

Financial Results Briefing

for the Fiscal Year Ended May 31, 2026

TOYO DENKI SEIZO K.K.
July 15, 2026

- 1. Overview of Financial Results for the Fiscal Year Ended May 31, 2026**
- 2. Segment Performance**
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- 1. Overview of Financial Results for the Fiscal Year Ended May 31, 2026**

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Overview of Consolidated Financial Results

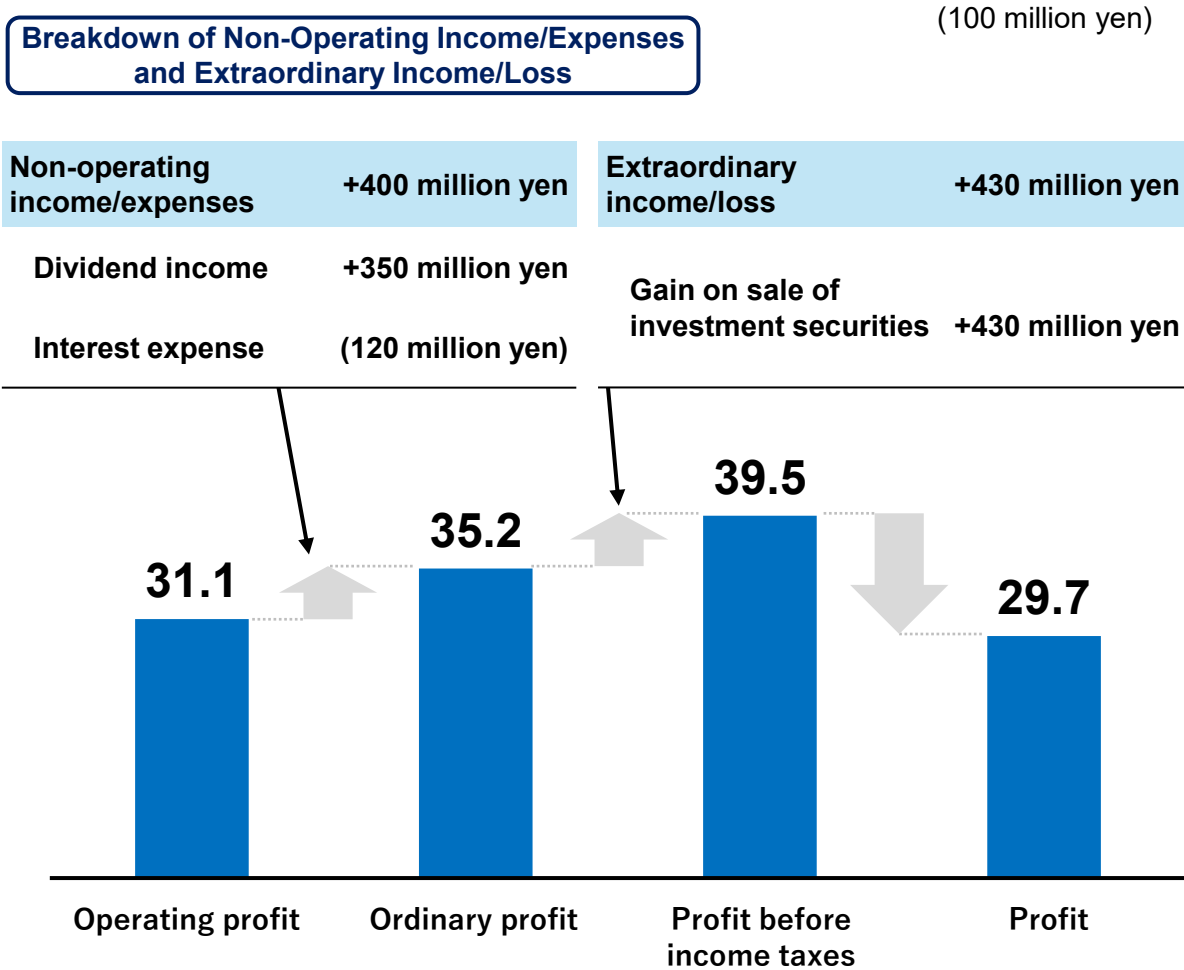
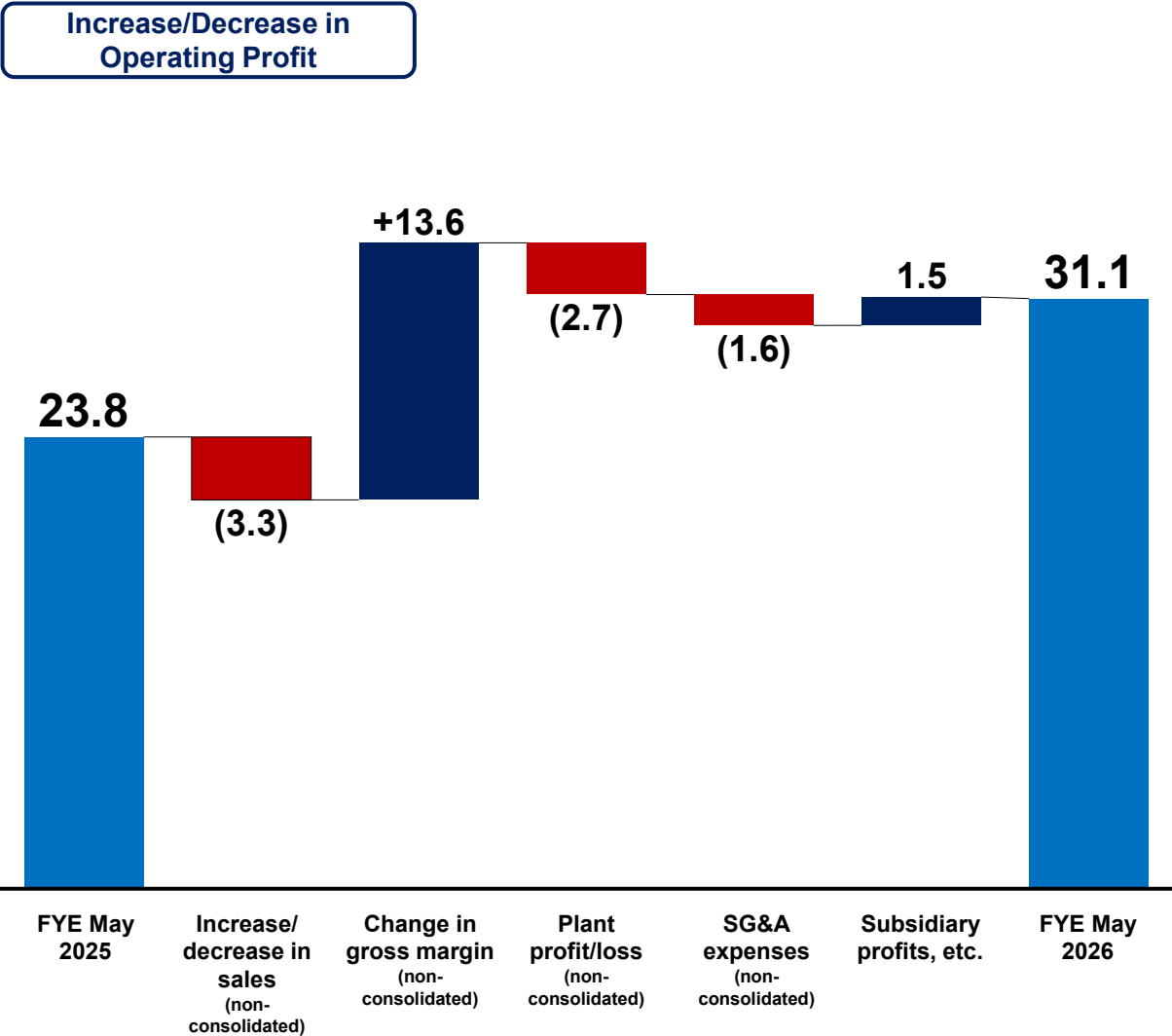
Orders received increased, and order backlog remained at a record-high level

Net sales remained unchanged from the previous fiscal year, and operating profit increased significantly, driven by the Transportation Business

	FYE May 2025	FYE May 2026					
(Cumulative) (100 million yen)	Full year	Full year	YoY Change		Initial full-year forecast	3Q full-year forecast	Overview (YoY Comparison)
				%			
Orders received	403.1	456.3	+53.1	+13.2%	410.0	450.0	• Orders for domestic private railway operators increased significantly in the Transportation Business
Order backlog	411.5	463.1	+51.5	+12.5%			
Net sales	405.3	404.8	(0.5)	(0.1)%	400.0	U n c h a n g e d	• Net sales were roughly in line with the previous fiscal year, as increased sales to domestic private railway operators offset the decline following large-scale projects in Indonesia in the previous year
Operating profit	23.8	31.1	+7.2	+30.5%	24.0		• Operating profit increased significantly due to an improvement in the gross profit margin in the Transportation Business
Ordinary profit	25.8	35.2	+9.3	+36.2%	25.0		• Increased due to an increase in operating profit
Profit	21.2	29.7	+8.4	+39.8%	22.5		• Increased due to an increase in operating profit and sales of cross-shareholdings

Changes in Operating Profit / Breakdown of Non-Operating Income/Expenses and Extraordinary Income/Loss

Operating profit increased significantly due to improved gross margin in the Transportation Business



Consolidated Balance Sheets

(100 million yen)	May 31, 2025	May 31, 2026	Change from previous fiscal year-end	
Total assets	532.1	538.1	+6.0	
Current assets	300.8	304.3	+3.5	
Cash and deposits	50.0	45.2	(4.7)	
Trade receivables	168.0	174.4	+6.4	• Investment securities remained almost unchanged due to a rise in market value, despite a continued reduction of cross-shareholdings
Inventories	80.7	84.2	+3.4	
Non-current assets	231.2	233.7	+2.5	
Property, plant and equipment, and intangible assets	53.3	53.7	+0.3	• Trade payables decreased significantly as payment timing was optimized in response to the SME Transactions Act
Investment securities	141.7	144.2	+2.4	
Liabilities	258.2	232.0	(26.2)	• Borrowings rose to meet capital needs resulting from an increase in working capital
Trade payables	75.1	46.9	(28.1)	
Borrowings from other banks	92.0	101.2	+9.1	
Net assets	273.8	306.1	+32.2	
Equity-to-asset ratio	51.5%	56.9%	+5.4pt	* Totals may not agree due to the truncation of amounts of less than one million yen.

(100 million yen)	FYE May 2025	FYE May 2026	Overview
Cash flows from operating activities	6.0	(8.2)	• Net cash used in operating activities was 820 million yen, mainly due to a decrease in trade payables and income taxes paid • Net cash used in investing activities was 120 million yen, mainly due to purchase of non-current assets as part of capital investment, despite income from sales of investment securities • Net cash provided by financing activities was 220 million yen, mainly due to an increase in short-term borrowings in response to increased working capital
Cash flows from investing activities	(2.9)	(1.2)	
Purchase of property, plant and equipment	(5.0)	(7.8)	
Cash flows from financing activities	(20.0)	2.2	
Cash and deposits at end of period	50.0	45.2	
Interest-bearing debt	92.0	101.2	
Net interest-bearing debt	42.0	55.9	

1. Overview of Financial Results for the Fiscal Year Ended May 31, 2026

2. Segment Performance

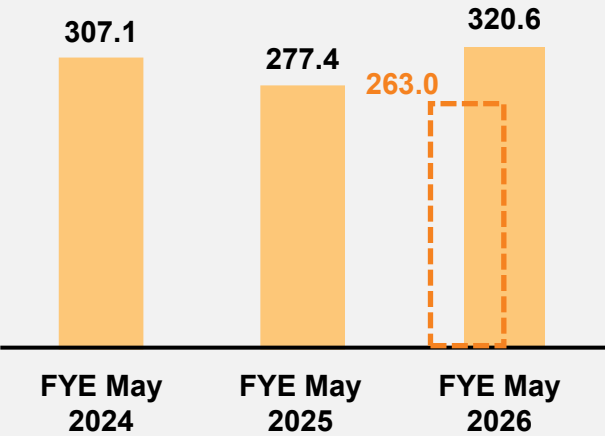
3. Financial Results Forecast for the Fiscal Year Ending May 31, 2027

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■ Full-year results ▨ Initial forecast (100 million yen)

Orders received

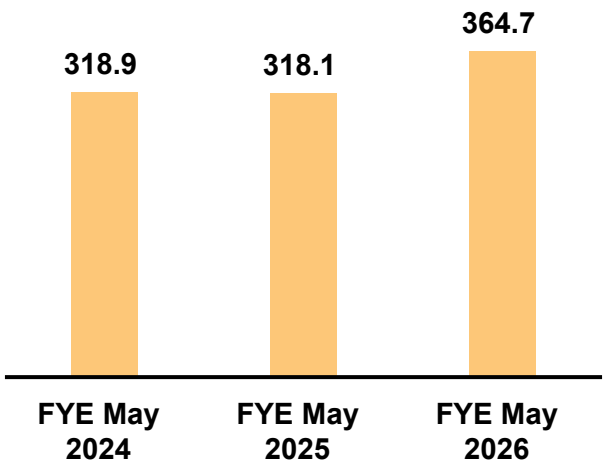


	FYE May 2025	FYE May 2026	%
Domestic railways	185.4	223.7	+20.6%
Overseas railways	60.5	64.7	+7.0%
Other	31.4	32.1	+2.2%

Overview (YoY Comparison)

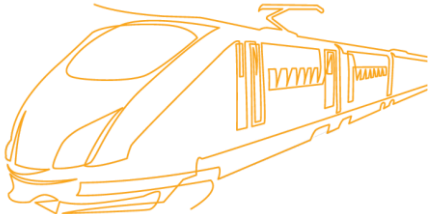
- In Japan, orders received from private railways increased significantly
- Overseas orders received increased overall mainly due to orders received for products for new rolling stock in Indonesia, despite a decrease in maintenance parts for high-speed railways in China

Order backlog



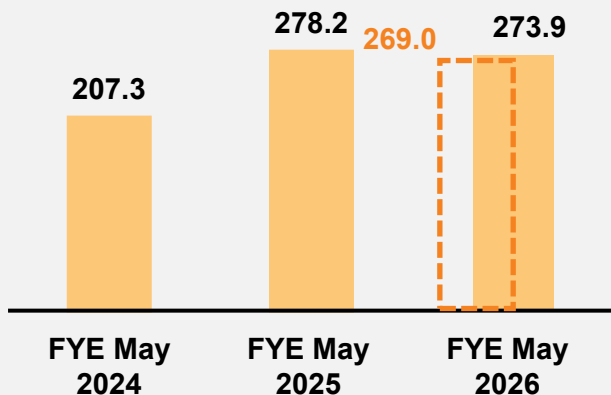
Review of the Business Environment

- In Japan, an increase in railway users due in part to steady inbound travel demand 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, inquiries for parts for high-speed railways in China continued, and inquiries for products for newly built rolling stock grew against a backdrop of strong investment in railway infrastructure in various countries
- Order backlogs also remained high



■ Full-year results □ Initial forecast (100 million yen)

Net sales

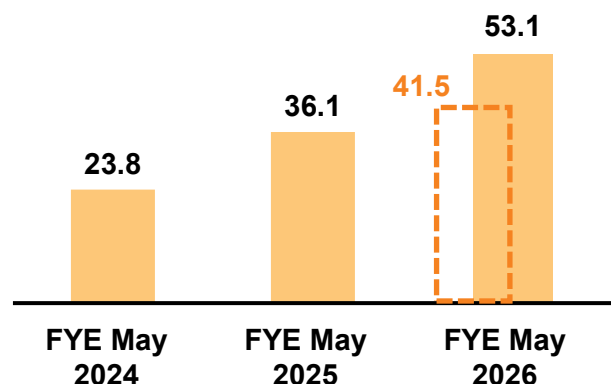


	FYE May 2025	FYE May 2026	%
Domestic railways	148.2	173.7	+17.2%
Overseas railways	101.4	65.0	(35.9)%
Other	28.4	35.2	+23.6%

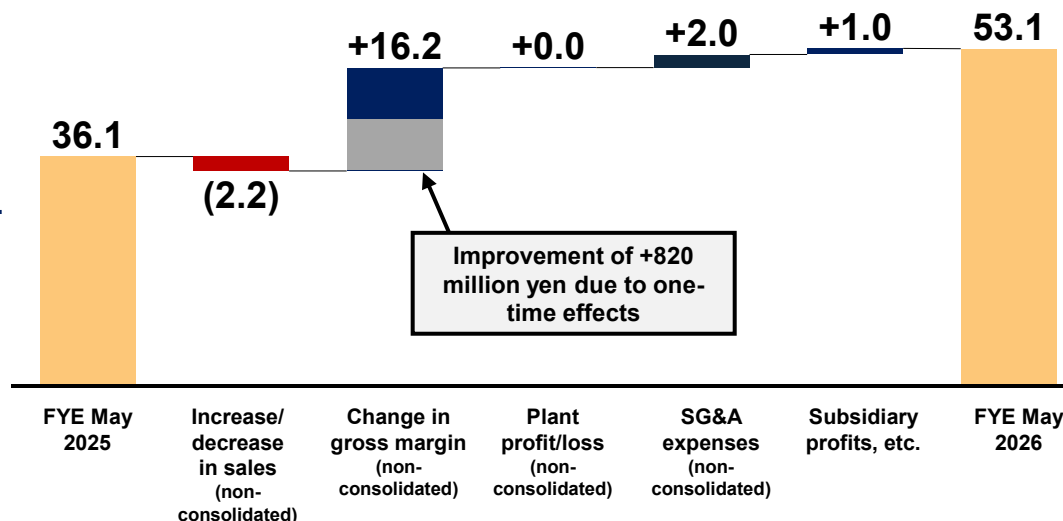
Overview (YoY Comparison)

- Domestic sales to private railways increased
- Overseas sales decreased due to the absence of a large-scale project in Indonesia recorded in the previous fiscal year

Segment profit



Increase/decrease in profit



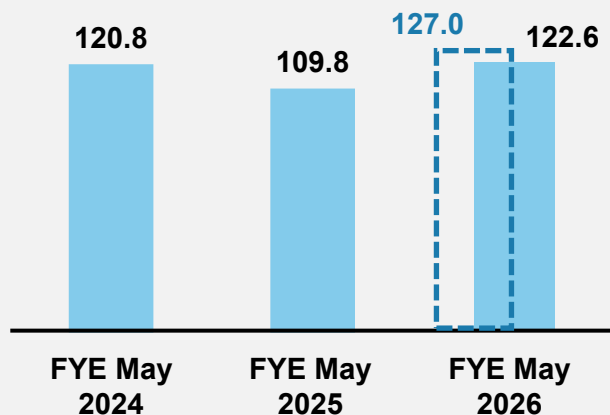
- Profit increased due to the one-time impact of revised estimates for the provision for product warranties, improved profitability mainly on the large-scale project in Indonesia, and an improvement in the gross profit margin resulting from appropriate pricing, mainly for domestic private railway operators

■ Full-year results

■ Initial forecast

(100 million yen)

Orders received

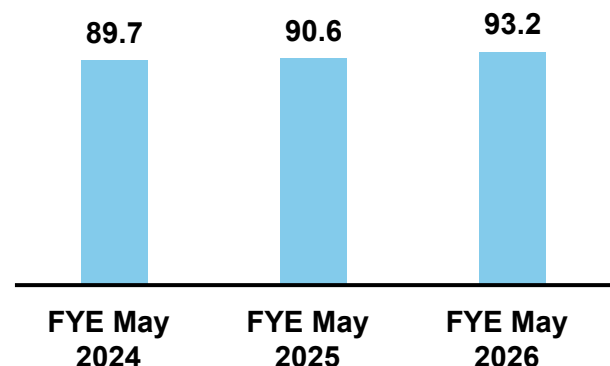


	FYE May 2025	FYE May 2026	%
Automotive testing equipment	29.1	34.0	+16.7%
Production and processing facilities	22.2	18.7	(15.8)%
Power generation and infrastructure	27.3	29.9	+9.4%
Other	31.0	39.9	+28.7%

Overview (YoY Comparison)

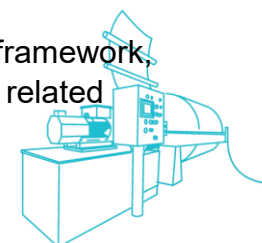
- Orders received for automotive testing equipment increased due to orders received mainly from vehicle manufacturers
- Orders received for production and processing facilities decreased for some industries
- Orders for power generation and infrastructure systems increased, boosted by orders received for emergency generators for government agencies and other customers
- Maintenance business at subsidiaries expanded

Order backlog



Review of the Business Environment

- In automotive testing equipment, we expanded our lineup of In-Tire-House Dynamo for the development of next-generation vehicles, which led to new orders as well as increased inquiries.
- In production and processing facilities, we strengthened technical proposals in cooperation with group companies in response to growing demand for energy savings and reduced maintenance requirements
- In power generation and infrastructure systems, orders and inquiries for emergency generators for BCP purposes increased from government agencies (including the Acquisition, Technology & Logistics Agency), telecommunications carriers, and financial institutions
- In response to China's rare earth export restrictions, we are taking steps to secure a stable supply framework, including diversifying our supply chain and developing rare earth-free products, and expect to incur related costs going forward

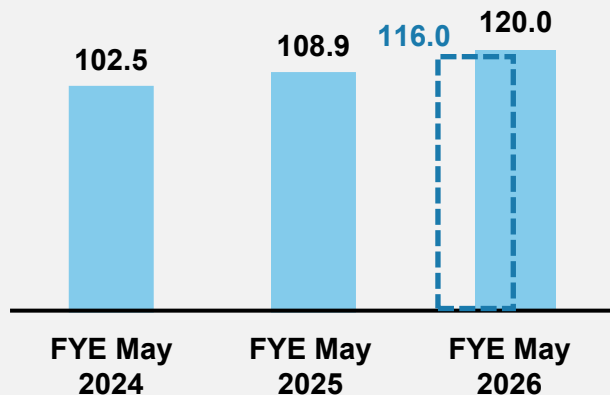


■ Full-year results

□ Initial forecast

(100 million yen)

Net sales

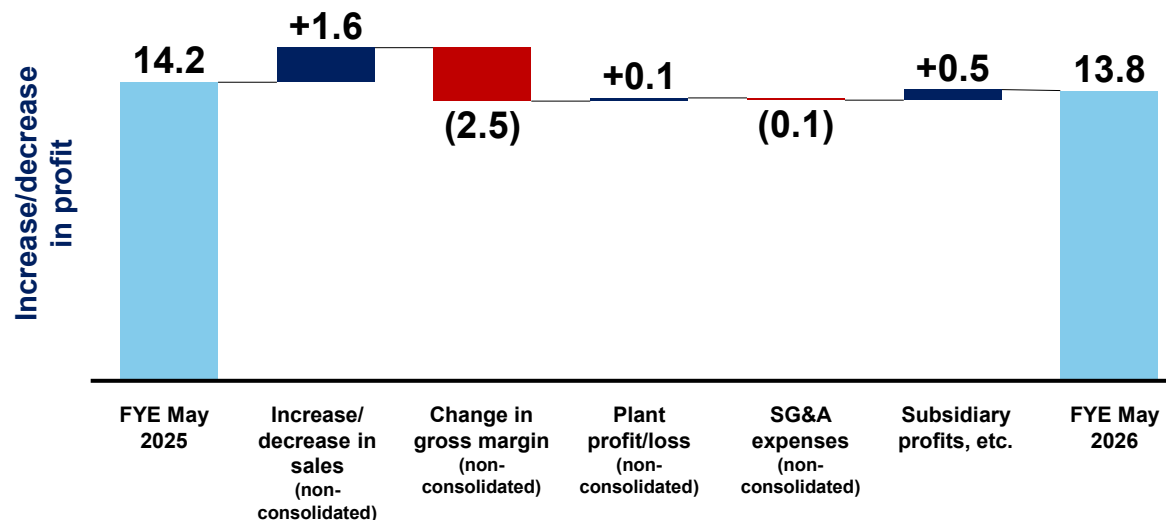
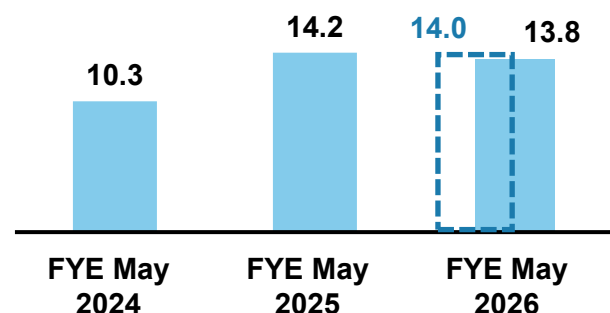


	FYE May 2025	FYE May 2026	%
Automotive testing equipment	27.3	29.8	+9.2%
Production and processing facilities	26.7	21.2	(20.8)%
Power generation and infrastructure	23.8	31.7	+33.0%
Other	31.0	37.3	+20.3%

Overview (YoY Comparison)

- Sales of automotive testing equipment increased for vehicle manufacturers
- Sales of production and processing facilities decreased for some industries
- Sales of power generation and infrastructure systems increased, mainly for government agencies

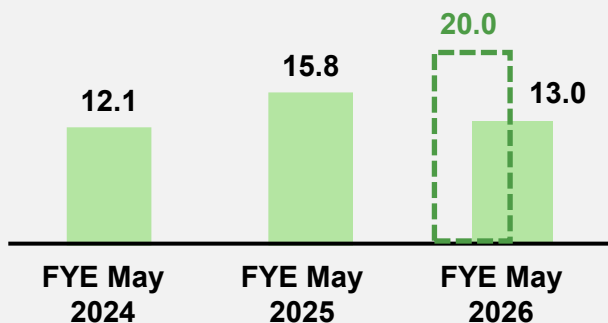
Segment profit



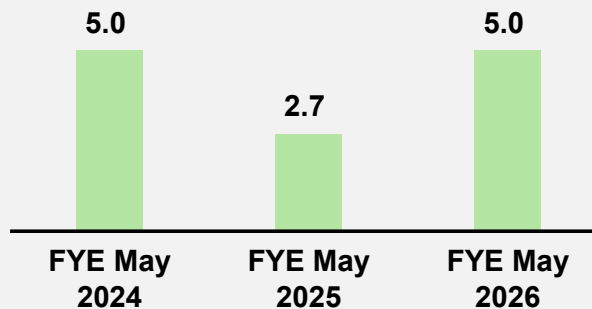
- Segment profit remained largely unchanged from the previous fiscal year, as the positive impact of higher sales was offset by factors including design costs recorded for new development projects in automotive testing equipment and power generation and infrastructure systems

■ Full-year results □ Initial forecast (100 million yen)

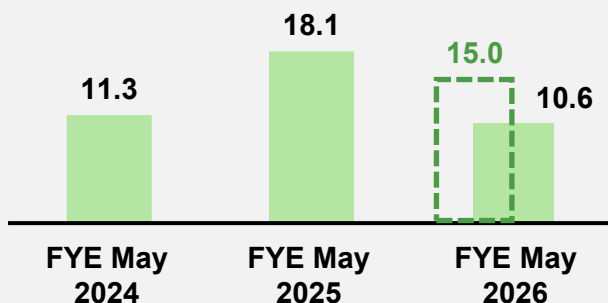
Orders received



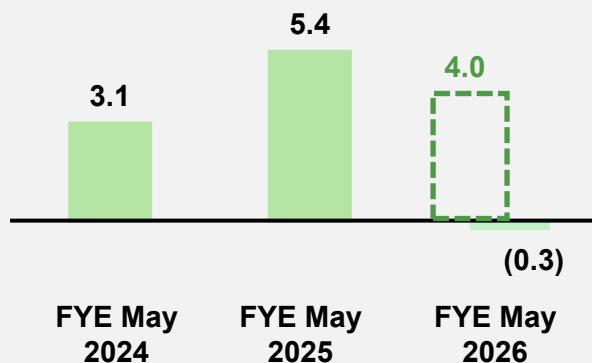
Order backlog



Net sales



Segment profit



Overview (YoY Comparison)

- Orders received and net sales decreased due to the absence of large-scale projects recorded in the previous fiscal year
- A segment loss was recorded due to additional costs related to a large-scale new development project recognized through the second quarter and the decline in net sales following large-scale projects in the previous fiscal year

Review of the Business Environment

- In railway station operating equipment systems, we strove to develop systems to support cashless services, ticketless boarding, and other services in order to improve the convenience of transportation services and operational efficiency
- In remote monitoring systems, we continued developing cloud-based remote monitoring systems for monitoring and controlling mobile assets, equipment, and facilities



* The ICT Solution Business was integrated with the Transportation Business on June 1, 2026.

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Financial Results Forecast for the Fiscal Year Ending May 31, 2027

Profit will decrease mainly due to the absence of overseas high-gross-margin projects, despite increased net sales

	FYE May 2026 (Results)		FYE May 2027 (Plan)		YoY Change
	2Q	Full year	2Q	Full year	Full year
(100 million yen)					
Orders received	235.6	456.3	215.0	435.0	(21.3)
Net sales	181.7	404.8	185.0	425.0	+20.1
Operating profit (%)	6.7 (3.7%)	31.1 (7.7%)	5.5 (3.0%)	26.0 (6.1%)	(5.1)
Ordinary profit	8.9	35.2	8.5	28.0	(7.2)
Profit [Profit per share (yen)]	8.6 [95.80]	29.7 [329.76]	8.0 [88.66]	26.0 [288.16]	(3.7)
Dividend per share (yen)		100.00	58.00	116.00	

Outlook for Financial Results (by Segment)

Forecasts by segment are as follows

(100 million yen)	Transportation Business			Industry Business		
	FYE May 2027 Forecast		Change from previous period	FYE May 2027 Forecast		Change from previous period
	2Q	Full year	Full year	2Q	Full year	Full year
Orders received	150.0	310.0	(23.6)	65.0	125.0	+2.3
Net sales	125.0	295.0	+10.3	60.0	130.0	+9.9
Segment profit	21.5	51.0	(1.8)	5.0	16.0	+2.1

* The ICT Solution Business was integrated with the Transportation Business on June 1, 2026.

* For comparison with the Transportation Business forecast, prior-year results include the results of the ICT Solution Business.

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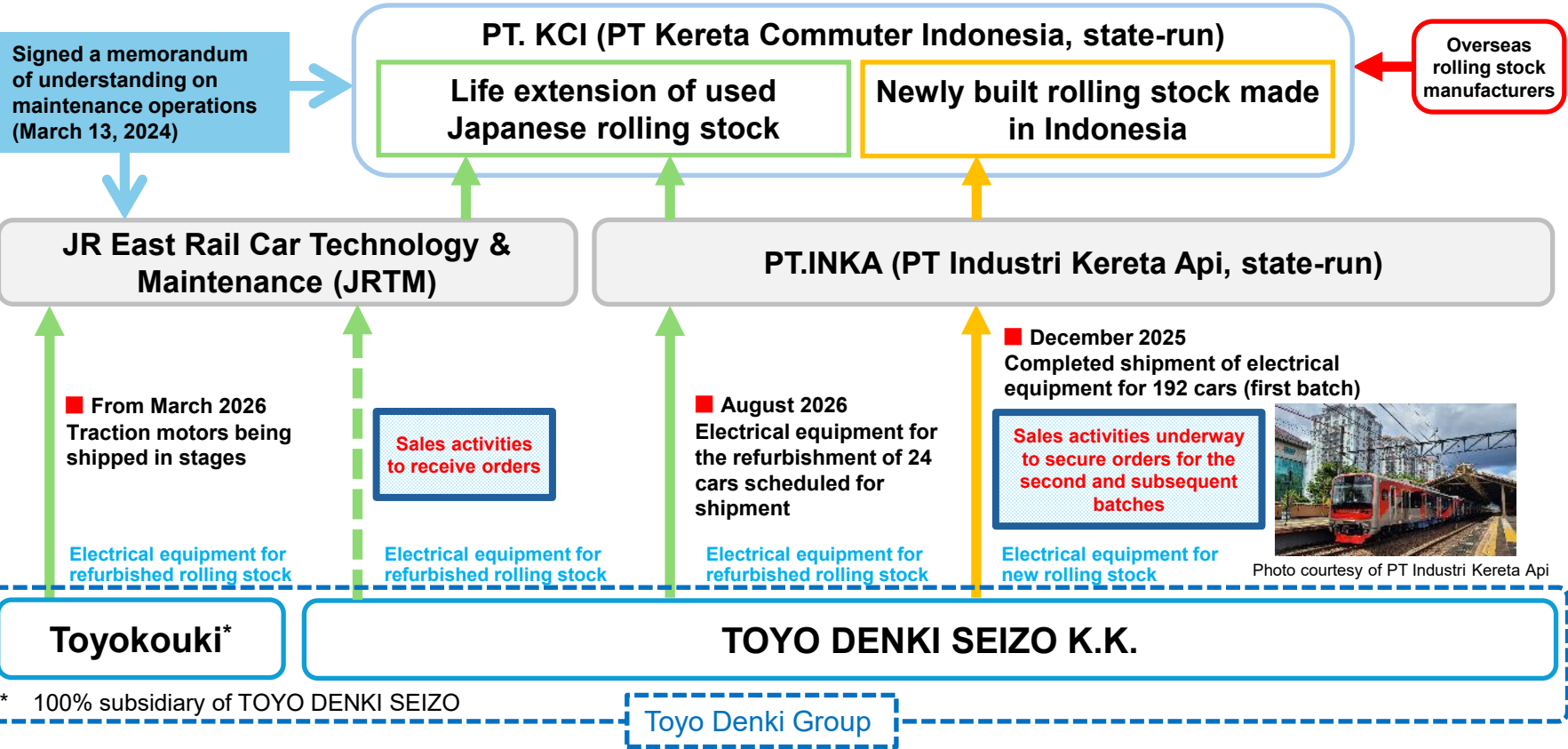
Initiatives to diversify our railway business in Indonesia

Transportation Business

(1) KRL Commuter Line

Commuter trains in the Jakarta metropolitan area

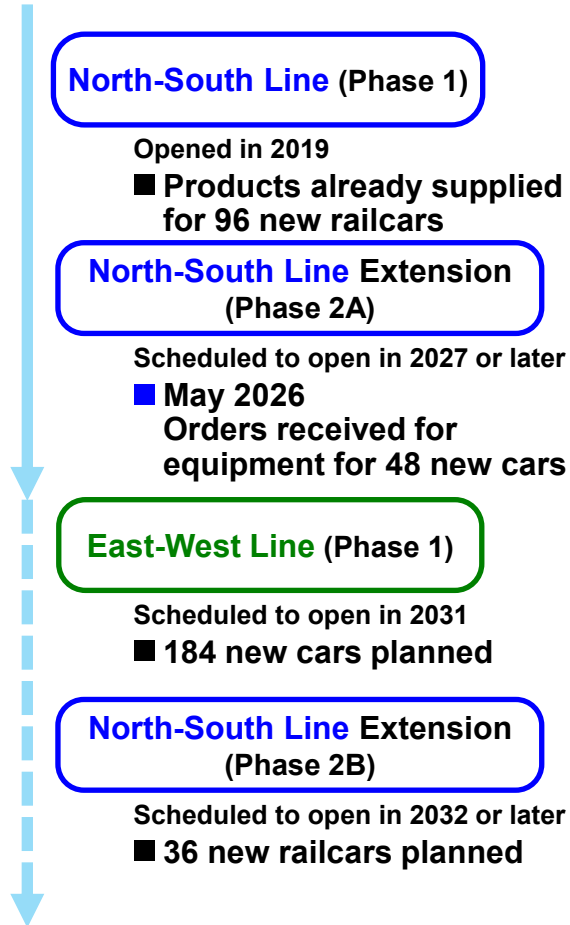
Renewal of used rolling stock (about 1100 cars) is proceeding under the Indonesian government's policy



(2) Jakarta MRT

Subway

Routes are expanding due to Japanese ODA yen loan projects



Development Progress of In-Tire-House Dynamo® (ITHD®)

Industry Business

Development for medium-sized vehicles completed



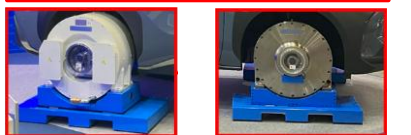
- Designed as an alternative to chassis dynamos
- Large construction not required
- Can be installed on a flat surface

Enables driving tests with steering



- Simulation testing conducted with ITHD mounted on an actual vehicle
- **Enables actual driving tests involving steering**, which are not possible with chassis dynamos

Development for large vehicles completed



- **Compatible with large vehicles**, including SUVs and battery electric vehicles (BEVs)

Development for small vehicles completed



- Development of large, medium-sized, and small ITHD completed
- **Now able to accommodate orders for vehicles of all sizes**

Future Developments

- Expand the lineup for trucks and buses
- Enhance capabilities for evaluating next-generation driving systems
- Promote industry collaboration toward application in certification testing



Promoting initiatives to **position ITHD as the industry standard** for automotive testing systems in the future

2021

2022

2023

2024

2025

2026

- Delivered the first testing system

- Increase in trials and contract testing for adoption and evaluation
- Automobile electrification supported

- Orders received for testing equipment for large vehicles
- Inquiries increased

- Held briefing sessions for automakers

Product development through alliance with other companies

Transportation Business

Development of a high-performance electric door system through collaboration among MITSUBA, TOYO DENKI SEIZO, and TAIHEI DENKI

Collaboration structure

MITSUBA Corporation

Provides integrated electromechanical motor technology with built-in control functions and is responsible for developing the drive unit for the electric door operating equipment

TOYO DENKI SEIZO K.K.

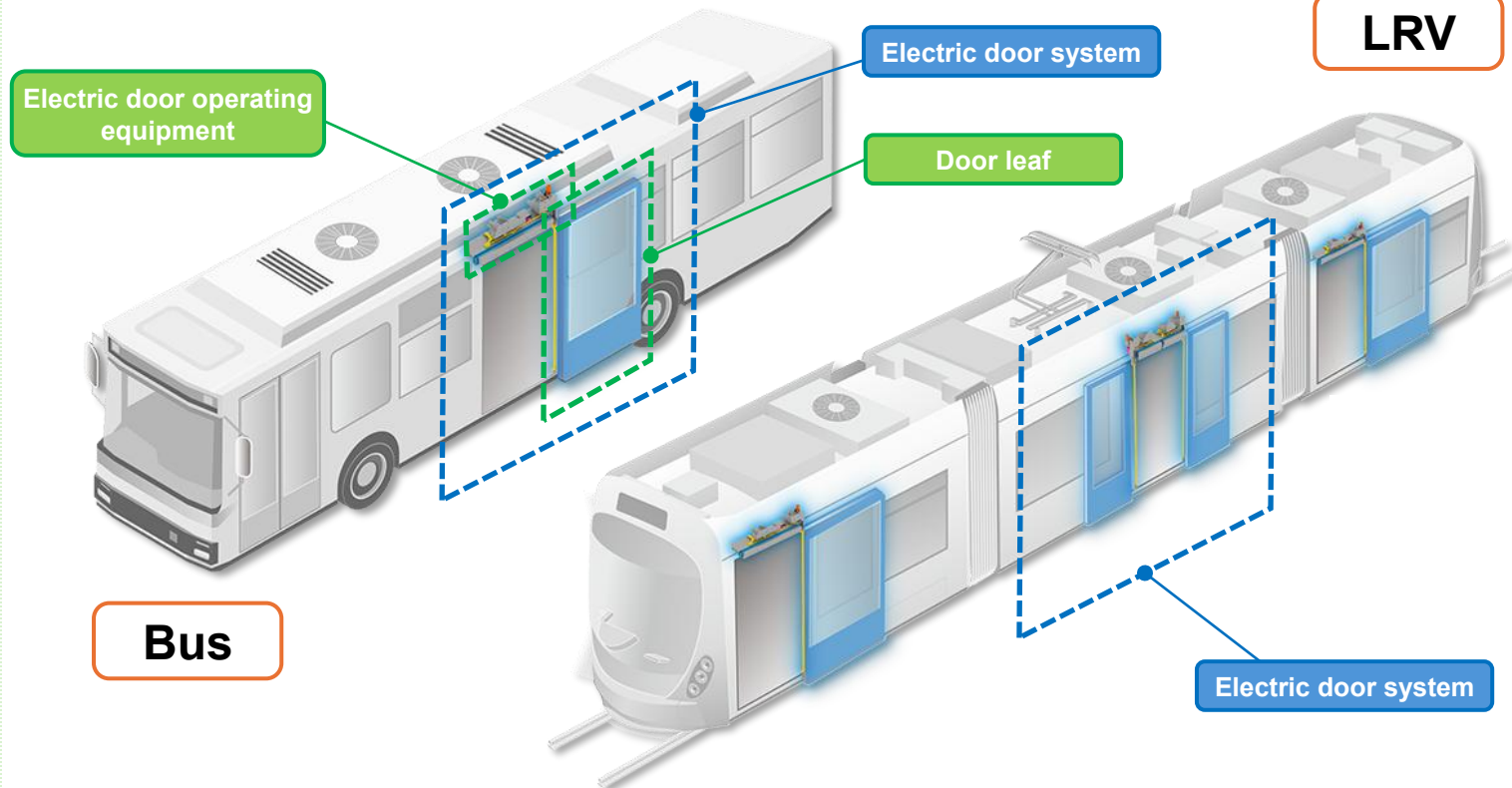
Leads the integration of the three companies' technologies, leveraging its extensive expertise in the railway sector

TAIHEI DENKI Co., Ltd.

Responsible for the design and manufacture of the entire door system, leveraging expertise gained through the development of pneumatic door operating equipment for railways and buses

Toyo Denki Group

Contribute to improving the performance of electric door systems for buses, LRVs, and railways while making a **full-scale entry into the electric door system market**



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<Reference> Net Sales by Segment

(Millions of yen)			FYE May 2025	FYE May 2026
Reporting segments	Transportation Business	Domestic railways	14,826	17,371
		Overseas railways	10,147	6,506
		Other	2,849	3,520
		Subtotal	27,822	27,398
	Industry Business	Automotive testing equipment	2,730	2,982
		Production and processing facilities	2,678	2,121
		Power generation and infrastructure	2,383	3,170
		Other	3,102	3,733
		Subtotal	10,895	12,008
	ICT Solution Business	ICT Solution	1,817	1,069
		Subtotal	1,817	1,069
Other			3	4
Total			40,539	40,480

TOYO DENKI SEIZO contributes to society through manufacturing in three business areas: **the Transportation Business**, which supports comfortable and safe railway transportation; **the Industry Business**, which contributes to people's lives and energy conservation; and **the ICT Solution Business**, which uses network technologies to enable convenient monitoring and management of operations.

Transportation Business

- Electrical equipment for railway vehicles
- Railway energy storage system
- Door operating equipment for buses

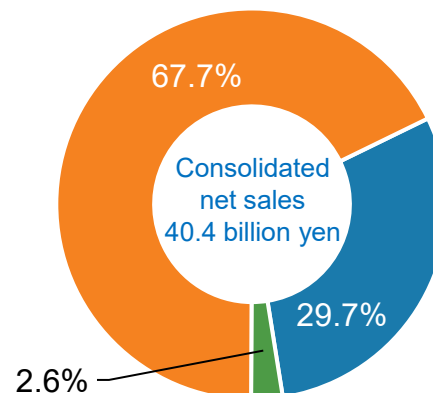


Propulsion control unit
(VVVF inverter)



Traction motors

Sales Ratio by Segment



ICT Solution Business

- Railway station operating equipment systems
- IoT Solutions (Cloud-based Remote Monitoring and Control Systems)



Commuter pass issuing machine

* The ICT Solution Business was integrated with the Transportation Business on June 1, 2026.

Industry Business

- Automotive testing systems
- Production and processing equipment drive system
- Power generation and power supply systems



In-Tyre House Dynamo



Eco-drive motor

<Reference> Subsidiaries and Affiliates

○ Consolidated subsidiary ● Equity-method affiliate ■ Non-consolidated subsidiary ▲ Affiliate not accounted for by the equity method

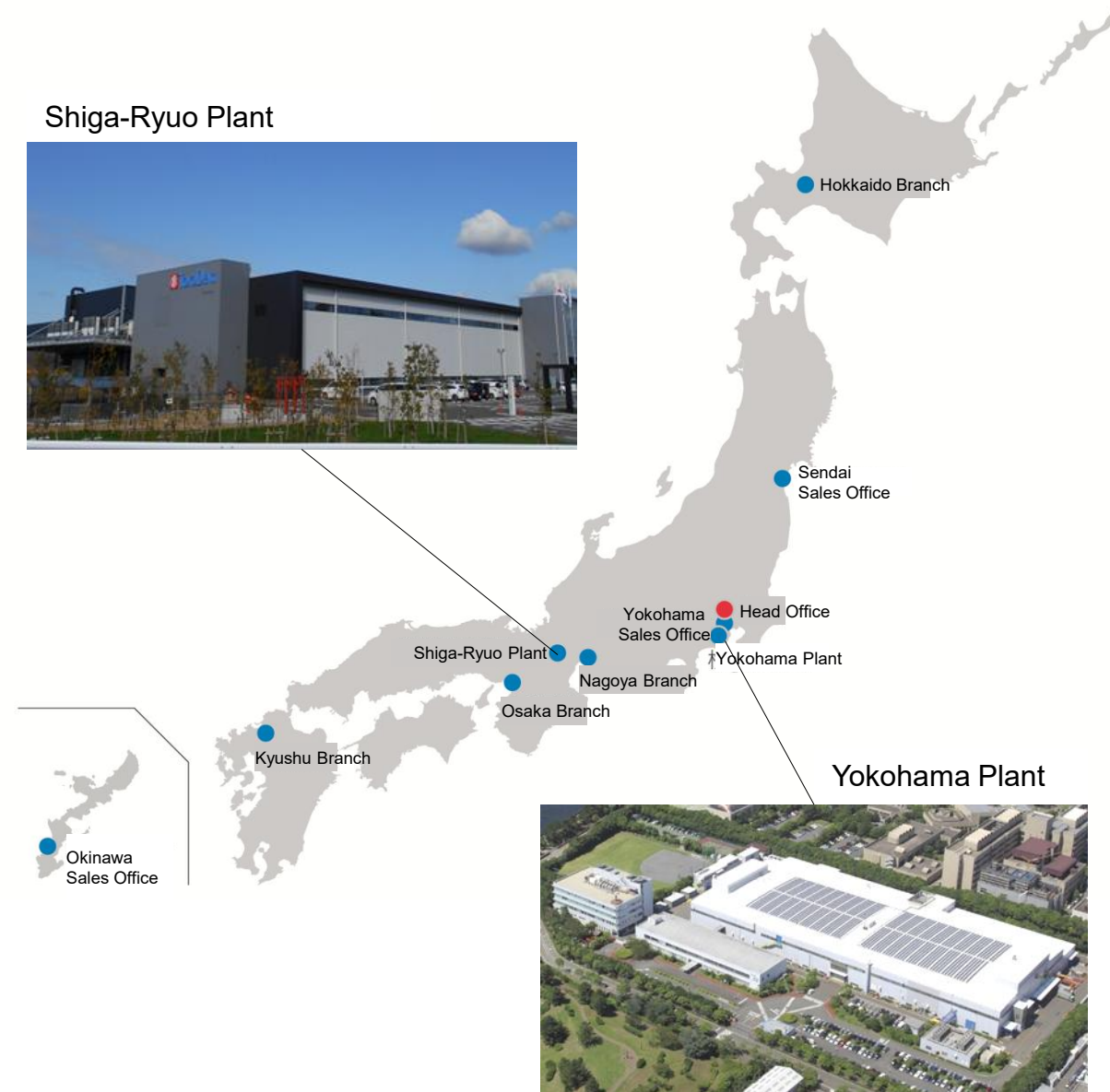
	Transportation Business	Industry Business	Other
Domestic	○ Toyokouki Co., Ltd. ○ TAIHEI DENKI Co., Ltd.	○ Toyo Sangyo Co., Ltd. ○ TD. Drive Mfg. Co., Ltd.	○ Toyo Shoji Co., Ltd.
Overseas	○ Toyo Denki (Beijing) Co., Ltd. (China) ○ Changzhou Yangdian Zhanyun Transport Equipment Co., Ltd. (China) ● Changzhou Ruiyang Transmission Technology Co., Ltd. (China) ● Beijing Jingche Shuangyang Traction System Co., Ltd. (China) ■ Chengdu Shuangyang Rail Transit Equipment Co., Ltd. (China) ■ TOYO DENKI RAILWAY SERVICE, LLC (U.S.) ▲ Chengdu Yonggui Toyo Rolling Stock Equipment Co., Ltd. (China)	■ SIAM TOYO DENKI Co., Ltd. (Thailand)	

<Reference> Company Profile

Company Profile (as of May 31, 2026)

Company name	TOYO DENKI SEIZO K.K. (TOYO ELECTRIC MFG. CO., LTD.)
Established	June 20, 1918
Share capital	4,998,390,000 yen
Number of employees	1,195 (consolidated)
Head Office	1-4-16, Yaesu, Chuo-ku, Tokyo 103-0028, Japan
Stock exchange listing	Tokyo Stock Exchange, Standard Market
Securities code	6505
Total number of authorized shares	36,000,000
Total number of issued shares	9,735,000 shares
Number of shareholders	6,360

Shiga-Ryuo Plant



Yokohama Plant



- Forward-looking statements in this document are based on information available as of the date of this release and on assumptions as of the date of this release regarding uncertain factors that may affect future financial results. Actual financial results may differ from these forecasts due to various factors.
- Statements regarding future forecasts in this document are based on the judgment of the Group based on information available as of the date of this release. They are not necessarily comprehensive.