May 12, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: TOKYO KEIKI INC.
Listing: Tokyo Stock Exchange
Securities code: 7721
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Scheduled date of annual general meeting of shareholders: June 26, 2025
Scheduled date to commence dividend payments: June 27, 2025
Scheduled date to file annual securities report: June 27, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes/ (live streaming for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	57,650	22.2	4,856	75.4	5,001	67.2	3,797	66.8
March 31, 2024	47,166	6.5	2,768	111.0	2,990	77.2	2,277	160.9

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥4,161 million [(5.8)%]
For the fiscal year ended March 31, 2024: ¥4,416 million [660.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	231.15	－	9.8	7.0	8.4
March 31, 2024	138.62	－	6.5	4.8	5.9

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2025: ¥39 million
For the fiscal year ended March 31, 2024: ¥40 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	76,497	41,007	52.8	2,460.11
March 31, 2024	66,978	37,369	55.0	2,243.54

Reference: Equity
As of March 31, 2025: ¥40,418 million
As of March 31, 2024: ¥36,849 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	(455)	(4,025)	4,178	7,553
March 31, 2024	(2,835)	(2,373)	4,299	7,796

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended **March 31, 2024**	—	—	—	32.50	32.50	534	23.4	1.5
Fiscal year ended **March 31, 2025**	—	—	—	35.00	35.00	575	15.1	1.5
Fiscal year ending **March 31, 2026** (Forecast)	—	—	—	40.00	40.00		26.7	

3. Consolidated financial results forecasts for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	59,600	3.4	3,890	(19.9)	3,910	(21.8)	2,460	(35.2)	149.73

Note: Outlook of consolidated operating results for the first half of the fiscal year 2025 is not prepared. Please refer to "Business outlook" on page 7 of the attachments for further information.

*** Notes**

(1) Changes in significant subsidiaries during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: Yes
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2025	17,076,439 shares
As of March 31, 2024	17,076,439 shares

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

As of March 31, 2025	647,180 shares
As of March 31, 2024	651,933 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	16,428,146 shares
Fiscal year ended March 31, 2024	16,422,105 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	50,844	22.4	3,370	67.3	4,477	56.2	3,725	59.9
March 31, 2024	41,539	6.9	2,014	451.6	2,866	203.3	2,330	415.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	226.75	―
March 31, 2024	141.87	―

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	66,213	32,039	48.4	1,950.11
March 31, 2024	57,435	28,886	50.3	1,758.71

Reference: Equity
As of March 31, 2025: ¥32,039 million
As of March 31, 2024: ¥28,886 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

The forecasts given in this document are based on the current information available to TOKYO KEIKI INC. (hereafter "the Company"). Consequently, the Company does not commit to achieve these forecasting numbers. Actual results may differ from these forecasts due to various factors.

(Means of access to supplementary material on financial results)

The company plans to hold a live webcast of a briefing for securities analysts and institutional investors on June 2, 2025.

Contents of Attached Materials

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for Current Fiscal Year

The Japanese economy in the current fiscal year is on a moderate recovery trend, due to a gradual recovery in personal consumption and an increase in spending by inbound tourists. However, the future remains uncertain due to the yen's depreciation against the backdrop of the interest rate differential between Japan and the US, soaring energy prices, increases in raw material and component prices, and the US administration's review of its tariff policies.

Under these business conditions, our group has positioned the three years from fiscal 2024 as a period of leap forward toward growth in order to achieve the TOKYO KEIKI Vision 2030. In the new Medium-term Business Plan starting from fiscal 2024, for us to shift to a stage of sustainable growth and enhancement of corporate value over the medium to long term, we have set "improving earning power" as the top priority in our basic policy, which emphasizes profit growth, and work on "expanding business domains" and "strengthening management foundation."

With regard to "improving earning power," we will examine corporate strategy for our businesses on an ongoing basis based on an understanding of the "earning power" of each business unit and an analysis of its capital profitability and growth potential.

With regard to "expanding business domains," the Defense & Communications Equipment Business has entered into a research contract with the Acquisition, Technology & Logistics Agency (ATLA) regarding the MEMS Hemispherical Resonator Gyroscope / Inertial Navigation Technology and started R&D. In addition, R&D for an edge AI system for image inspection is in progress using Digital Application Processor Distributed Network Architecture (DAPDNA), a product of the Hydraulics and Pneumatics Business.

With regard to "strengthening management foundation," we will promote digital transformation (DX) including the renewal of the company-wide core system, and utilize digital technologies, including AI and IoT. We will not only improve our business processes, but also transform our products, services, and business models themselves to gain competitive advantage. In addition, we will strengthen our human capital by increasing our workforce in line with sales growth and enhancing education and training.

Under these initiatives, our group's consolidated business results for the current fiscal year showed an increase in net sales and a significant increase in operating profit year on year. This was primarily due to the following factors. First, in the Marine Systems Business, deliveries of systems for new shipbuilding and maintenance services performed well, and the weak yen also provided a tailwind. Second, in the Defense & Communications Equipment Business, sales of avionics equipment remained strong, supported by an increase in defense budgets. As a result, operating profit and ordinary profit reached record highs.

The results for the current fiscal year were as follows.

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	47,166	57,650	+10,484	+22.2
Operating profit	2,768	4,856	+2,087	+75.4
Ordinary profit	2,990	5,001	+2,011	+67.2
Profit attributable to owners of parent	2,277	3,797	+1,521	+66.8
Operating profit margin	5.9%	8.4%	+2.6pt	–

The results by segment were as follows.

Marine Systems Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	11,016	12,529	+1,513	+13.7
Operating profit	1,006	1,551	+545	+54.2

Net sales
Net sales increased year on year, thanks to a strong performance in deliveries of equipment for new shipbuilding and maintenance services, along with a favorable impact of the weak yen trend.

Operating profit
Operating profit increased significantly year on year, driven by growth in net sales and the favorable impact of the weak yen.

Hydraulics and Pneumatics Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	11,675	11,460	(215)	-1.8
Operating profit	273	197	(76)	-27.7

Net sales
Net sales decreased year on year due to a sluggish performance in the plastic processing machinery market, machine tool market, and construction machinery market, despite steady performance in the overseas market and increased deliveries of hydraulic application equipment.

Operating profit
Operating profit decreased year on year due to a decline in net sales, despite efforts to secure profits through price optimization and other measures.

Fluid Measurement Equipment Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	4,772	5,019	+247	+5.2
Operating profit	733	789	+57	+7.7

Net sales
Net sales increased year on year, thanks to the steady performance of the public sector market and the fire extinguishing equipment market.

Operating profit
Operating profit increased year on year, thanks to the increase in net sales from the public sector market.

Defense & Communications Equipment Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	16,185	24,394	+8,209	+50.7
Operating profit	362	1,635	+1,274	+352.1

Net sales
Net sales increased year on year, thanks to an increase in national defense budgets that led to a strong performance for aircraft radar warning receivers, aircraft parts and other products.

Operating profit
Operating profit increased significantly year on year, driven by the growth in net sales.

Others (Inspection systems Business, Railway Maintenance Business, etc.)

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	YoY change	
			Amount	%
Net sales	3,517	4,247	+730	+20.8
Operating profit	502	756	+254	+50.6

Net sales
Net sales increased year on year, thanks to higher sales of ultrasonic rail inspection cars, the mainstay of the Railway Maintenance Business.

Operating profit
Operating profit increased significantly year on year, driven by the growth in net sales.

(2) Overview of financial position as of March 31, 2025

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025	Change
Total assets	66,978	76,497	+9,519
Total liabilities	29,609	35,490	+5,881
Total net assets	37,369	41,007	+3,638
Equity-to-asset ratio	55.0%	52.8%	-2.2pts

Assets
Assets increased by ¥9,519 million from the end of the previous fiscal year to ¥76,497 million. The main factors contributing to this increase were an increase in trade receivables due to a significant increase in sales in the fourth quarter, an increase in inventories resulting from inventory build-up in line with an increase in orders received, and an increase in property, plant, and equipment due to growth investments such as the construction of a plant building for the Defense Business.

Liabilities
Liabilities increased by ¥5,881 million from the end of the previous fiscal year to ¥35,490 million. This was mainly due to a significant increase in borrowings to address an increase in working capital in line with the record-high order backlog.

Net assets
Net assets increased by ¥3,638 million from the end of the previous fiscal year to ¥41,007 million. This increase was primarily due to the recording of profit attributable to owners of parent of ¥3,797 million, partially offset by the payment of dividends.

The equity-to-asset ratio decreased by 2.2 percentage points from the end of the previous fiscal year to 52.8% as a result of the increase in total capital; however, the company continues to maintain a sound financial foundation.

(3) Overview of Cash Flows for Current Fiscal Year

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Cash flows from operating activities	(2,835)	(455)	+2,380
Cash flows from investing activities	(2,373)	(4,025)	(1,652)
Free cash flow	(5,209)	(4,480)	+728
Cash flows from financing activities	4,299	4,178	(122)
Cash and cash equivalents at end of period	7,796	7,553	(243)
Depreciation	868	1,193	+326
Purchase of non-current assets	(2,579)	(3,833)	(1,254)

Cash and cash equivalents (“net cash”) at the end of the current fiscal year amounted to ¥7,553 million, a decrease of ¥243 million (3.1%) from the end of the previous fiscal year. The status of cash flows and the factors affecting them are as follows.

(Cash flows from operating activities)
Net cash used in operating activities amounted to ¥455 million (compared to ¥2,835 million used in the previous fiscal year). The main factors were an increase of ¥3,932 million in trade receivables, an increase of ¥1,037 million in inventories, and a decrease of ¥1,085 million in account payables.

(Cash flows from investing activities)
Net cash used in investing activities amounted to ¥4,025 million (compared to ¥2,373 million used in the previous fiscal year). The main factor was purchase of non-current assets of ¥3,833 million.

(Cash flows from financing activities)
Net cash provided by financing activities amounted to ¥4,178 million (compared to ¥4,299 million provided in the previous fiscal year). The main factors were proceeds from long-term borrowings of ¥6,000 million, repayments of long-term borrowings of ¥1,284 million, and dividend paid of ¥534 million.

The trends in consolidated cash flow indicators were as follows.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity-to-asset ratio (%)	58.7	58.1	55.0	52.8
Equity-to-asset ratio based on market value (%)	34.8	35.2	66.7	71.8
Interest-bearing debt to cash flow ratio (years)	4.5	(3.5)	(5.2)	(42.8)
Interest coverage ratio (times)	41.2	(54.5)	(38.7)	(3.4)

Note: Equity-to-asset ratio: (Shareholders’ equity + Accumulated other comprehensive income) / Total assets
Equity-to-asset ratio based on market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities
Interest coverage ratio: Operating cash flow / Interest paid

1. All indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated by multiplying the stock price at the end of the period by the number of shares outstanding at the end of the period (excluding treasury shares).
3. Operating cash flow is equal to net cash provided by (used in) operating activities in the consolidated statement of cash flows. Interest-bearing debt is equal to the amount of all liabilities in the consolidated balance sheets that incur interest. Interest paid is equal to the amount of interest paid in the consolidated statements of cash flows.

(4) Business outlook

(i) Overall outlook

In the next fiscal year (ending March 31, 2026), uncertainties are expected to continue, including the impact of rising prices triggered by soaring crude oil and raw material prices and U.S. policy trends such as trade policy, and the accompanying concerns about fluctuations in financial and capital markets, as well as further increases in geopolitical risks such as the situation in the Ukraine, the conflict between the U.S. and China, and the situation in the Middle East.

Under these challenging business conditions, net sales are expected to increase in the next fiscal year, particularly in the Defense & Communications Equipment Business. However, due to higher personnel expenses and relocation costs for the headquarters, we expect net sales to increase but profits to decrease year on year.

The outlook for the next fiscal year is as follows.

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	YoY Change	
			Amounts	%
Net sales	57,650	59,600	+1,950	+3.4
Operating profit	4,856	3,890	(966)	-19.9
Ordinary profit	5,001	3,910	(1,091)	-21.8
Profit attributable to owners of parent	3,797	2,460	(1,337)	-35.2
Operating profit margin	8.4%	6.5%	-1.9pts	–

In light of the current situation, we have revised our earnings forecast upward. Please refer to the “Notice Regarding Upward Revision for FY 2024-2026 Medium-term Business Plan” dated May 12, 2025, for details on the outlook for the fiscal year ending March 31, 2027, the final fiscal year of the Medium-term Business Plan.

(ii) Outlook by segment

Marine Systems Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	Year-on-year changes	
			Amounts	%
Net sales	12,529	13,000	+471	+3.8
Operating profit	1,551	1,120	(431)	-27.8

Net sales

Net sales are expected to increase compared to the current fiscal year, due to continued strong demand for new shipbuilding and maintenance services.

Operating profit

Operating profit is expected to decline compared to the current fiscal year, due to an expansion of investment in human capital for the future and an impact of foreign exchange.

Hydraulics and Pneumatics Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	YoY change	
			Amounts	%
Net sales	11,460	11,900	+440	+3.8
Operating profit	197	240	+43	+21.8

Net sales
Net sales are expected to increase compared to the current fiscal year due to the expected recovery of demand in the capital investment both domestically and internationally recovery is expected, and construction machinery markets from the second half, in addition to the expected similar level of demand in overseas markets as in the current fiscal year, despite concerns about tariff policies in the U.S. and uncertainty about the business situation in China.

Operating profit
Operating profit is expected to increase compared to the current fiscal year due to the effects of sales price optimization and productivity improvement.

Fluid Measurement Equipment Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	YoY change	
			Amounts	%
Net sales	5,019	5,200	+181	+3.6
Operating profit	789	610	(179)	-22.7

Net sales
The public sector market is expected to remain strong, and sales of new products launched during the current fiscal year are expected to expand in the private sector market and overseas markets.

In the fire extinguishing equipment market, net sales are expected to increase due to the completion of large-scale in multistory parking garage projects. Under these circumstances, the Fluid Measurement Equipment Business is expected to see an increase in net sales compared to the current fiscal year.

Operating profit
Operating profit is expected to decrease compared to the current fiscal year, due to an increase in the cost of sales ratio resulting from changes in the product mix.

Defense & Communications Equipment Business

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	Year-on-year change	
			Amounts	%
Net sales	24,394	25,300	+906	+3.7
Operating profit	1,635	1,520	(115)	-7.1

Net sales
Net sales are expected to increase year on year due to the expected delivery of satellite communications antenna stabilizers for the Communications Equipment Business as well as the expected continuation of high level of sales in the Defense Business.

Operating profit
Operating profit is expected to decrease compared to the current fiscal year, due to an increase in the cost of sales ratio resulting from changes in the product mix.

Other businesses (Inspection systems Business, Railway Maintenance Business, etc.)

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2025	Fiscal year ending March 31, 2026	Year-on-year change	
			Amounts	%
Net sales	4,247	4,200	(47)	-1.1
Operating profit	756	480	(276)	-36.5

Net sales
In the Inspection Systems Business, net sales are expected to increase due to expanded sales of new products released during the current fiscal year, such as bag inspection equipment and plate comparison machines. In the Railway Maintenance Business, net sales are expected to decrease due to a decrease in the number of deliveries of our mainstay ultrasonic rail inspection cars. Under these circumstances, the Other Businesses are expected to see a decrease in net sales compared to the current fiscal year.

Operating profit
Operating profit is expected to decrease compared to the current fiscal year, due to lower net sales in the Railway Maintenance Business.

(5) The Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Our basic policy is to implement optimal shareholder return measures with an awareness of the optimal capital structure, while giving top priority to investment in growth and balancing it with our financial base, toward enhancing corporate value by realizing the TOKYO KEIKI Vision 2030. On this basis, we will strive to provide stable and continuous shareholder returns, taking into consideration past dividend results for each fiscal year.

The dividend for the current fiscal year is expected to be ¥35 per share.

For the next fiscal year (ending March 31, 2026), we plan to increase the ordinary dividend by ¥5 per share to ¥40 in order to make stable and progressive dividends.

2. Management Policy

(1) Basic Policy

Our group’s management philosophy is to “contribute to society by commercializing the functions of human senses, such as measurement, recognition, and control, through cutting-edge technologies such as electronics.” We have established the following management principles: “Develop world-leading products,” “Create new value,” “Put quality first and earn the trust of our customers,” “Develop human resources,” “Promote sound and fair corporate activities,” “Conserve limited resources,” and “Meeting the expectations of all stakeholders” as our management policies.

In addition, as an enterprise that supports social infrastructure, our group is promoting sustainability management from the perspective of environmental, social, and economic sustainability, while inheriting the previous management philosophy and action guidelines, and has established the “Sustainability Policy,” which provides the basic approach and code of conduct for this purpose. Based on this policy, each one of our employees is committed to the development of a sustainable society and the enhancement of our corporate value over the medium to long term.

Additionally, as part of our key management priorities (materiality issues), we have identified “the provision of products that address social challenges,” “the realization of an environmentally conscious society,” “the strengthening of supply chain management,” and “the promotion of diverse talent” as materiality issues, and have appointed a person responsible for promoting each materiality issue from among executive officers to promote these activities. The Sustainability Committee regularly follows up on the status of activities for each materiality issue.

In human capital management, recognizing that human resources are our greatest asset, we strive to acquire diverse talent and create an environment where each individual can maximize their abilities, thereby fostering a workplace culture that inspires a sense of fulfillment and a desire to take on new challenges, all of which are essential for the sustainable growth of our group. We have established the basic principle of human resource development as “cultivating self-directed growth-oriented talent.” While upholding the management philosophy and strategies of our group as universal values, we support the development of individual capabilities so that each employee can think, make decisions, and take action independently in response to rapidly changing external environments, fully leverage their unique strengths, and contribute to achieving organizational results by tackling challenging tasks.

In addition, our group does not limit itself to its own development, but aims to be a high-quality company that contributes widely to society and makes all employees proud to be a part of it. To this end, our group will enhance corporate governance, establish and operate an appropriate internal control system, and ensure the reliability of financial reporting by conducting accurate accounting.

(2) Target Management Indicators

The operating profit margin for the current fiscal year increased by 2.6 percentage points from the previous fiscal year to 8.4%, and the return on equity (ROE) increased by 3.3 percentage points from the previous fiscal year to 9.8%. These results are in line with the targets set by our group to enhance corporate value by achieving a high-profit structure and strengthening our financial foundation. We have established the improvement of the consolidated operating profit margin and ROE as important targets for our management indicators.

Our group aims to achieve an operating profit margin of 10% and ROE of 10% or more, exceeding the cost of shareholders' equity, by the fiscal year ending March 2031. To achieve this target, the company will focus on further improving business earnings and strengthening its financial base while strengthening risk management.

(3) The Medium- to Long-Term Corporate Strategy and Challenges to Be Addressed

On June 10, 2021, our group formulated and announced its long-term vision for 2030, TOKYO KEIKI Vision 2030. The vision outlines the future of our group in 2030, as we approach our 125th anniversary and look ahead to our 150th and 200th anniversaries, with the aim of achieving sustainable growth.

To date, our company has worked diligently to address the challenges of our domestic customers and meet their expectations.

As a result, we have been able to create several niche-leading businesses in the domestic market. However, we have come to recognize that to achieve further growth, we need to expand our business operations from a broader perspective.

Going forward, we will transition to a stage where we achieve sustainable growth and enhance our long-term corporate value by leveraging the innovative technologies we have developed over the years to create “global niche top businesses” focused on the SDGs (Sustainable Development Goals).

Our company aims to strengthen its competitiveness in the global market and plans to quickly launch several growth drivers that are already showing promise. To achieve this, we will not limit ourselves to our own resources but will utilize M&A and other means to supplement our production capacity, sales network, and technical capabilities necessary for product development, thereby accelerating our efforts.

In addition, our company aims to further expand its business scale and is working to establish a growth cycle in which profits from existing businesses and growth drivers that have been cultivated as sources of revenue are reinvested. In addition to this growth cycle, our company will achieve sustainable growth through the discovery and cultivation of new growth drivers.

Our company has set a target for 2030 to achieve consolidated net sales of 100 billion yen or more, a consolidated operating profit margin of 10% or more, and a return on equity (ROE) of 10% or more. These targets are important management indicators established to achieve sustainable growth and maximize corporate value.

We aim to achieve sustainable growth and enhance long-term corporate value, while responding to the requests and expectations of our stakeholders. Based on this target, we have formulated guidelines for our three-year Medium-term Business Plan starting in the fiscal year ended March 31, 2025 that focus not only on expanding sales but also on improving earning power. To achieve this, the following three basic policies have been established.

(i) Improving earning power
Our company has set a target of achieving a consolidated operating profit margin of 10% or more and a return on equity (ROE) of 10% or more in the fiscal year ending March 31, 2031. To achieve this target, we will promote a business strategy that prioritizes improving earning power aimed at achieving the profit margin target in the fiscal year ending March 31, 2031 while ensuring the sustainability of our corporate activities.

(ii) Expanding business domains
Our Group aims to achieve sustainable expansion of its business domains by proactively promoting its “Niche Top Strategy,” which focuses on creating and nurturing new products and businesses targeted at specific markets to address social issues and developing them into market leaders. To achieve this, we will fully leverage the various tangible and intangible experiences and strengths we have cultivated over the years. In addition, for new products and businesses, we will respond to challenges such as the acceleration of technology and product cycles, intensifying competitive environments, and rising R&D costs by adopting a global perspective and utilizing strategies such as M&A and open-and-close strategies when appropriate.

(iii) Strengthening business foundation
Our group aims to improve earning power and expand our business domains, and we have set the achievement of the management indicators for TOKYO KEIKI Vision 2030 as an important target. To achieve this target, we will focus on strengthening human capital, enhancing governance, improving capital efficiency, promoting DX (digital transformation), and executing development investments across the entire group, thereby further strengthening our management foundation.

To realize the previously mentioned TOKYO KEIKI Vision 2030, our company has designated the three fiscal years from 2024 to 2026 as a phase of growth acceleration. During this period, we will focus on achieving steady growth and improving profitability in existing businesses, while also connecting growth drivers to revenue, positioning ourselves to achieve our targets for fiscal year 2030.

We aim to enhance corporate value further by actively promoting sustainability and environmental management based on the SDGs and ESG principles, optimizing the overall business portfolio for sustainable growth, and introducing ROIC-based management. Additionally, we will strongly drive DX (digital transformation) to expedite decision-making and support various initiatives across our organization.

Furthermore, we will take a firm stance against anti-social forces that threaten the order and safety of civil society, with the aim of severing all ties with them.

3. Basic Approach to the Selection of Accounting Standards

In consideration of the comparability with other companies and their reporting periods of financial statements, the Group has prepared consolidated financial statements based on generally accepted accounting principles in Japan.

In the future, we may apply IFRS Accounting Standards as appropriate in consideration of situations in both Japan and overseas.

4. Consolidated Financial Statements and Major Notes
(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current Assets		
Cash and deposits	7,836	7,597
Notes and accounts receivable – trade, and contract assets	15,374	19,816
Electronically recorded monetary claims – operating	3,920	3,418
Merchandise and finished goods	2,532	2,559
Work in process	11,837	12,090
Raw materials and supplies	8,536	9,321
Accounts receivable – other	197	39
Other	632	1,352
Allowance for doubtful accounts	(2)	(2)
Total current assets	50,863	56,190
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,278	15,407
Accumulated depreciation	(11,578)	(11,360)
Buildings and structures, net	2,700	4,047
Machinery, equipment and vehicles	12,983	13,450
Accumulated depreciation	(11,954)	(12,070)
Machinery, equipment and vehicles, net	1,029	1,380
Tools, furniture and fixtures	11,474	12,489
Accumulated depreciation	(10,729)	(10,902)
Tools, furniture and fixtures, net	745	1,587
Land	1,854	1,854
Construction in progress	698	842
Total property, plant and equipment	7,025	9,709
Intangible assets		
Software	96	90
Software in progress	89	133
Other	0	0
Total intangible assets	185	223
Investments and other assets		
Investment securities	4,615	4,577
Deferred tax assets	–	130
Guarantee deposits	493	727
Retirement benefit asset	3,575	4,704
Other	276	291
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	8,905	10,376
Total non-current assets	16,115	20,307
Total assets	66,978	76,497

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	7,022	5,951
Short-term borrowings	8,954	10,417
Accounts payable – other	531	1,099
Income taxes payable	517	915
Provision for bonuses	1,256	1,462
Provision for shareholder benefit program	63	67
Asset retirement obligations	–	70
Other	3,438	4,080
Total current liabilities	21,781	24,060
Non-current liabilities		
Long-term borrowings	5,808	9,062
Provision for retirement benefits for directors (and other officers)	61	66
Asset retirement obligations	788	864
Retirement benefit liability	589	637
Deferred tax liabilities	360	562
Other	223	240
Total non-current liabilities	7,828	11,430
Total liabilities	29,609	35,490
Net assets		
Shareholders' equity		
Share capital	7,218	7,218
Capital surplus	21	32
Retained earnings	26,316	29,580
Treasury shares	(653)	(649)
Total shareholders' equity	32,901	36,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,773	1,718
Foreign currency translation adjustment	295	359
Remeasurements of defined benefit plans	1,880	2,161
Total accumulated other comprehensive income	3,948	4,238
Non-controlling interests	520	589
Total net assets	37,369	41,007
Total liabilities and net assets	66,978	76,497

(2) Consolidated financial statements and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	47,166	57,650
Cost of sales	34,150	41,823
Gross profit	13,016	15,827
Selling, general and administrative expenses	10,247	10,971
Operating profit	2,768	4,856
Non-operating income		
Interest income	5	6
Dividend income	105	113
Dividend income of life insurance	34	34
Rental income from facilities	7	7
Share of profit of entities accounted for using equity method	40	39
Subsidy income	24	30
Foreign exchange gains	3	5
Other	105	75
Total non-operating income	322	310
Non-operating expenses		
Interest expenses	74	135
Rental expenses on facilities	15	15
Other	12	15
Total non-operating expenses	101	165
Ordinary profit	2,990	5,001
Extraordinary income		
Gain on sale of non-current assets	–	2
Gain on sale of investment securities	158	65
Total extraordinary income	158	67
Extraordinary losses		
Loss on sale and retirement of non-current assets	5	48
Loss on disaster	–	146
Total extraordinary losses	5	193
Profit before income taxes	3,144	4,875
Income taxes - current	816	1,109
Income taxes - deferred	37	(105)
Total income taxes	853	1,004
Profit	2,290	3,871
Profit attributable to non-controlling interests	14	73
Profit attributable to owners of parent	2,277	3,797

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	2,290	3,871
Other comprehensive income		
Valuation difference on available-for-sale securities	802	(55)
Foreign currency translation adjustment	88	59
Remeasurements of defined benefit plans, net of tax	1,235	281
Share of other comprehensive income of entities accounted for using equity method	1	4
Total other comprehensive income	2,126	290
Comprehensive income	4,416	4,161
Comprehensive income attributable to:		
Owners of parent	4,402	4,087
Non-controlling interests	14	73

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,218	17	24,532	(663)	31,104
Changes during period					
Dividends of surplus			(492)		(492)
Profit attributable to owners of parent			2,277		2,277
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		3		10	14
Net changes in items other than shareholders' equity					
Total changes during period	–	3	1,784	10	1,797
Balance at end of period	7,218	21	26,316	(653)	32,901

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	971	206	645	1,822	525	33,451
Changes during period						
Dividends of surplus						(49)
Profit attributable to owners of parent						2,277
Purchase of treasury shares						(1)
Disposal of treasury shares						14
Net changes in items other than shareholders' equity	802	89	1,235	2,126	(6)	2,120
Total changes during period	802	89	1,235	2,126	(6)	3,917
Balance at end of period	1,773	295	1,880	3,948	520	37,369

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,218	21	26,316	(653)	32,901
Changes during period					
Dividends of surplus			(534)		(534)
Profit attributable to owners of parent			3,797		3,797
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		11		5	16
Net changes in items other than shareholders' equity					
Total changes during period	–	11	3,264	4	3,279
Balance at end of period	7,218	32	29,580	(649)	36,180

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,773	295	1,880	3,948	520	37,369
Changes during period						
Dividends of surplus						(534)
Profit attributable to owners of parent						3,797
Purchase of treasury shares						(1)
Disposal of treasury shares						16
Net changes in items other than shareholders' equity	(55)	64	281	290	69	359
Total changes during period	(55)	64	281	290	69	3,638
Balance at end of period	1,718	359	2,161	4,238	589	41,007

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,144	4,875
Depreciation	868	1,193
Amortization of guarantee deposits	12	12
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	111	205
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(2)	5
Increase (decrease) in provision for shareholder benefit program	(18)	4
Interest and dividend income	(110)	(120)
Increase (decrease) in retirement benefit liability	(281)	(637)
Interest expenses	74	135
Foreign exchange losses (gains)	–	0
Share of loss (profit) of entities accounted for using equity method	(40)	(39)
Loss (gain) on sale of investment securities	(158)	(65)
Loss (gain) on sale and retirement of non-current assets	5	46
Decrease (increase) in trade receivables	(1,909)	(3,932)
Decrease (increase) in inventories	(4,744)	(1,037)
Increase (decrease) in trade payables	189	(1,085)
Decrease (increase) in other assets	(273)	(617)
Increase (decrease) in other liabilities	912	1,264
Subtotal	(2,221)	206
Interest and dividends received	110	120
Interest paid	(73)	(132)
Income taxes paid	(651)	(648)
Net cash provided by (used in) operating activities	(2,835)	(455)
Cash flows from investing activities		
Payments into time deposits	(40)	—
Proceeds from withdrawal of time deposits	40	43
Purchase of investment securities	(6)	(1)
Proceeds from sale of investment securities	219	77
Purchase of non-current assets	(2,579)	(3,833)
Proceeds from sale of non-current assets	2	2
Payments of leasehold and guarantee deposits	(33)	(322)
Proceeds from refund of leasehold and guarantee deposits	24	8
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	(2,373)	(4,025)
Cash flows from financing activities		
Proceeds from long-term borrowings	7,050	6,000
Repayments of long-term borrowings	(2,238)	(1,284)
Purchase of treasury shares	(1)	(1)
Dividends paid	(492)	(534)
Dividends paid to non-controlling interests	(19)	(4)
Net cash provided by (used in) financing activities	4,299	4,178
Effect of exchange rate change on cash and cash equivalents	34	60
Net increase (decrease) in cash and cash equivalents	(875)	(243)
Cash and cash equivalents at beginning of period	8,671	7,796
Cash and cash equivalents at end of period	7,796	7,553

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable.

Significant accounting policies for preparation of consolidated financial statements

1. Scope of consolidation
   There are nine consolidated subsidiary companies, and all of them are included within the scope of consolidation.
   Names of major companies:
   TOKYO KEIKI AVIATION INC., TOKYO KEIKI POWER SYSTEMS INC.,
   TOKYO KEIKI INFORMATION SYSTEMS INC.

2. Application of equity method
   Number of subsidiaries and associates accounted for using equity method: Two
   Names of companies:
   TOKIMEC KOREA POWER CONTROL CO., LTD.
   TOKIMEC KOREA HYDRAULICS (Wuxi) CO., LTD.

Significant accounting estimates

Valuation of inventories within our Group

(1) Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	Current fiscal year
Merchandise and finished goods	2,559
Work in process	12,090
Raw materials and supplies	9,321
Total	23,970

(2) Information regarding the contents of significant accounting estimates for identified items
Inventories are valued at acquisition cost. However, if the net realizable value (replacement cost for raw materials and supplies) falls below the acquisition cost due to a decline in profitability, they are valued at net realizable value, and the difference between acquisition cost and net realizable value is recorded as a loss on valuation of inventories under cost of sales.

For stagnant inventory items that are no longer part of the operating cycle, the book value is written down after a certain holding period, and the write-down amount is recorded as a loss on valuation of inventories under cost of sales.

Due to its business characteristics, the Group handles many products that span multiple fiscal years from order receipt to delivery and revenue recognition, as well as products that require a certain quantity and period of retention for future maintenance purposes. As a result, the inventory turnover period tends to be longer.

(3) Impact on the consolidated financial statements for the next fiscal year
Valuation at net realizable value is based on actual sales prices in the normal sales course. However, changes in customer or market conditions, economic downturns, exchange rate fluctuations, etc. may result in discrepancies between these estimates and actual figures. If such discrepancies occur, they could impact the cost of sales for the next fiscal year.

Changes in accounting policies

Application of the Accounting Standard for Current Income Taxes, etc.

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022"), etc. from the beginning of the current fiscal year.

The amendment to the classification for recording income taxes (taxation on other comprehensive income) followed the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter the "Revised Guidance 2022"). This change in accounting policies had no impact on the consolidated financial statements.

The Company has also applied the Revised Guidance 2022 from the beginning of the current fiscal year for the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes. This change in accounting policies was applied retrospectively, and the consolidated financial statements for the previous fiscal year were restated accordingly. This change in accounting policies had no impact on the consolidated financial statements for the previous fiscal year.

Changes in accounting estimates

Revision to estimates of asset retirement obligations

During the current fiscal year, our group has decided to carry out asbestos removal work at the Nasu Plant without waiting for the demolition of the plant. Due to repeated heavy rainfall in August 2024, the asbestos in the ceiling cavity became detached, and part of the ceiling collapsed, health risks to employees and suspension of operations due to asbestos dispersal caused by the ceiling collapse the risk has significantly increased.

So, our group made a revision to estimates of asset retirement obligations related to asbestos removal costs for company-owned buildings based on newly obtained construction estimate.

The increase of ¥146 million caused by this revision was added to asset retirement obligations before the revision and the loss is recorded as an extraordinary loss due to disaster.

As a result profit before income taxes for the current fiscal year was decreased by ¥146 million.

Consolidated balance sheets

1. Items related to subsidiaries and associates are as follows.

(Millions of yen)

	As of March 31,2024	As of March 31,2025
Investment securities (shares)	1,234	1,248

2. Promissory notes due at the end of the fiscal year
   Promissory notes due at the end of the fiscal year are settled on the date of note clearing. Additionally, as the end of the fiscal year fell on a holiday for financial institutions, the following promissory notes due at the end of the fiscal year are included in the balance at the end of the fiscal year.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Notes receivable - trade	91	–
Electronically recorded monetary claims - operating	306	–

Consolidated statements of income

Total research and development expenses included in general administrative expenses and manufacturing expenses for the period.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
	2,637	2,716

Consolidated statements of comprehensive income

Other comprehensive income-related reclassification adjustments as well as income taxes and tax effect amounts

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Amount incurred during the period	1,301	24
Reclassification adjustments	(158)	(65)
Before income taxes and tax effect adjustments	1,143	(42)
Income taxes and tax effect amounts	(341)	(13)
Valuation difference on available-for-sale securities	802	(55)
Foreign currency translation adjustment:		
Amount incurred during the period	88	59
Remeasurements of defined benefit plans:		
Amount incurred during the period	1,969	1,003
Reclassification adjustments	(191)	(557)
Before income taxes and tax effect adjustments	1,777	445
Income taxes and tax effect amounts	(542)	(164)
Remeasurements of defined benefit plans	1,235	281
Share of other comprehensive income of entities accounted for using equity method:		
Amount incurred during the period	1	4
Total of other comprehensive income	2,126	290

Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

1. Types and total number of issued shares, as well as the types and number of treasury shares.

(Thousands of shares)

	Number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Number of shares at the end of the fiscal year
Issued shares				
Common shares	17,076	–	–	17,076
Total	17,076	–	–	17,076
Treasury shares				
Common shares (Notes)	652	0	5	647
Total	652	0	5	647

Notes:

1. The increase of 0 thousand in treasury shares of common shares is due to the purchase of fractional shares.
2. The decrease of 5 thousand in treasury shares of common shares is due to the disposal of treasury shares as share-based restricted stock compensation which was resolved by the Board of Directors.

2. Dividends
   (1) Dividend payment amount

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2024	Common shares	534	32.5	March 31, 2024	June 27, 2024

   (2) Dividends with record date belonging to the fiscal year but the effective date falling in the next fiscal year.

(Resolution)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 26, 2025	Common shares	575	Retained Earnings	35.0	March 31, 2025	June 27, 2025

Consolidated statement of cash flows

1. Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts of items listed in the consolidated balance sheet.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits	7,836	7,597
Time deposits with maturities exceeding three months	(40)	(43)
Cash and cash equivalents	7,796	7,553

2. Details of significant non-cash transactions
   The recorded amount of significant asset retirement obligations is as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Recorded amount of significant asset retirement obligations	–	146

Segment information

1. Overview of reportable segments
   The Company's reportable segments are components of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the Management Meeting, which is the decision-making body for business execution to make decisions about resources to be allocated to the segment and assess its performance.

   The Company adopts a company-based system, where each company formulates comprehensive strategies for the products and services it handles, both domestically and internationally, and conducts business activities accordingly.

   Therefore, the Company is composed of product-based segments based on its companies and has four reportable segments: Marine Systems Business, Hydraulics and Pneumatics Business, Fluid Measurement Equipment Business, Defense & Communications Equipment Business.

   The "Marine Systems Business" engages in the manufacturing, sales, and repair of marine system. The "Hydraulics and Pneumatics Business" engages in the manufacturing, sales, and repair of hydraulic and pneumatic equipment as well as hydraulic application devices. The "Fluid Measurement Equipment Business" engage in the manufacturing, sales, and repair of equipment for fluid power systems. The "Defense & Communications Equipment Business" engages in the manufacturing, sales, and repair of defense-related equipment, maritime traffic equipment, communication equipment, and sensor equipment.

2. Methods for calculating net sales, profit or loss, assets, liabilities, and other Items by reportable segment
The accounting methods for the reported business segments are generally consistent with those adopted for the preparation of the consolidated financial statements.
The profit of the reportable segments is based on operating profit.
Internal revenues and transfers between segments are based on prevailing market prices.

3. Information on amounts of net sales, profit or loss, assets, and other items by reportable segment
Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustments (Note 2,4)	Amounts shown on consolidated statement of income (Note 3)
	Marine Systems	Hydraulics and Pneumatics	Fluid Measurement Equipment	Defense & Communications Equipment	Total				
Net sales									
Domestic	4,460	10,555	4,607	16,159	35,782	2,786	38,568	0	38,568
Overseas	6,556	1,120	165	26	7,867	704	8,570	–	8,570
Revenue from contracts with customers	11,016	11,675	4,772	16,185	43,649	3,490	47,138	0	47,138
Other revenue	–	–	–	–	–	27	27	–	27
Sales to external customers	11,016	11,675	4,772	16,185	43,649	3,517	47,165	0	47,166
Intersegment sales or transfers	204	191	2	56	453	1,001	1,453	(1,453)	–
Total	11,221	11,866	4,774	16,240	44,101	4,517	48,619	(1,453)	47,166
Segment profit	1,006	273	733	362	2,374	502	2,875	(107)	2,768
Segment assets	6,792	14,233	4,801	26,381	52,207	8,189	60,396	6,582	66,978
Other items									
Depreciation	185	146	75	414	820	35	856	12	868
Increase in property, plant and equipment and intangible fixed assets	131	270	47	2,005	2,453	28	2,481	6	2,487

Notes:
1. The “Others” segment is a business segment, mainly consisting of the Inspection Systems Business, Railway Maintenance Business, Information Processing Business, Factoring Business, Packing and Packaging Services Business, and Insurance Agency Business, which are not included in any of the reportable segments.
2. The adjustment to segment profit of negative ¥107 million includes an elimination for intersegment transactions of negative ¥66 million as well as corporate revenue of ¥0 million and corporate expenses of negative ¥42 million, which are not allocated to each reportable segment. Corporate revenue is mainly net sales related to the Company’s research and development activities, which is not attributable to any of the reportable segments. Corporate expenses are mainly general and administrative expenses and research and development expenses, which are not attributable to any of the reportable segments.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.
4. The adjustment to segment assets of ¥6,582 million includes the elimination of intersegment receivables and payables of negative ¥3,912 million and corporate assets not allocated to any of the reportable segments of ¥10,494 million. Corporate assets mainly consist of surplus funds (cash and deposits), long-term investment funds (investment securities), etc. held by the company preparing the consolidated financial statements.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustments (Note 2,4)	Amounts shown on consolidated statement of income (Note 3)
	Marine Systems	Hydraulics and Pneumatics	Fluid Measurement Equipment	Defense & Communica-tions Equipment	Total				
Net sales									
Domestic	4,806	10,089	4,803	24,354	44,052	3,466	47,518	1	47,518
Overseas	7,723	1,371	216	39	9,350	754	10,104	–	10,104
Revenue from contracts with customers	12,529	11,460	5,019	24,394	53,402	4,220	57,622	1	57,623
Other revenue	–	–	–	–	–	27	27	–	27
Sales to external customers	12,529	11,460	5,019	24,394	53,402	4,247	57,649	1	57,650
Intersegment sales or transfers	284	205	1	139	628	1,013	1,641	(1,641)	–
Total	12,813	11,665	5,020	24,532	54,030	5,260	59,290	(1,640)	57,650
Segment profit	1,551	197	789	1,635	4,173	756	4,929	(73)	4,856
Segment assets	7,477	13,931	4,698	34,636	60,742	7,971	68,714	7,783	76,497
Other items									
Depreciation	161	190	75	710	1,137	45	1,182	11	1,193
Increase in property, plant and equipment and intangible fixed assets	178	255	100	3,369	3,903	79	3,982	6	3,988

Notes:

1. The “Others” segment is a business segment, mainly consisting of the Inspection Systems Business, Railway Maintenance Business, Information Processing Business, Factoring Business, Packing and Packaging Services Business, and Insurance Agency Business, which are not included in any of the reportable segments.
2. The adjustment to segment profit of negative ¥73 million includes an elimination for intersegment transactions of negative ¥46 million as well as corporate revenue of ¥1 million and corporate expenses of negative ¥28 million, which are not allocated to each reportable segment. Corporate revenue is mainly net sales related to the Company’s research and development activities, which is not attributable to any of the reportable segments. Corporate expenses are mainly general and administrative expenses and research and development expenses, which are not attributable to any of the reportable segments.
3. Segment profit is adjusted with operating profit in the consolidated statement of income.
4. The adjustment to segment assets of ¥7,783 million, includes the elimination of intersegment receivables and payables of negative ¥3,179 million, and corporate assets not allocated to any of the reportable segments of ¥10,963 million. Corporate assets mainly consist of surplus funds (cash and deposits), long-term investment funds (investment securities), etc. held by the company preparing the consolidated financial statements.

Per share information

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	2,243.54	2,460.11
Basic earnings per share	138.62	231.15

Notes:
1. Diluted earnings per share are not presented as there are no dilutive potential shares.
2. The basis for calculating basic earnings per share is as follows.

(Millions of yen, unless otherwise noted)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent	2,277	3,797
Amount not attributable to common shareholders	–	–
Profit attributable to common shareholders of parent	2,277	3,797
Average number of shares during the period (Thousands of shares)	16,422	16,428

3. The basis for calculating net assets per share is as follows.

(Millions of yen, unless otherwise noted)

	As of March 31, 2024	As of March 31, 2025
Total net assets	37,369	41,007
Deductions from total net assets	520	589
[Of which non-controlling interests]	[520]	[589]
Net assets attributable to common shares at the end of the period	36,849	40,418
Number of common shares at the end of the period used for calculating book value per share (Thousands of shares)	16,425	16,429

Significant events after reporting period

Not applicable.

5. Other

(1) Status of orders received

The status of orders received by reportable segment for the current fiscal year was as follows. Intersegment transactions were offset and eliminated.

(1) Orders received

(Millions of yen)

Reportable segments	Fiscal year ended March 31, 2024	Fiscal year ended March 31 ,2025	YoY change	
	Amount	Amount	Amount	%
Marine Systems	11,268	13,817	2,549	22.6
Hydraulics and Pneumatics	11,635	11,466	(169)	-1.5
Fluid Measurement Equipment	4,700	5,415	715	15.2
Defense & Communications Equipment	27,566	33,988	6,422	23.3
Total of reportable segments	55,170	64,686	9,516	17.2
Others	3,759	4,666	907	24.1
Total	58,929	69,352	10,423	17.7

(2) Order backlog

(Millions of yen)

Reportable segments	Fiscal year ended March 31, 2024	Fiscal year ended March 31 ,2025	YoY change	
	Amount	Amount	Amount	%
Marine Systems	4,416	5,705	1,288	29.2
Hydraulics and Pneumatics	3,399	3,390	(9)	-0.3
Fluid Measurement Equipment	1,521	1,917	396	26.0
Defense & Communications Equipment	33,651	43,246	9,595	28.5
Total of reportable segments	42,987	54,257	11,270	26.2
Others	1,733	2,151	418	24.1
Total	44,720	56,408	11,688	26.1

(2) Changes in Directors and Officers (Planned as of June 26, 2025)

Not applicable.