



November 30, 2022

1H FY2022 Results Presentation For the Period Ended Sept. 30, 2022

TOKYO SANGYO CO., LTD.



Agenda

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I. Outline of Operations



Our Business Segments (1/2)

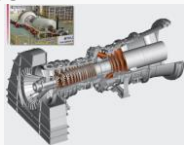


Electric Power

Supplying high efficiency facilities that provide a stable supply of electric power and reduce carbon footprint

Segment Overview

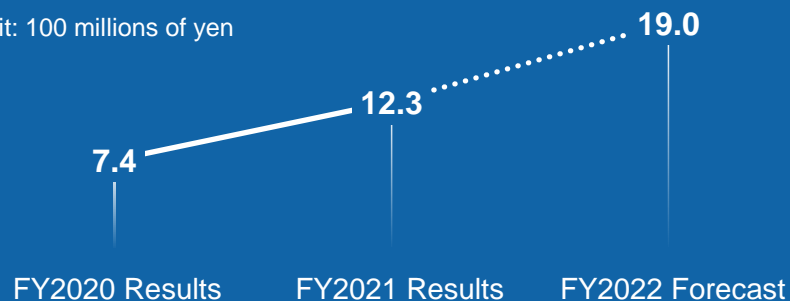
- ✓ Installation of power generation facilities for electric power companies
- ✓ Maintenance and after-sales services for existing facilities
- ✓ Supply of parts and decommissioning services for nuclear power stations
- ✓ Various businesses for reducing carbon footprint, from supply of fuel to ash disposal for biomass power plants



Gas turbine

SEGMENT OPERATING PROFIT

Unit: 100 millions of yen



Lifestyle

Offering a broad lineup of eco-friendly products

Segment Overview

- ✓ Sales of packaging materials made from green raw materials
- ✓ Installation of automatic flushers for toilets that conserve water
- ✓ Growing lineup and sales of environmental products in the lifestyle segment, including biodegradable packaging materials



Lifestyle Products

SEGMENT OPERATING PROFIT

Unit: 100 millions of yen



Our Business Segments (2/2)



Environment, Chemicals, and Machinery *Supporting the manufacturing industries with labor-saving equipment and eco-friendly solutions*

Segment Overview

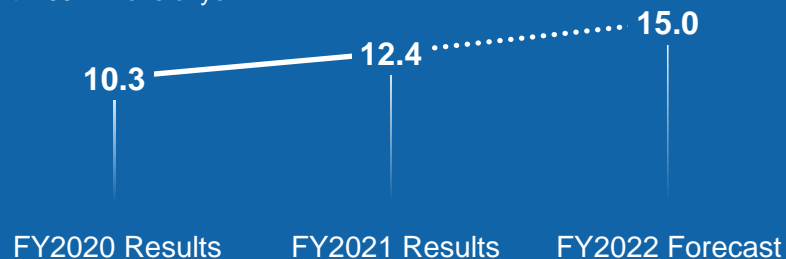
- ✓ Sales of equipment and materials for chemicals, papermaking and other plants
- ✓ Sales of machine tools for vehicles and IT, and installation support
- ✓ Sales of other environmental products such as aquaculture equipment and LiB charge/discharge testing system



Charge/discharge testing system

SEGMENT OPERATING PROFIT

Unit: 100 millions of yen

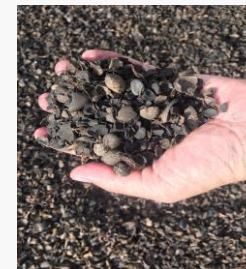


Renewable Energy

Supporting the Japanese government's carbon neutrality policy

Segment Overview

- ✓ Integrated solar power/biomass proposals, including installation and maintenance services (from mega solar to private power generation PPA)
- ✓ Import of biomass fuels
- ✓ Sales of surplus electricity from our own solar power generation systems
- ✓ Construction/Installation proposals for geothermal power plants/micro hydro power plant



Palm Kernel Shells (PKS)
(Malaysia and Indonesia)



Pellets
(Vietnam)

Our Business Domains and the SDGs

■ Supply of biomass fuel and power plant construction

Sales of commodities such as certified PKS, EPC for power plants, and business investment



■ Sales of facilities for EV and FCV makers

Delivery and installation of manufacturing equipment for batteries and hydrogen fuel used in next-generation mobility businesses that help to prevent climate change



■ Eco-friendly packaging materials

Packaging materials made from green polyethylene as well as biodegradable materials, etc.



■ Sales of solar power and contracting and maintenance of power plant construction

Integrated business presence in renewable energy



■ Wastewater treatment facilities ■ Onshore and offshore aquaculture

Sales of various water related equipment/facilities made by domestic and overseas manufacturers



■ Work style reforms

Offering various work styles, including multi-track personnel system, new personnel evaluation system, flex time, and year-round business casual dress code, etc.



■ Sales of various industrial and environmental machinery

Extensive lineup of environmental equipment, from high efficiency boilers, flue gas desulfurization systems, and dust collectors to waste treatment facilities Installation and maintenance services, in addition to delivery



II. Preventive Measures against Fraudulent Transactions



Preventive Measures Against Fraudulent Transactions

- On July 28, 2022, we received a report from our special investigative committee set up to probe the fraudulent transactions of a former employee.
- We fully accept the report's analysis and recommendations for measures to prevent recurrence. We have established detailed countermeasures as follows.

Quick Summary of Preventive Measures

1. Further raise employee awareness of compliance
2. Establish mechanisms for organizational control and management
3. Further control to initiate new businesses and highly complex businesses
4. Heighten risk awareness of directors
5. Ensure appropriate approvals and checks
6. Comply with internal audits and optimize operations

III. 1H FY2022 Results



Financial Results Summary: P/L and Dividends

- ◆ Operating profit and ordinary profit both rose year on year on the completion of large projects and foreign exchange gains
- ◆ Profit in the first half reached a record high

Unit: 100 millions of yen (rounded off)

	Results for 1H FY2021	Results for 1H FY2022	YoY
Orders received (*1)	176	211	+35
Backlog (*1)	897	731	-166

Net sales (*2)	288	339	+50
Gross profit	41	47	+6
Operating profit	13	17	+3
Ordinary profit	15	20	+4
Profit attributable to owners of the parent	7	12	+5
Earnings per share (yen)	27.70	50.04	+22.34
Annual dividend (yen)	13	15	+2

*1. Orders received and backlog presented on a non-consolidated basis.

*2. Innovation of Social Environment Co., Ltd. has been added to the scope of consolidated from FY2022.

Financial Results Summary: Segment Results

- ◆ Electric Power :Strong sales amid steady completion of large maintenance service projects
- ◆ Environment, Chemicals, and Machinery:
Sales and profit rose amid solar power related construction projects and operation of Agano Solar Park
- ◆ Lifestyle :Sales increased on the recovery in sales volume of packaging materials

Unit: 100 millions of yen (rounded off)

Segment	Orders received*			Net sales*			Operating profit		
	1H FY2021	1H FY2022	YoY	1H FY2021	1H FY2022	YoY	1H FY2021	1H FY2022	YoY
Electric Power	41	45	+4	41	43	+1	5	5	+0
Environment, Chemicals, and Machinery	110	139	+29	229	271	+42	8	11	+3
Lifestyle	25	26	+1	17	24	+6	-0	0	+0

*Orders received presented on a non-consolidated basis.

Financial Results Summary: Financial Position

- ◆ Equity ratio increased to 35.5% as a result of reduced trade receivables/payables and increased retained earnings

Unit: 100 millions of yen (rounded off)

	FY2021	1H FY2022	Change	Main factors for change
Current assets	622	534	-88	Current assets declined 88 one hundred million yen on the decline in advance payments to suppliers
Non-current assets	259	256	-3	
Total assets	882	790	-92	

Current liabilities	546	447	-99	Current liabilities declined 99 one hundred million yen due to reduced contract liabilities
Non-current liabilities	67	62	-4	
Net assets	268	280	+11	
Total liabilities and net assets	882	790	-92	

Equity ratio	30.4%	35.5%	+5.1%	
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IV. Progress of Medium-term Management Plan



Medium-term Management Plan 2023 (Consolidated)

Progress of Quantitative Targets



	FY2021 (Results)	1H FY2022		FY2022	
		Results	Forecast	Outlook	Rate of Progress
Net sales	58.8 billion yen	33.9 billion yen	33.0 billion yen	80.0 billion yen	42%
Operating profit	2.4 billion yen	1.7 billion yen	1.5 billion yen	3.7 billion yen	46%
Profit attributable to owners of the parent	1.2 billion yen	1.2 billion yen	1.1 billion yen	2.7 billion yen	44%
ROE	4.5%	-	-	At least 9.0%	-

- Amid the recovery from the COVID-19 pandemic, in FY2022 each segment, primarily renewable energy, recorded high levels of operating profit and beat the forecast for the first half.
- Moreover, foreign exchange gains helped increase profits, which reached a record high for the first half.
- In FY2022, the final fiscal year of the Medium-term Management Plan, we will make steady progress with priority measures, mainly investments in renewable energy projects, and work toward reaching the plan's targets.

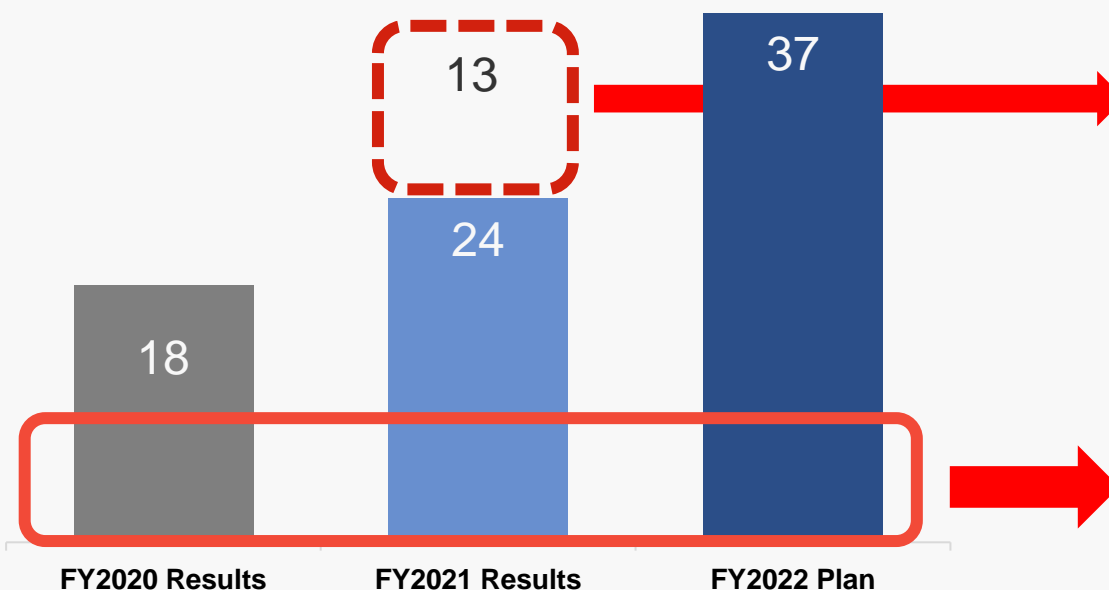
Medium-term Management Plan 2023 (Consolidated)

Breakdown of Plan to Increase Profits



- Build up profits through service provision business, including electricity sales and maintenance services for thermal power plants
 - Continue to create new businesses and products, such as facilities for EV/FCV makers
 - Grow consolidated Group companies in China and Europe
 - Actively develop post-FIT business and O&M, such as PPA in renewable energy segment
- We intend to achieve the plan by implementing these priority measures called the Core Five

Trend in Operating Profit (Unit: 100 millions of yen)



- Full contributions of Agano Solar Park to electricity revenue
- Involvement in energy efficiency, electrification and hydrogen technologies
- Growth of consolidated subsidiaries
- New business development in renewable energy segment
- Expect to create added value and contribute to overhead reduction by developing infrastructure for streamlining sales activities, including SFA introduction

- Steady delivery of large renewable energy EPC projects already underway

- Secure annual gross profit of approx. 2.8 billion yen from service provision businesses, including electricity sales, maintenance services for thermal power plants, and sales of packaging materials

Medium-term Management Plan 2023 (Consolidated)

Segment Forecast



Unit: 100 millions of yen

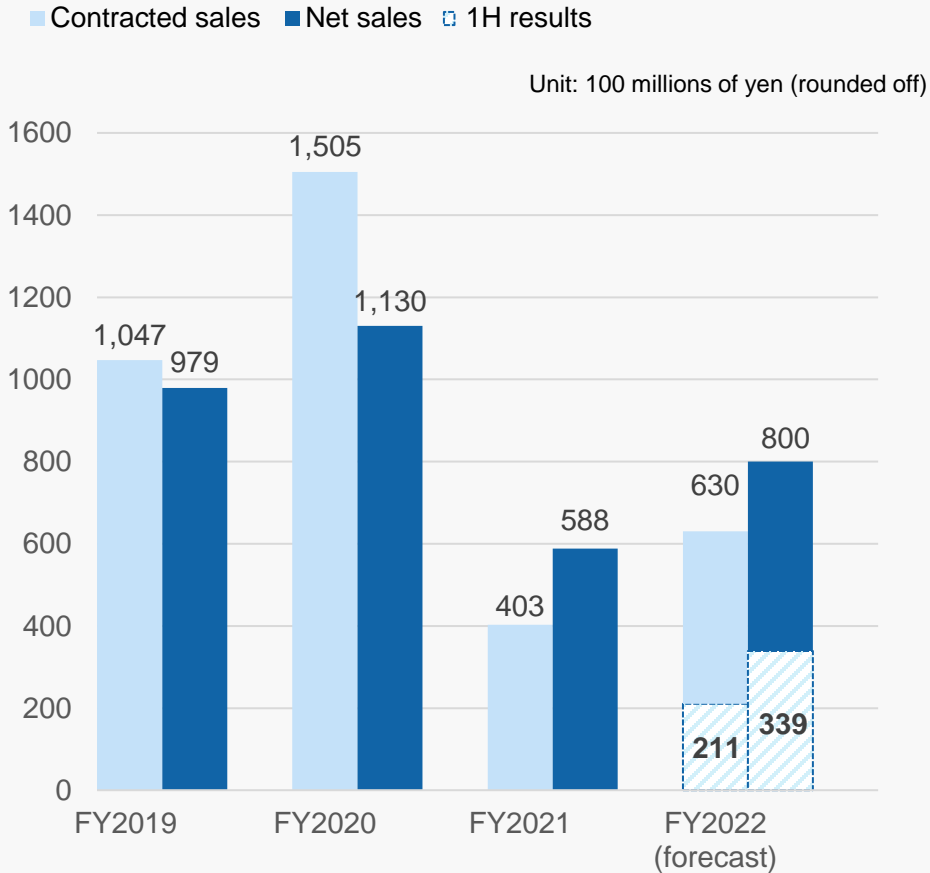
	FY2021 Results	FY2022		YoY (full-year)
		1H Results	Full-year Forecast	Change
Net sales	588	339	800	+212
Electric Power	85	43	135	+50
Environment, Chemicals, and Machinery	462	271	600	+138
Lifestyle	40	24	65	+25
Operating profit	24	17	37	+13
Electric Power	12	5	19	+7
Environment, Chemicals, and Machinery	12	11	15	+3
Lifestyle	-0	0	3	+3

Medium-term Management Plan 2023 (Consolidated)

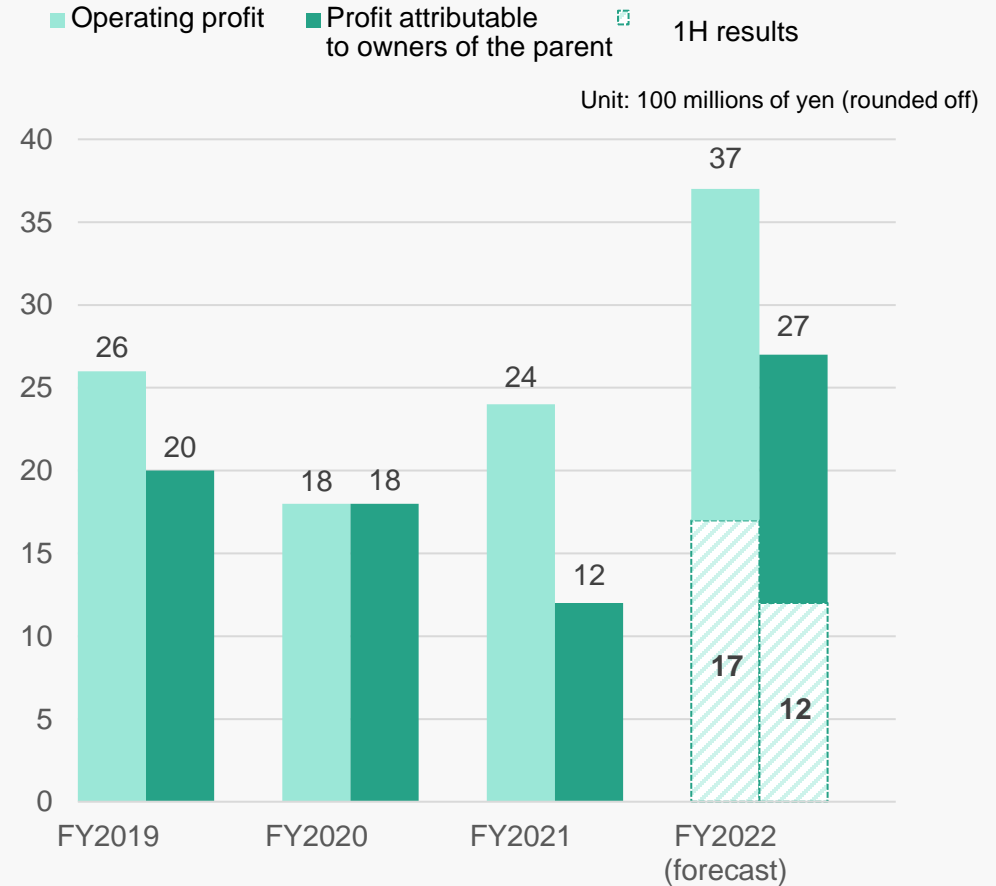
Trailing 3-Year Performance



*Orders Received and Net Sales



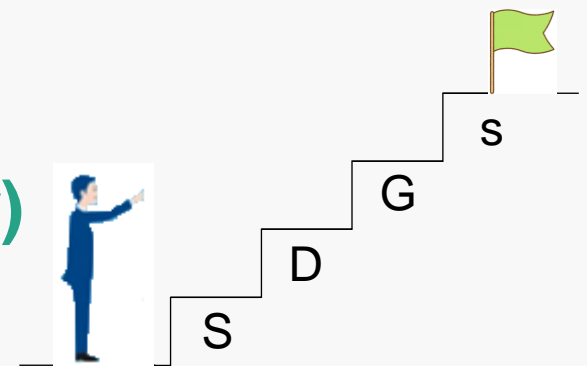
Profits



*Orders received presented on a non-consolidated basis.

*Results for orders received and net sales for FY2019 and FY2020 represent amounts prior to the application of Accounting Standard for Revenue Recognition. (Operating profit and profit attributable to owners of the parent are not affected.)

V. Current Initiatives for Growth (Response to Green Growth Strategy)



Expanding Our Response to Carbon Neutrality

Energy

Global



■ Initiatives for carbon neutrality

- ✓ Solar power generation: in addition to electricity sales using our own facilities, increasing sales of power generation facilities, including private power generation, targeting RE100 companies, etc.
- ✓ Expanding onsite PPA mainly with CO2 Reduction Co., Ltd., a new subsidiary established this year
- ✓ Newly concluded long-term biomass fuel supply agreement
- ✓ Concluded exclusive dealer agreement with Asian manufacturer to expand sales of micro hydro power generation facilities
- ✓ Proposing facilities to geothermal power plant projects across Japan



Agano Solar Park

■ Growth strategy

- Expanding into renewable energy and green innovation fields following the Japanese government's Green Growth Strategy Through Achieving Carbon Neutrality in 2050
- Proposing total support using our knowledge, from construction contracting to O&M, in renewable energy projects for solar power, biomass and geothermal, etc.
- In addition to sales of imported biomass fuels, advancing sustainable renewable energy business, through participation in domestically sourced biomass power generation
- Consolidating needs of various customer segments for renewable energy and engaging in efficient sales and marketing activities



Micro hydro power generation facility

■ Next-generation automobile business

- ✓ Actively promoting our novel charge/discharge testing system for lithium-ion batteries (LiB) to rechargeable battery makers in Japan and abroad
- ✓ Exhibited demo system at Kansai Rechargeable Battery Exhibition in November
- ✓ Delivering production equipment and supplying parts to hydrogen battery makers for fuel cell vehicles (FCV)

■ Growth strategy

- Stepping up response to growing EV market, including LiB business and sales of commercial EVs
- Seizing demand for various renewable energy facilities, such as hydrogen fuel cells, etc.



Our booth at the exhibition held at INTEX Osaka in November



LiB charge test system (display model)

Tacking the Challenge of Manufacturing Technology(Monodzukuri) Innovation and Continue to Create New Businesses (2/3)

New Business



■ Environmentally friendly products

- ✓ Cumulative sales volume of natural ester insulating oil (for transformer equipment) made from soybeans since 2019 broke the 1,000 kl mark!
Given rising environmental awareness, expanding adoption of equipment for large facilities in Japan and adoption in transformers made by major domestic manufacturers

■ Growth strategy

- Expanding lineup of high value-added products, including with reduced environmental impact and greater safety and prolonged transformer service life
- Increasing profit of electric power segment using a broad lineup of products for high voltage equipment including insulation materials



Natural ester transformer insulating oil

■ Expand lineup of lifestyle products

- ✓ Commencing sales of storage bags for drug stores and household use
- ✓ Expanding lineup of biodegradable and packaging materials made from recycled plastics, etc.
- ✓ Developing containers made from eco-friendly materials
- ✓ Expanding sales of commercial-use tissue type polyester bags

■ Growth strategy

- Expanding lineup of products, including plastic products for sale, in addition to conventional packaging materials



Containers made from eco-friendly materials

Tackling the Challenge of Manufacturing Technology(Monodzukuri) Innovation and Continue to Create New Businesses (3/3)

Monodzukuri

New Business



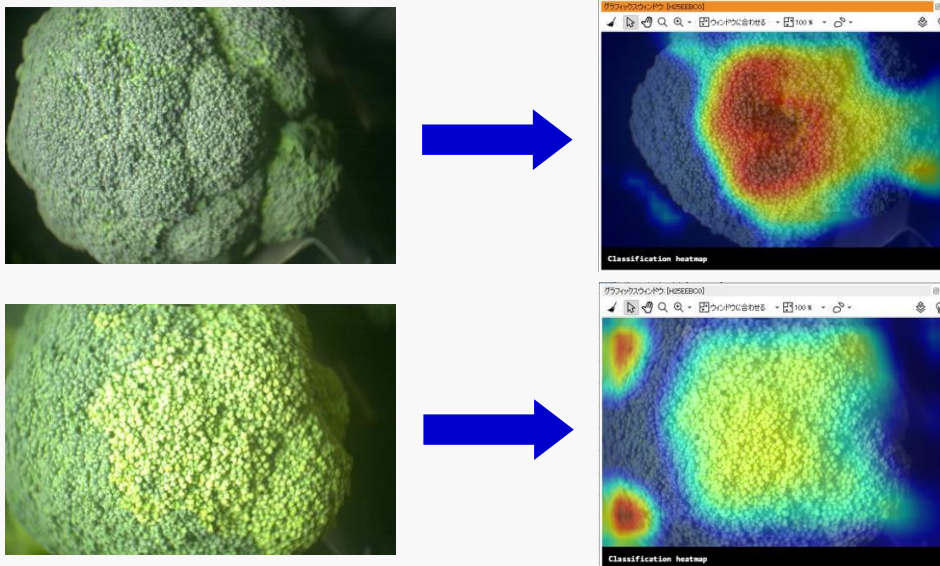
■ Food production equipment business

- ✓ Began selling vegetable inspection lines powered by AI
- ✓ Began shipping pressure and microwave heated rice cooker manufacturing system jointly developed with a food manufacturer
- ✓ Proposing both domestic onshore/offshore aquaculture equipment

■ Growth strategy

- Expanding sales of food production equipment to seize growing demand from automation and labor-saving needs
- Addressing growing needs for next-generation aquaculture technologies due to depletion of natural water resources

Example of AI-powered defect recognition



Onshore aquaculture equipment

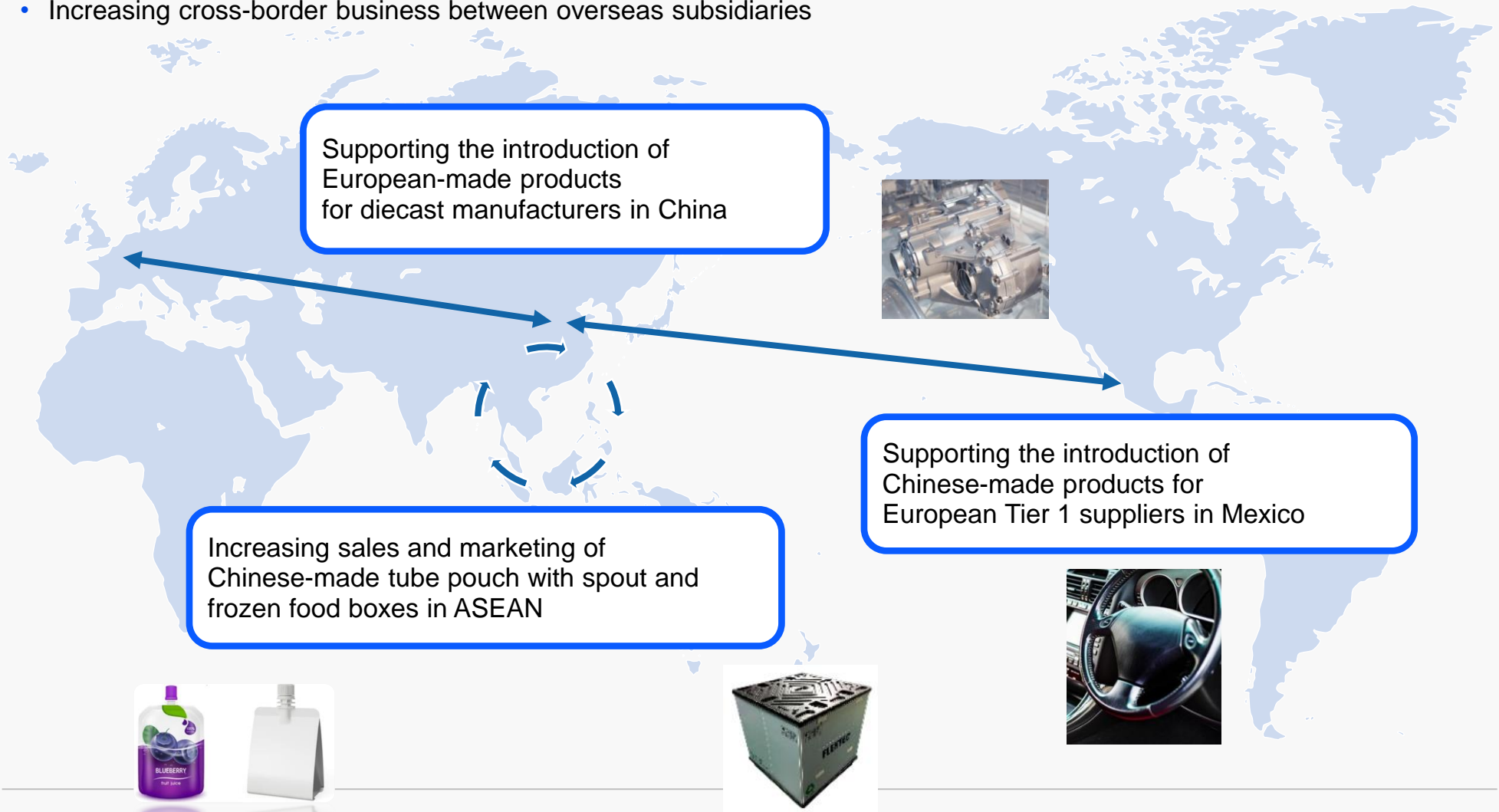


Further Expansion of Business Globally

Global

■ Growth strategy

- Increasing cross-border business between overseas subsidiaries



VI. About Tokyo Sangyo



Company Info and History

Tokyo Sangyo is an integrated trading company focused on machinery that marked its 75th anniversary in 2022

In addition to our core electric power business, we are actively involved in the renewable energy business

Basic Information

Company name	TOKYO SANGYO CO., LTD.
Address	2-1 Otemachi 2-chome, Chiyoda-ku, Tokyo
Representative	Minoru Kambara, President and Representative Director
Founded	October 20, 1947
Capital	3,443,284,858 yen
Business lines	Domestic sales and trading of various equipment, plants, materials, tools, and chemicals, etc.
Business locations	27 in Japan (including 7 subsidiaries and 3 affiliates) 23 outside Japan (including 10 subsidiaries and 1 affiliate)

History

- 1942: Established as Daiwa Kikai Co., Ltd., which engaged in the manufacture and sales of equipment and tools
- 1947: Following its breakup, Mitsubishi Corporation relinquished its management rights in Daiwa Kikai Co., Ltd., and the company changed its trade name to TOKYO SANGYO CO., LTD.
With the support of Mitsubishi group companies, TOKYO SANGYO CO., LTD. became a dedicated trading company focused on the domestic sales, import, and export of general industrial machinery and equipment.
- 1950s: Opened major domestic business locations in Nagoya, Sendai and Osaka (currently, Kansai)
- 1959: Listed on the Tokyo Stock Exchange as an OTC stock
- 1961: Listed on the Second Section of the Tokyo Stock Exchange
- 1996: Listed on the First Section of the Tokyo Stock Exchange
- 2000s: Opened overseas business locations and actively expanded internationally
- Oct. 2017: Marked its 70th anniversary

As of November 30, 2022

International and Domestic Networks

As of August 31, 2022

International Network



- | Branch | Subsidiaries | |
|----------|---------------|------------------|
| • Taipei | • Shanghai | • Frankfurt |
| | • Guangzhou | • Budapest |
| | • Pinghu | • Krakow |
| | • Chengdu | • Dusseldorf |
| | • Hefei | • Los Angeles |
| | • Jakarta | • Ohio |
| | • Bangkok (2) | • Aguascalientes |
| | • Hanoi | • Queretaro |
| | • Ho Chi Minh | • Silao |
| | • Singapore | • Kuala Lumpur |

Affiliate

- Shandong Tokyo-Union Technology Development Co., Ltd.

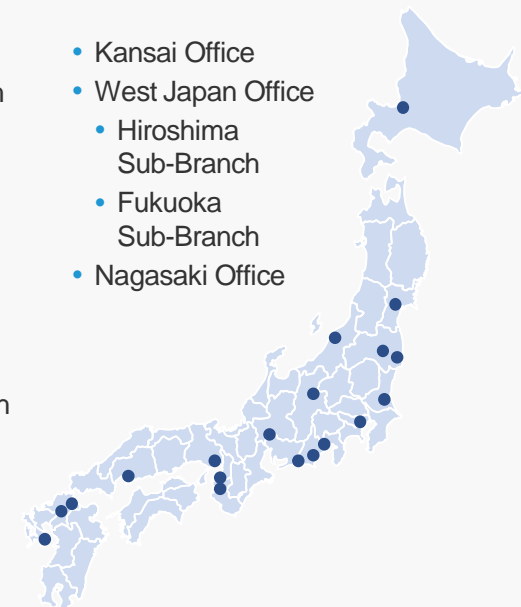
Total of 23 locations

Domestic Network

Offices and Locations

- Main Office
 - Kashima Sub-Branch
- Sapporo Office
- Rokkasho Sub-Branch
- Tohoku Office
 - Niigata Area Office
- Fukushima Office
 - Iwaki Sub-Branch
- Tokai Office
 - Shizuoka Sub-Branch
 - Fuji Sub-Branch
 - Hamamatsu Sub-Branch

- Kansai Office
- West Japan Office
 - Hiroshima Sub-Branch
 - Fukuoka Sub-Branch
- Nagasaki Office



Affiliates

- Tokyo Sangyo Fudosan Co., Ltd.
- Innovation of Social Environment Co., Ltd.
- Kowa Kogyo Co., Ltd.
- Joint company Tateshina Sun Sun Farm
- I·A·H Co., Ltd
- Yasuda TSC International Co., Ltd
- TR Energy Co., Ltd
- Development No. 65 Silent Partnership (solar power SPC)
- Aizu Komorebi Power Co., Ltd
- CO2 Reduction Co., Ltd

Total of 27 locations

Initiatives for Sustainability Management

- We've revamped our corporate website and are exploring ways to contribute to decarbonization
- We've formulated sustainable action guidelines and identified material issues affecting our operations

E

Working to achieve a green society through business

- ✓ Achieve decarbonization and carbon neutrality
- ✓ Respond to popularization of EVs and FCVs
- ✓ Tackle challenges associated with food sustainability
- ✓ Further expand business reach globally

Actively adopting diverse work styles in harmony with society

- ✓ Enhance employee training to foster multi-skilled talent
- ✓ Promote diversity and inclusion
- ✓ Pursue work style reforms (multi-track personnel system, new personnel evaluation system, flex time, and year-round business casual dress code, etc.)

S

G

Strengthening corporate governance

- ✓ Advance and supervise initiatives for sustainability and create organization reporting directly to the Board of Directors
- ✓ Timely and appropriate disclosure and investor relations activities



TOKYO SANGYO CO., LTD.

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東京産業を支える
からの世界

1947年の創業以来、火力・水力発電設備やプラント設備の据付・保守、産業機械などの販売を通して、世界の産業とライフラインを支えてきた東京産業。これからも、環境・エネルギーに強い機械総合会社として「信頼」と「貢献」を企業理念に、世界の皆様とともに発展していきます。

再生可能エネルギー	環境・化学・機械	生活・グローバル
自社による太陽光発電事業のほか、バイオマス燃料供給を含む再生可能エネルギー関連施設の建設・運営維持管理までも一貫事業	一般産業機械への幅広い知見を活かした工場効率化・省エネ化支援や環境配慮型産業機械の提供と顧客のサステナブル経営に対応	環境負荷を低減するグリーンボリエンタレンを用いた包装資材の提供や、海外拠点を通じた商品販売・海外インフラ事業への参画

2027年の創立80周年に向けて、SDGsを積極的に推進しています

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