

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



August 8, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: TOKYO KEIKI INC.
 Listing: Tokyo Stock Exchange
 Securities code: 7721
 URL: <https://www.tokyokeiki.jp/>
 Representative: Tsuyoshi ANDO, Representative Director, President & CEO (Chief Executive Officer)
 Inquiries: Yoshinori SHINO, Executive Officer, Chief of Accounting Supervisory Dept.
 Telephone: +81-3-3732-2111
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	10,548	21.3	(326)	—	(297)	—	(177)	—
June 30, 2024	8,693	(7.7)	(479)	—	(407)	—	(258)	—

Note: Comprehensive income For the Three months ended June 30, 2025: ¥(249) million [—%]
 For the Three months ended June 30, 2024: ¥(165) million [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	(10.75)	—
June 30, 2024	(15.71)	—

(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
June 30, 2025	73,680	40,166	53.8	2,411.99
March 31, 2025	76,497	41,007	52.8	2,460.11

Reference: Equity
 As of June 30, 2025: ¥39,627 million
 As of March 31, 2025: ¥40,418 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	35.00	35.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		—	—	40.00	40.00

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

3. Consolidated financial results forecasts for the fiscal year ending 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: Revisions to the forecast of financial results most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2025	17,076,439 shares
As of March 31, 2025	17,076,439 shares

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

As of June 30, 2025	647,184 shares
As of March 31, 2025	647,180 shares

- (iii) Average number of shares outstanding during the period

Three months ended June 30, 2025	16,429,258 shares
Three months ended June 30, 2024	16,424,486 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

- * 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 materials such as the financial results briefing has been disclosed on TDnet on the same day and posted on the company’s website.

Contents of Attached Materials

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the three months ended June 30, 2025	2
(2) Overview of financial position as of June 30, 2025	5
(3) Explanation of consolidated financial results forecasts and other forward-looking information	5
2. Quarterly Consolidated Financial Statements and Major Notes	6
(1) Quarterly consolidated balance sheets	6
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income.....	8
(3) Notes to quarterly consolidated financial statements.....	10
Accounting treatment specific to the preparation of quarterly consolidated financial statements.....	10
Segment information, etc.....	11
Significant changes in shareholders' equity.....	13
Going concern assumption	13
Quarterly consolidated statement of cash flows	13
3. Other	14
Status of orders received.....	14

1. Overview of Operating Results, etc.

(1) Overview of operating results for the three months ended June 30, 2025

During the three months ended June 30, 2025 (hereinafter the “period under review”), the Japanese economy showed signs of recovery in personal consumption due to improvements in the employment and income environment, as well as a recovery in capital investment driven by improved corporate earnings. However, the outlook remained uncertain due to downward pressure from continued inflation, concerns over U.S. tariff policies, the sluggish Chinese economy, the prolonged conflict in Ukraine, and heightened tensions in the Middle East.

In this business environment, financial results for the period under review showed an increase in net sales and a reduction in operating losses year on year. This was primarily due to strong sales of naval onboard equipment in the Defense & Communications Equipment Business, which were driven by increased Japanese national defense budgets, as well as sales growth in all other business segments. As a result, all line-item profits improved year on year.

The financial results for the period under review were as follows.

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	8,693	10,548	+1,855	+21.3
Operating profit (loss)	(479)	(326)	+153	—
Ordinary profit (loss)	(407)	(297)	+110	—
Profit (loss) attributable to owners of parent	(258)	(177)	+81	—

The results by segment were as follows.

Marine Systems Business

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	3,022	3,140	+118	+3.9
Operating profit	400	307	(94)	(23.4)

Net sales

Net sales increased year on year due to continued steady demands for equipment for new shipbuilding and maintenance services.

Operating profit

Despite the increase in net sales, operating profit decreased year on year due to an increase in research and development expenses and the yen's appreciation.

Hydraulics and Pneumatics Business

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	2,515	2,653	+138	+5.5
Operating profit (loss)	(39)	(116)	(78)	—

Net sales

Net sales increased year on year due to steady sales in overseas market, machine tool market, and construction machinery market despite sluggish sales in the plastic processing machinery market.

Operating profit

Operating loss increased year on year due to a higher cost rate caused by changes in sales composition by market, as well as an increase in selling, general and administrative expenses including research and development expenses.

Fluid Measurement Equipment Business

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	618	830	+211	+34.1
Operating profit (loss)	(174)	(146)	+28	—

Net sales

Net sales significantly increased year on year, thanks to steady performance in the public sector market, the private-sector market, and the fire extinguishing systems market.

Operating Profit

Operating loss decreased year on year due to the increase in net sales.

The segment tends to post operating loss in 1Q as sales are usually concentrated in 4Q due to the nature of the business.

Defense & Communications Equipment Business

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	2,077	3,327	+1,250	+60.2
Operating profit (loss)	(472)	(254)	+218	—

Net sales

Net sales significantly increased year on year, thanks to an increase in Japanese national defense budgets that led to a strong performance in deliveries of naval onboard equipment.

Operating Profit

Operating loss decreased year on year due to the increase in net sales.

The segment tends to post operating loss in 1Q as sales are usually concentrated in 4Q due to the nature of the business.

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

(Millions of yen, unless otherwise noted)

	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
			Amount	%
Net sales	460	598	+138	+29.9
Operating profit (loss)	(170)	(99)	+71	—

Net sales

Net sales increased year on year, thanks to steady performance of the Inspection Systems Business and Railway Maintenance Business.

Operating Profit

Operating loss decreased year on year due to the increase in net sales.

(2) Overview of financial position as of June 30, 2025

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025	Change
Total assets	76,497	73,680	(2,817)
Total liabilities	35,490	33,514	(1,976)
Total net assets	41,007	40,166	(841)
Equity-to-asset ratio	52.8%	53.8%	+0.9pts

Assets

Assets decreased by ¥2,817 million from the end of the previous fiscal year to ¥73,680 million due to a decrease in notes and accounts receivable – trade, and contract assets as well as a decrease in cash and deposits, despite an increase in raw materials and supplies and an increase in work in process increased due to higher orders.

Liabilities

Liabilities decreased by ¥1,976 million from the end of the previous fiscal year to ¥33,514 million due to repayment of borrowings and a decrease in accounts payable – other included in other of current liabilities.

Net assets

Net assets decreased by ¥841 million from the end of the previous fiscal year to ¥40,166 million due to the payment of dividends and the recording of a loss attributable to owners of parent.

The equity-to-asset ratio increased by 0.9 percentage points from the end of the previous fiscal year to 53.8% as a result of the decrease in total capital due to the decrease in liabilities, despite the decrease in net assets. Thus, the company continues to maintain a sound financial foundation.

(3) Explanation of consolidated financial results forecasts and other forward-looking information

The full-year consolidated earnings forecasts announced on May 12, 2025, for the fiscal year ending March 31, 2026, remain unchanged. Based on the results of the three months ended June 30, 2025, the company expects its business performance to align with these forecasts.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current Assets		
Cash and deposits	7,597	6,470
Notes and accounts receivable – trade, and contract assets	19,816	14,127
Electronically recorded monetary claims – operating	3,418	3,066
Merchandise and finished goods	2,559	2,629
Work in process	12,090	15,197
Raw materials and supplies	9,321	9,488
Accounts receivable – other	39	413
Other	1,352	1,700
Allowance for doubtful accounts	(2)	-
Total current assets	56,190	53,090
Non-current assets		
Property, plant and equipment	9,709	9,712
Intangible assets	223	256
Investments and other assets		
Other	10,430	10,676
Allowance for doubtful accounts	(54)	(54)
Total investments and other assets	10,376	10,622
Total non-current assets	20,307	20,590
Total assets	76,497	73,680
Liabilities		
Current liabilities		
Notes and accounts payable – trade	5,951	6,206
Short-term borrowings	10,417	10,639
Provision for bonuses	1,462	741
Provision for shareholder benefit program	67	41
Asset retirement obligations	70	70
Other	6,093	5,225
Total current liabilities	24,060	22,921
Non-current liabilities		
Long-term borrowings	9,062	8,245
Provision for retirement benefits for directors (and other officers)	66	32
Asset retirement obligations	864	864
Retirement benefit liability	637	631
Other	802	822
Total non-current liabilities	11,430	10,593
Total liabilities	35,490	33,514

TOKYO KEIKI INC. (7721)

Consolidated Financial Results for the Three Months Ended June 30, 2025

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	7,218	7,218
Capital surplus	32	37
Retained earnings	29,580	28,828
Treasury shares	(649)	(649)
Total shareholders' equity	36,180	35,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,718	1,844
Foreign currency translation adjustment	359	257
Remeasurements of defined benefit plans	2,161	2,093
Total accumulated other comprehensive income	4,238	4,194
Non-controlling interests	589	538
Total net assets	41,007	40,166
Total liabilities and net assets	76,497	73,680

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

**Quarterly consolidated statements of income
Three months ended June 30, 2025**

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	8,693	10,548
Cost of sales	6,586	8,045
Gross profit	2,107	2,503
Selling, general and administrative expenses	2,586	2,829
Operating loss	(479)	(326)
Non-operating income		
Interest income	0	0
Dividend income	59	76
Share of profit of entities accounted for using equity method	11	1
Subsidy income	2	0
Foreign exchange gains	9	-
Other	18	16
Total non-operating income	100	93
Non-operating expenses		
Interest expenses	24	49
Foreign exchange losses	-	10
Rental expenses on facilities	4	4
Other	1	2
Total non-operating expenses	28	64
Ordinary loss	(407)	(297)
Extraordinary income		
Gain on sale of non-current assets	2	1
Total extraordinary income	2	1
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	0
Head office relocation expenses	-	2
Total extraordinary losses	1	2
Loss before income taxes	(407)	(298)
Income taxes	(123)	(92)
Loss	(283)	(205)
Loss attributable to non-controlling interests	(25)	(29)
Loss attributable to owners of parent	(258)	(177)

Quarterly consolidated statements of comprehensive income
Three months ended June 30, 2025

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Loss	(283)	(205)
Other comprehensive income		
Valuation difference on available-for-sale securities	133	126
Foreign currency translation adjustment	80	(101)
Remeasurements of defined benefit plans, net of tax	(97)	(68)
Share of other comprehensive income of entities accounted for using equity method	2	(1)
Total other comprehensive income	118	(44)
Comprehensive income	(165)	(249)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(140)	(220)
Comprehensive income attributable to non-controlling interests	(25)	(29)

(3) Notes to quarterly consolidated financial statements

Accounting treatment specific to the preparation of quarterly consolidated financial statements

Calculation of tax expenses

Tax expenses are calculated by reasonably estimating the effective tax rate using tax effect accounting on profit before income taxes for the consolidated fiscal year including the three months ended June 30, 2025, and multiplying the estimated effective tax rate by profit before income taxes. However, if calculating tax expenses using the estimated effective tax rate would result in a significantly unreasonable outcome, the statutory effective tax rate is used instead.

Income tax adjustments are included in income taxes.

Segment information, etc.

1. Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on amounts of net sales and profit or loss by reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustments (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Marine Systems	Hydraulics and Pneumatics	Fluid Measurement Equipment	Defense & Communica- tions Equipment	Total				
Net sales									
Domestic	1,167	2,204	580	2,072	6,023	295	6,319	0	6,319
Overseas	1,855	311	38	5	2,210	153	2,362	—	2,362
Revenue from contracts with customers	3,022	2,515	618	2,077	8,233	448	8,681	0	8,681
Other revenue	—	—	—	—	—	12	12	—	12
Sales to external customers	3,022	2,515	618	2,077	8,233	460	8,693	0	8,693
Intersegment sales or transfers	77	82	—	54	213	229	442	(442)	—
Total	3,099	2,598	618	2,131	8,446	689	9,135	(442)	8,693
Segment profit (loss)	400	(39)	(174)	(472)	(284)	(170)	(454)	(25)	(479)

Notes:

- 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.
- The adjustment to segment profit or loss of negative ¥25 million includes an elimination for intersegment transactions of negative ¥11 million as well as corporate revenue of ¥0 million and corporate expenses of negative ¥15 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.
- Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statement of income.

2. Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on amounts of net sales and profit or loss by reportable segment and information on disaggregation of revenue

(Millions of yen)

	Reportable segments					Others (Note 1)	Total	Adjustments (Note 2)	Amounts shown on quarterly consolidated statement of income (Note 3)
	Marine Systems	Hydraulics and Pneumatics	Fluid Measurement Equipment	Defense & Communica- tions Equipment	Total				
Net sales									
Domestic	1,169	2,310	786	3,323	7,588	439	8,026	0	8,026
Overseas	1,971	343	44	4	2,363	151	2,514	—	2,514
Revenue from contracts with customers	3,140	2,653	830	3,327	9,950	590	10,540	0	10,540
Other revenue	—	—	—	—	—	8	8	—	8
Sales to external customers	3,140	2,653	830	3,327	9,950	598	10,548	0	10,548
Intersegment sales or transfers	54	56	—	26	135	230	365	(365)	—
Total	3,194	2,709	830	3,353	10,085	827	10,912	(365)	10,548
Segment profit (loss)	307	(116)	(146)	(254)	(209)	(99)	(308)	(18)	(326)

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 or loss of negative ¥18 million includes an elimination for intersegment transactions of negative ¥8 million as well as corporate revenue of ¥0 million and corporate expenses of negative ¥10 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 (loss) is adjusted with operating loss in the quarterly consolidated statement of income.

Significant changes in shareholders' equity

Not applicable.

Going concern assumption

Not applicable.

Quarterly consolidated statement of cash flows

The company has not prepared a quarterly consolidated statement of cash flows for the three months ended June 30, 2025. Depreciation including amortization of intangible fixed assets for the three months ended June 30, 2024 and June 30, 2025 are as follows.

	(Millions of yen)	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	224	363

3. Other

Status of orders received

The status of orders received by reportable segment for the three months ended June 30, 2025 was as follows.
Intersegment transactions were offset and eliminated.

(1) Orders received

(Millions of yen)

Reportable segments	Three months ended June 30, 2024	Three months ended June 30, 2025	YoY change	
	Amount	Amount	Amount	%
Marine Systems	3,271	3,392	122	3.7
Hydraulics and Pneumatics	2,848	2,814	(34)	(1.2)
Fluid Measurement Equipment	1,413	1,468	56	3.9
Defense & Communications Equipment	5,522	3,082	(2,440)	(44.2)
Total of reportable segments	13,054	10,757	(2,297)	(17.6)
Others	964	1,879	915	94.9
Total	14,018	12,636	(1,382)	(9.9)

(2) Order backlog

(Millions of yen)

Reportable segments	As of June 30, 2024	As of June 30, 2025	YoY change	
	Amount	Amount	Amount	%
Marine Systems	4,665	5,957	1,292	27.7
Hydraulics and Pneumatics	3,732	3,551	(181)	(4.9)
Fluid Measurement Equipment	2,315	2,555	240	10.4
Defense & Communications Equipment	37,096	43,000	5,904	15.9
Total of reportable segments	47,808	55,064	7,256	15.2
Others	2,247	3,423	1,176	52.3
Total	50,055	58,487	8,432	16.8

TOKYO KEIKI INC. (7721)

Consolidated Financial Results for the Three Months Ended June 30, 2025

(Millions of yen)

Reportable segments	As of March 31, 2025	As of June 30, 2025	Change from the end of the previous fiscal year	
	Amount	Amount	Amount	%
Marine Systems	5,705	5,957	253	4.4
Hydraulics and Pneumatics	3,390	3,551	161	4.7
Fluid Measurement Equipment	1,917	2,555	639	33.3
Defense & Communications Equipment	43,246	43,000	(246)	(0.6)
Total of reportable segments	54,257	55,064	806	1.5
Others	2,151	3,423	1,273	59.2
Total	56,408	58,487	2,079	3.7