement of **ROE** is recognized as an important management issue

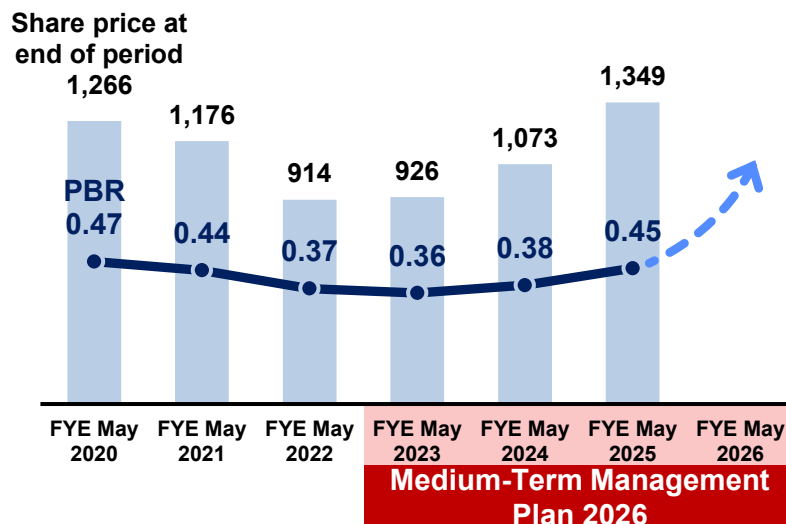
**PBR** has been 0.45 times recently and has remained below 1 time

Low **PBR** is attributable to low **ROE**

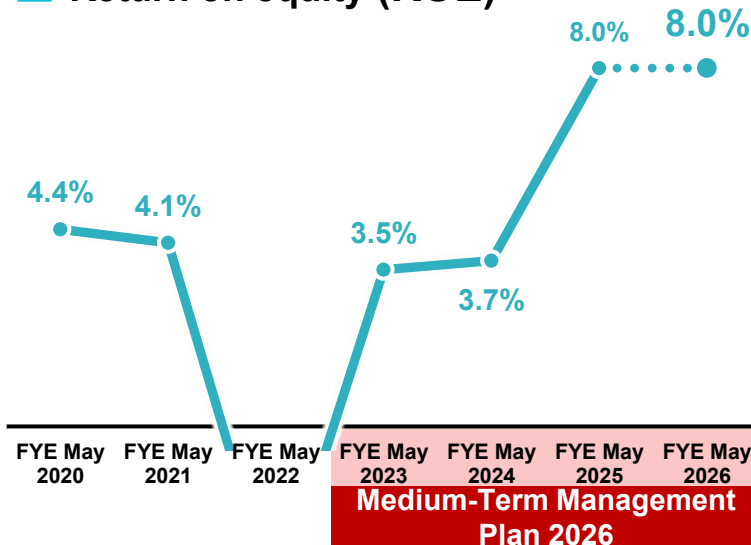
**ROE** achieved the 8% target of **Medium-Term Management Plan 2026** ahead of schedule

➡ It is important to maintain an **ROE** of 8% and increase it

Price book value ratio (PBR)



Return on equity (ROE)



Analysis and evaluation of current situation -- Our cost of equity is approx. 8%

# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Review of measures in the fiscal year ended May 31, 2025

- Promotion of **Medium-Term Management Plan 2026**

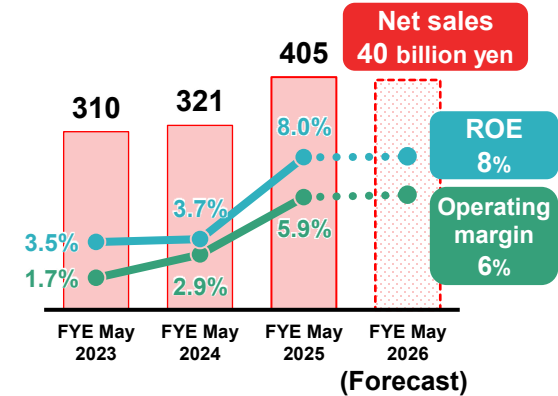
**Net sales 40 billion yen**

**Operating margin 5%**

**ROE 8%**

was achieved ahead of schedule

**Transportation** Electrical equipment for rolling stock  
Progress made in delivering newly built rolling stock made in Indonesia



Strengthening profitability

Improvement in asset efficiency

- Continued curtailment of cross-shareholdings (sales of cross-shareholdings: 610 million yen in FYE May 2025)
- Reorganization of real estate held (continued closing of employee welfare facilities that are used less frequently)

Improvement of expected growth rate

Expansion of new businesses and products

**Industry** Testing system for automobiles  
Commercialization of high-capacity In-Tire House Dynamo

- Financial results briefings for institutional investors held four times a year, IR interviews doubled
- Plant tour for shareholders (28 shareholders visited the Yokohama Plant)

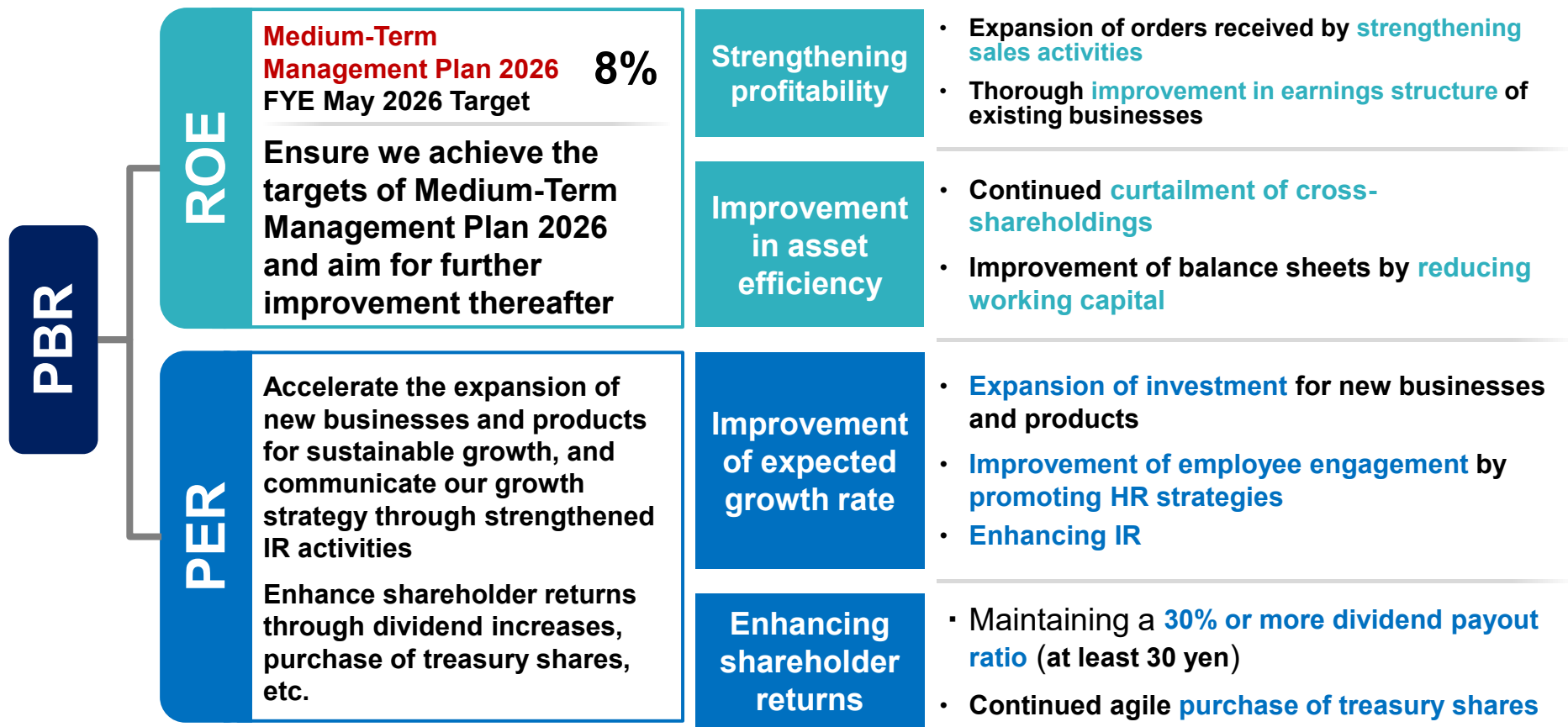
Enhancing shareholder returns

- Dividend increased to 70 yen per share for FYE May 2025 (30 yen per share for FYE May 2024)
- Continued purchase of treasury shares (350 million yen per year)

# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Initiatives to increase corporate value (update)

**PBR** = **ROE** × **PER** Work to improve **ROE** and **PER**



# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Strengthening profitability

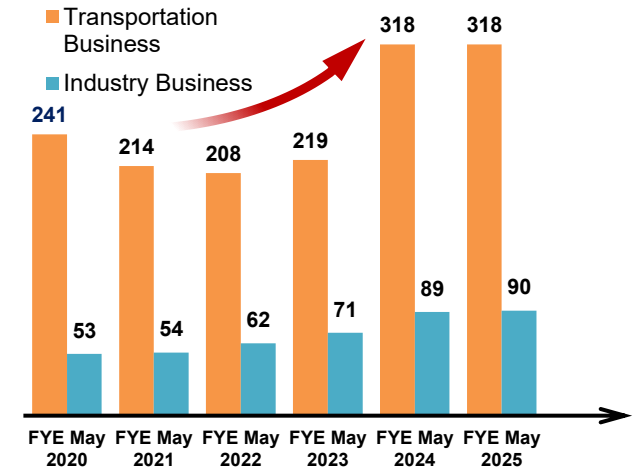
### Expansion of orders received by strengthening sales activities

- **Proactive response to demand for rolling stock replacement in Japan**  
Thorough order-receiving activities to meet the needs of railway operators, such as reducing environmental impact
- **Continuous approach to overseas markets**  
Continuously receiving orders for electrical equipment for rolling stock including maintenance parts in China, Indonesia, and the U.S.
- **Strengthening group synergies in Japan and overseas**  
Establishment of integrated sales structure for sales and maintenance of equipment in the Industry Business

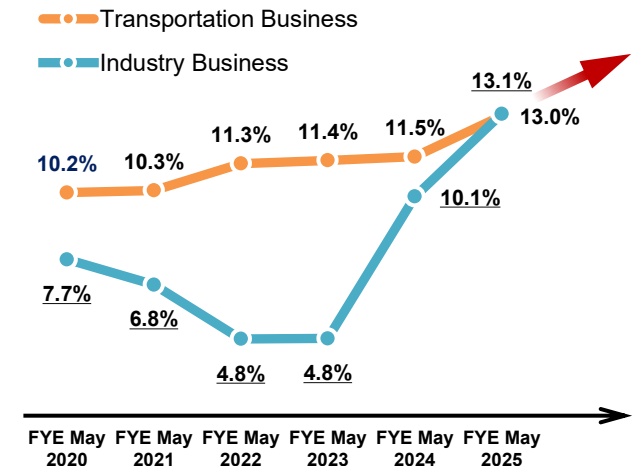
### Thorough improvement in earnings structure of existing businesses

- **Review of appropriate selling prices**
  - Continuous review of appropriate selling prices to absorb cost increases including wage hikes, higher prices, higher interest rates, etc.
  - Maintenance and improvement of customer satisfaction by pursuing valuable product quality and services
- **Continuous review of low-profit businesses and products**

### Order backlog at end of period (100 million yen)



### Segment margin



# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

## Improvement in asset efficiency

### Improvement in asset efficiency with awareness of capital cost

#### Continued curtailment of cross-shareholdings

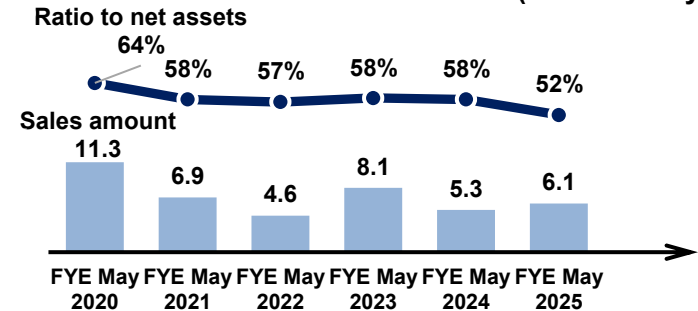
- Examining whether the purpose of holding the shares is appropriate and whether the benefits and risks associated with holding the shares are commensurate with the capital cost, etc., and selling the shares when the purpose of holding them has diminished
- Continuing to sell the shares while keeping an eye on developments in the stock market

#### Improvement of balance sheets by reducing working capital

- Review of collection terms for accounts receivable (shortening the period)
- Strengthening of management to optimize inventory levels
- Curtailment of borrowings through reducing working capital

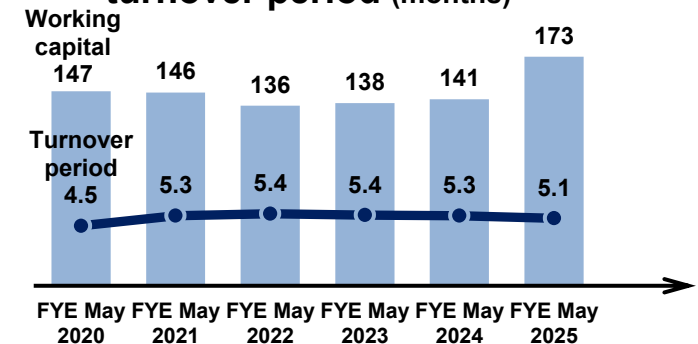
### Ratio of investment securities to net assets and sales amount

(100 million yen)



### High ratio of cross-shareholdings to net assets

### Working capital (100 million yen) and turnover period (months)



### Working capital increased while net sales increased



### 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

#### Improvement of expected growth rate

##### ■ Expansion of R&D investment and capital investment for new businesses and products

- Development of new business areas and new products that meet customer needs

##### ■ Promotion of HR strategies and improvement of employee engagement

- Introduction of systems that provide incentives for medium- to long-term increase of corporate value
  - Restricted stock compensation plan for Directors and Operating Officers (RS) <planned>
  - Employee Shareholding Incentive Plan (E-Ship<sup>®</sup>) for employees

E-Ship<sup>®</sup> is a registered trademark of Nomura Securities Co., Ltd.

- Continued expansion of human capital investment and efficient reallocation of human resources

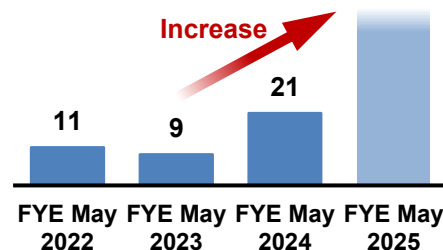
##### ■ Enhancing IR: Continuous expansion of opportunities for dialogue with shareholders and institutional investors

- Financial results briefing for institutional investors

Four times a year online in conjunction with financial disclosures

- IR interviews

■ Number of IR interviews held (number of interviews)



- Plant tour for shareholders

A tour of the Yokohama Plant was held in the fiscal year ended May 31, 2025



# 3. Action to Implement Management that is Conscious of Cost of Capital and Stock Price

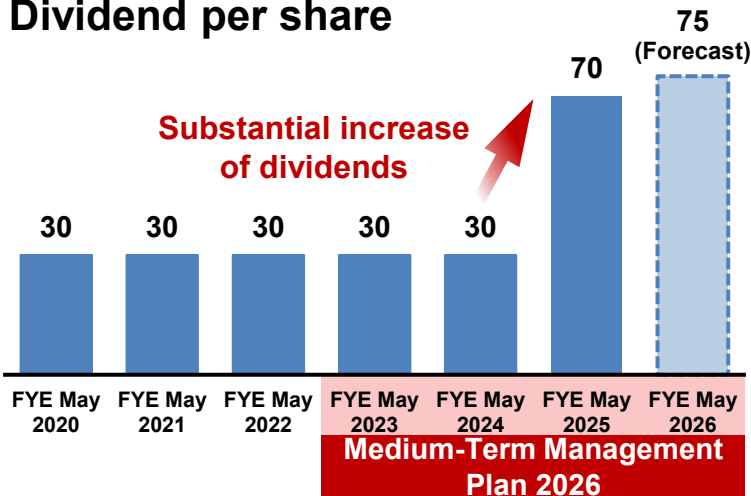
## Enhancing shareholder returns

### Dividend policy

Under Medium-Term Management Plan 2026, we aim to increase dividends and enhance corporate value by expanding profits, while maintaining a sustainable, stable dividend payout ratio of at least 30% and at least 30 yen per share as our basic policy.

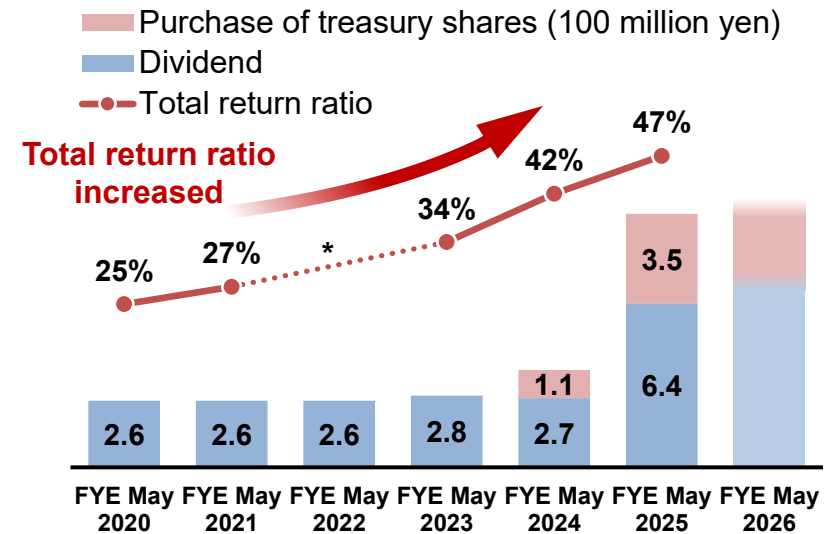
(Dividend forecast for the fiscal year ending May 2026: 75 yen)

Dividend per share



### Total return ratio

Work on continuous and agile purchase of treasury shares



\*FYE May 2022: Net loss due to impairment losses

## 4. Sustainability Initiatives

## Initiatives for the Indonesian railway market

### KRL Commuter Line

Commuter trains in the Jakarta metropolitan area

**Approx. 1,100 cars will be replaced with newly built cars and electrical equipment will be renewed**

**Newly built rolling stock made in Indonesia**

- November 2023 Orders received for electrical equipment for 192 cars (amount: approx. 5.5 billion yen)
- March 2024 Technology transfer agreement concluded (amount: approx. 600 million yen)
- August 2025 Delivery for all 192 cars will be completed by the Company

**Strengthen sales activities to lead to receiving orders for secondary cars**



Photo courtesy of Satoshi Takagi

**Life-prolonging of used cars made in Japan**

Meeting needs for equipment replacement

- August 2025 (scheduled) Delivery of replacement electrical equipment (24 cars)

**Strengthening activities to receive orders for replacement electrical equipment**

### Jakarta MRT

Subway

**Japan's ODA yen loan project to expand routes**

**North-South Line (Phase 1)**

Opened in 2019

- Delivered for 96 newly built cars

**North-South Line Extension (Phase 2A)**

Scheduled to open in 2027 or later

- There is a project for 48 newly built cars

**East-West Line (Phase 1)**

Scheduled to open in 2031

- Plans for 184 newly built cars



Jakarta MRT North-South Line rolling stock

## History of the development of In-Tire House Dynamo (ITHD)

Development to evaluate Advanced Driver-Assistance Systems (ADAS) and to replace chassis dynamos



Chassis dynamo



In-Tire House Dynamo

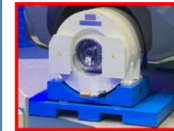
- Large-scale construction like a chassis dynamo is not necessary
- Installation is possible anywhere if there is space on a flat surface

Simulation with ITHD attached to the tires of an actual car

This enabled actual driving tests with steering, which are impossible with a chassis dynamo



Expansion of the lineup by increasing capacity



ITHD 160 kW (new product)



ITHD 94 kW (conventional product)

- Capacity increased (94 kW per wheel => 160 kW per wheel)
- SUVs and other large vehicles are also supported, including Battery EVs (BEV)



Aim for utilization in advanced driver-assistance systems, etc.

2021

2022

2023

2024

2025

- The first test equipment unit using ITHD was delivered to SUBARU CORPORATION

- Increase in trial and contract tests for adoption and evaluation of ITHD
- Support for electrification of automobiles through improvement

# 4-3. Initiatives to Value People and Local Communities

## Continuous initiatives to co-create value with diverse stakeholders

|   |  |             |
|---|--|-------------|
| Certified for 4 consecutive years from 2021 | Health & Productivity Management Organization                      |             |
| Announced on October 11, 2024               | Partnership Development Declaration                                |             |
| Certified on December 5, 2024               | Eco Rail Mark Supporting Company                                   |             |
| Announced on January 14, 2025               | Employee Shareholding Incentive Plan (E-Ship®) introduced          |             |
| Announced on April 18, 2025                 | Green Procurement Guidelines<br>Sustainable Procurement Guidelines | <b>New!</b> |
| Announced on May 23, 2025                   | Multi-Stakeholder Policy   | <b>New!</b> |

E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

# <Reference> Our company profile and business overview

- (1) Establishment** : **June 20, 1918 (106 years since establishment)**
- (2) Capital stock** : **4.9 billion yen**  
(consolidated: fiscal year ended May 31, 2025)
- (3) Net Sales** : **405 billion yen (ditto)**
- (4) Number of employees** : **1,146 (ditto)**
- (5) Business lines** : **Transportation Business**  
**Industry Business**  
**ICT Solution Business**
- (6) Production base** : **Yokohama Plant**  
**Shiga Ryuo Plant**



<Yokohama Plant>



<Shiga Ryuo Plant>

# <Reference> Our company profile and business overview

We are contributing to the development of the railway and industrial fields as a heavy electric machinery manufacturer with three businesses: **Transportation Business, Industry Business, and ICT Solution Business.**

## Transportation Business: products and systems for moving trains



Pantograph



Variable Voltage Variable Frequency (VVVF) Inverter Controller



Motor



Gear units

## Industry Business: production, infrastructure facilities, etc.



Automobile test system



Inverter



ED motor

## ICT Solution Business: station service equipment, etc.



Portable terminal for conductor



Cloud-type remote monitoring control system



# Disclaimer

- Statements concerning financial results forecasts are based on data available as of the date of publication of this material and assumptions concerning the elements of uncertainty that will affect future business performance as of the date of publication of this material. Actual financial results may differ depending on a variety of factors.
- Forward-looking statements contained in this material are the judgments of the Toyo Denki Group based on data available at the time of publication of this material. Such statements and descriptions are by no means comprehensive.

<Inquiries on this presentation>

Toyo Denki Seizo K.K.

PR, IR Department, Management Planning Division

TEL:03-5202-8122

Inquiry form:<https://www.toyodenki.co.jp/inquiry/inquiry.php>