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Consolidated Financial Results for the Six Months Ended September 30, 2025(Under Japanese GAAP)



October 31, 2025

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 Stock code: 8157 URL: <https://www.tsuzuki.co.jp/>
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Scheduled date to file semi-annual securities report: November 7, 2025
 Scheduled date for dividend payment: November 28, 2025
 Preparation of supplemental explanatory materials: Yes
 Results briefing to be held: Yes (for institutional investors and analysts)

1. Consolidated Financial Results for the Six Months Ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

Millions of yen (rounded down), % figures are year-on-year change

	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
Six Months Ended September 30, 2025	43,437	3.8%	2,489	78.6%	2,593	74.3%	1,817	75.3%
Six Months Ended September 30, 2024	41,842	(31.3%)	1,394	(40.5%)	1,488	(37.0%)	1,036	(64.3%)

Note: Comprehensive income was 1,703 million yen (50.2%) in Six Months Ended September 30, 2025; 1,134 million yen (-69.2%) in Six Months Ended September 30, 2024.

	Earnings per share (yen)	Diluted earnings per share (yen)
Six Months Ended September 30, 2025	100.09	—
Six Months Ended September 30, 2024	57.38	—

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio	Net assets per share (yen)
As of September 30, 2025	79,693	45,336	56.3%	2,466.03
As of March 31, 2025	80,063	44,629	55.2%	2,436.05

Reference: Shareholders' equity as of September 30, 2025: 44,891 million yen, as of March 31, 2025: 44,155 million yen.

2. Dividends

	Dividends per share for the fiscal year (yen)				
	End of first quarter	End of second quarter	End of third quarter	Year- end	Total
Year ended March 31, 2025	—	45.00	—	54.00	99.00
Year ending March 31, 2026	—	50.00			
Year ending March 31, 2026 (forecast)			—	50.00	100.00

Note:

1.Revisions to most recent dividend forecast: None

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026
(from April 1, 2025, to March 31, 2026)**

% figures are year-on-year change

	Net sales (millions of yen)		Operating Profit (millions of yen)		Ordinary Profit (millions of yen)		Profit attributable to owners of parent (millions of yen)		Earnings per share (yen)
Full year	102,500	4.3%	6,700	3.4%	6,750	2.3%	4,500	(5.6%)	247.50

Note: Revisions to most recent earnings forecast: None

*Notes

(1) Changes in significant subsidiaries (which affected scope of consolidation) during the period: None

Newly added ____ companies (names)

No longer consolidated ____ companies (names)

(2) Special accounting methods used in preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to Attachment page 14: "2. Consolidated financial statements and notes (4)

Notes to semi-annual consolidated financial statements (Application of special accounting methods in the preparation of semi-annual consolidated financial statements) "

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

1. Changes in accounting policies due to changes in accounting standards: None

2. Changes in accounting policies not due to changes in accounting standards: None

3. Changes in accounting estimates: None

4. Restatements: None

(4) Number of shares outstanding (common stock)

1. Number of shares outstanding at year end (including treasury stock)	As of September 30, 2025	18,977,894	As of March 31, 2025	18,977,894
2. Number of shares at year end (treasury stock)	As of September 30, 2025	773,970	As of March 31, 2025	851,891
3. Average number of shares over the period	Six Months Ended September 30, 2025	18,159,082	Six Months Ended September 30, 2024	18,067,249

Note: Directors' Compensation Board Incentive Plan (BIP) trust account (294,222 in Six Months Ended September 30, 2025; 356,831 in year ended March 2025); and Stock-grant ESOP trust account (275,979 in Six Months Ended September 30, 2025; 291,427 in year ended March 2025).

*Semi-annual financial results reports are not subject to review by certified public accountants or auditing firms.

*Appropriate use of earnings forecast and other special notes.

(Note on forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors.

(How to obtain supplementary explanatory materials for financial results and results briefing materials.)

The supplementary document on earnings is disclosed on the same day as the financial results, and it is made available on the Company's website.

The Company plans to hold a results briefing for institutional investors and analysts on Tuesday, November 18, 2025. The briefing materials will be posted on the Company's website promptly after the briefing.

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1. Qualitative information on six-months results

(1) Earnings

In the first six months of the fiscal year ending March 2026, the Japanese economy continued its gradual recovery, supported by improvements in the employment and income conditions. However, the outlook remained uncertain due to concerns about the impact of US trade policy on the domestic economy.

In the information and communications services industry to which the Group belongs, the market continued to expand, underpinned by sustained high levels of capital investment. This investment appetite was underpinned by the acceleration of digital transformation (DX), advances in generative AI technology, and the need to address social challenges including productivity improvements to offset labor shortages and heightened security risks.

In this environment, the company group has set a long-term vision through FY2032: Growth Navigator—a group that guides and co-creates growth. To realize this vision and remain a company consistently chosen by customers as a partner that leads their growth, we are implementing our three-year medium-term management plan, “Transformation 2026.” The plan centers on enhancing earnings capabilities by shifting resources to growth areas, while also pursuing integrated initiatives such as capital cost-conscious management and strengthening human capital, with the aim of further increasing corporate value.

During the first six months of the fiscal year under review, efforts to shift resources to growth areas and strengthen pricing management proved effective, resulting in continued sales growth and improved profitability. As a result, net sales increased 3.8% year on year to 43,437 million yen, operating profit rose 78.6% to 2,489 million yen, ordinary profit grew 74.3% to 2,593 million yen, and profit attributable to owners of parent increased 75.3% to 1,817 million yen, resulting in higher sales and a significant increase in profits, with operating profit and ordinary profit reaching record highs.

Segment information has been omitted, as the Group operates under a single-segment business structure.

Results by business model for the first six months of the current fiscal year were as follows.

*Note regarding quarterly earnings for the Group

Many of our customers operate on an April-to-March fiscal year, resulting in a tendency for sales and operating income to peak in September and March.

Results by business model

Equipment:

Net sales increased 3.8% year on year to 14,796 million yen, driven by expansion in server installations and storage for manufacturers. Orders increased significantly by 34.5% year on year to 25,857 million yen, mainly due to the acquisition of large-scale equipment installation projects for government agencies.

Development and construction:

Net sales increased 11.4% year on year to 7,230 million yen, driven by growth in network and contact center construction projects. Orders increased significantly by 15.6% year on year to 9,105 million yen, partly due to the receipt of multiple large-scale network construction projects.

Service:

Net sales increased 1.5% year on year to 21,411 million yen, driven by an increase in contract amounts for recurring businesses, including cloud service usage fees. Orders temporarily decreased 5.3% year on year to 21,010 million yen due to changes in the timing of order recording for certain transactions and the expiration of some maintenance contracts, with no impact expected for the full year.

The following tables show sales and orders by business model in the first six months of the fiscal year.

(1) Net sales (millions of yen)

		Six months ended September 30, 2024	Six months ended September 30, 2025		
				Versus six months of previous year	
	Equipment	14,249	14,796	546	103.8%
	Development and construction	6,490	7,230	739	111.4%
	Service	21,102	21,411	308	101.5%
Total		41,842	43,437	1,594	103.8%

(2) Orders (millions of yen)

		Six months ended September 30, 2024	Six months ended September 30, 2025		
				Versus six months of previous year	
	Equipment	19,231	25,857	6,626	134.5%
	Development and construction	7,876	9,105	1,229	115.6%
	Service	22,175	21,010	(1,165)	94.7%
Total		49,283	55,973	6,690	113.6%

(3) Order backlog (millions of yen)

		Six months ended September 30, 2024	Six months ended September 30, 2025		
				Versus six months of previous year	
	Equipment	15,550	21,452	5,902	138.0%
	Development and construction	4,870	6,327	1,457	129.9%
	Service	4,915	5,003	87	101.8%
Total		25,335	32,782	7,447	129.4%

(2) Financial position

Total assets as of the end of the first half were 79,693 million yen, down 369 million yen from the end of the previous fiscal year. The primary factors behind this decrease were a 3,919 million yen decline in notes and accounts receivable–trade and contract assets, a 565 million yen decrease in investment securities, and a 278 million yen decrease in other intangible fixed assets, partially offset by a 4,367 million yen increase in inventories.

Total liabilities stood at 34,357 million yen, down 1,076 million yen from the end of the previous fiscal year. The primary factors behind this decrease were a 596 million yen decline in short-term loans payable and a 423 million yen decrease in other current liabilities.

Net assets amounted to 45,336 million yen, up 706 million yen from the end of the previous fiscal year, and the equity ratio rose to 56.3% from 55.2% at the end of the previous fiscal year. The main factor behind this increase was a rise in retained earnings resulting from the recording of interim profit attributable to owners of parent of 1,817 million yen, while the main factor for the decrease was a 1,013 million yen reduction in retained earnings due to dividend payments.

(3) Consolidated earnings forecasts and other information concerning the outlook

The company has made steady progress against its initial plan and has maintained its consolidated earnings forecast for the fiscal year ending March 31, 2026, as announced on May 12, 2025. Should any matters requiring disclosure arise due to changes in the operating environment or other factors, the company will make an announcement promptly.

2. Consolidated financial statements and notes

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	38,713	38,680
Notes and accounts receivable – trade and contract assets	21,481	17,561
Electronically recorded monetary claims	459	543
Inventories	2,601	6,969
Other	1,810	1,843
Allowance for doubtful accounts	(3)	(5)
Total current assets	65,063	65,593
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,606	1,607
Accumulated depreciation	(767)	(803)
Buildings and structures, net	838	803
Machinery, equipment and vehicles	7	7
Accumulated depreciation	(6)	(6)
Machinery, equipment and vehicles, net	1	1
Land	215	215
Lease assets	1,787	1,278
Accumulated depreciation	(1,310)	(839)
Leased assets, net	477	439
Construction in progress	22	51
Other	1,324	1,402
Accumulated depreciation	(905)	(1,002)
Other, net	419	399
Total property, plant and equipment	1,974	1,910
Intangible assets		
Lease assets	291	186
Other	2,249	1,971
Total intangible assets	2,541	2,157
Investments and other assets		
Investment securities	4,538	3,972
Long-term loans receivable	15	15
Retirement benefit asset	2,556	2,663
Deferred tax assets	2,667	2,698
Other	744	719
Allowance for doubtful accounts	△38	△38
Total investments and other assets	10,483	10,031
Total non-current assets	14,999	14,100
Total assets	80,063	79,693

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	11,560	11,863
Short-term borrowings	4,607	4,011
Current portion of long-term borrowings	4,103	1,200
Lease liabilities	467	357
Income taxes payable	648	930
Provision for bonuses	2,105	2,087
Provision for loss on orders received	157	42
Other	5,559	5,135
Total current liabilities	29,209	25,628
Non-current liabilities		
Long-term borrowings	—	2,900
Lease liabilities	370	329
Retirement benefit liability	4,498	4,244
Long-term accounts payable – other	504	372
Provision for share awards	595	595
Other	254	285
Total non-current liabilities	6,224	8,728
Total liabilities	35,433	34,357
Net assets		
Shareholders' equity		
Share capital	9,812	9,812
Capital surplus	2,581	2,581
Retained earnings	31,901	32,705
Treasury shares	(985)	(876)
Total shareholders' equity	43,309	44,222
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,289	2,067
Remeasurements of defined benefit plans	(1,443)	△1,398
Total accumulated other comprehensive income	846	669
Non-controlling interests	473	444
Total net assets	44,629	45,336
Total liabilities and net assets	80,063	79,693

(2) Consolidated statements of income and comprehensive income
Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	41,842	43,437
Cost of sales	32,315	32,772
Gross profit	9,527	10,665
Selling, general and administrative expenses	8,133	8,175
Operating profit	1,394	2,489
Non-operating income		
Interest income	3	37
Dividend income	50	70
Foreign exchange gains	4	2
Insurance income	54	0
Other	49	44
Total non-operating income	161	154
Non-operating expenses		
Interest expenses	44	47
Corporate funeral costs	17	—
Other	6	3
Total non-operating expenses	67	50
Ordinary profit	1,488	2,593
Extraordinary income		
Gain on sale of investment securities	31	1,009
Total extraordinary income	31	1,009
Extraordinary losses		
Loss on retirement of non-current assets	6	1
Loss on restructuring of system	—	956
Total extraordinary losses	6	957
Profit before income taxes	1,512	2,645
Income taxes	421	764
Profit	1,091	1,880
Profit attributable to non-controlling interests	54	63
Profit attributable to owners of parent	1,036	1,817

semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,091	1,880
Other comprehensive income		
Valuation difference on available for sale securities	4	(221)
Remeasurements of defined benefit plans	38	44
Other comprehensive income	42	(176)
Comprehensive income	1,134	1,703
Breakdown		
Comprehensive income attributable to owners of parent	1,079	1,640
Comprehensive income attributable to noncontrolling interests	54	63

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,512	2,645
Depreciation	689	565
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	(293)	(18)
Increase decrease in net defined benefit liability and asset	(572)	(296)
Increase (decrease) in provision for share awards	(4)	(0)
Increase (decrease) in provision for loss on orders received	—	(114)
Interest and dividend income	(53)	(107)
Interest expenses	44	47
Loss on retirement of non-current assets	6	1
Loss on restructuring of system	—	956
Loss (gain) on sale of investment securities	(31)	(1,009)
Other non-operating expenses (income)	(84)	(43)
Decrease (increase) in trade receivables	5,305	3,836
Decrease (increase) in inventories	(1,432)	(4,367)
Decrease (increase) in other assets	(17)	21
Increase (decrease) in trade payables	(2,005)	303
Increase (decrease) in accrued consumption taxes	(1,281)	(454)
Increase (decrease) in long-term accounts payable - other	(80)	(131)
Increase (decrease) in other liabilities	(927)	(481)
Subtotal	774	1,350
Interest and dividends received	53	107
Interest paid	(44)	(47)
Other, net	84	43
Income taxes paid	(1,446)	(513)
Income taxes refund	22	96
Net cash provided by (used in) operating activities	(556)	1,037

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2	10
Purchase of property, plant and equipment	(121)	(89)
Proceeds from sale of property, plant and equipment	27	—
Purchase of intangible assets	(560)	(431)
Proceeds from sale of intangible assets	14	7
Purchase of investment securities	(6)	(6)
Proceeds from sale of investment securities	76	1,274
Loan advances	—	(1)
Proceeds from collection of loans receivable	3	0
Other, net	80	14
Net cash provided by (used in) investing activities	(485)	778
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	(596)
Repayments of finance lease liabilities	(342)	(243)
Repayment of long-term borrowings	(4)	(2,903)
Proceeds from long-term borrowings	—	2,900
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	119	109
Dividends paid	(976)	(1,013)
Dividends paid to non-controlling interests	(119)	(91)
Net cash provided by (used in) financing activities	(1,324)	(1,839)
Effect of exchange rate changes on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(2,366)	(23)
Cash and cash equivalents at beginning of period	38,684	38,703
Cash and cash equivalents at end of period	36,318	38,680

(4) Notes to semi-annual consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes on significant changes in the amount of shareholders equity)

Not applicable.

(Application of special accounting methods in the preparation of semi-annual consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes for the fiscal year, including the semi-annual consolidated accounting period, and multiplying income before income taxes by the estimated effective tax rate.

Note: Income taxes – deferred are included in income taxes.

(Segment and other information)

Segment information

Segment information has been omitted because the Group operates in a single segment.