

# Financial Results Briefing for the Fiscal Year Ended March 31, 2025 (FY2024)

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May 12, 2025

**TOKYO KEIKI INC.** (Securities code: 7721)







## Key Takeaways

**For FY2024, both net sales and operating profit increased significantly year on year.**

Net sales	<b>¥57,650 mn</b>	<b>Up ¥10,484 mn YoY</b> 
Operating profit	<b>¥4,856 mn</b>	<b>Up ¥2,087 mn YoY</b> 

**For FY2025, both net sales and operating profit are expected to increase compared to the initial plans, but operating profit is expected to decrease year on year due mainly to human investment and head office relocation costs.**

Net sales	<b>¥59,600 mn</b>	<b>Up ¥1,300 mn vs. initial plan</b> 
		<b>Up ¥1,950 mn YoY</b> 
Operating profit	<b>¥3,890 mn</b>	<b>Up ¥20 mn vs. initial plan</b> 
		<b>Down ¥966 mn YoY</b> 

**For FY2026 (the final fiscal year of the Medium-term Business Plan), we revised the targets upward and aim for record-high net sales and operating profit. (For details, see page 18 and onward)**

Net sales	<b>¥68,300 mn</b>	<b>Up ¥8,000 mn vs. initial plan</b> 
Operating profit	<b>¥5,580 mn</b>	<b>Up ¥770 mn vs. initial plan</b> 

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- 1. Financial Results for the year ended March 2025 (FY2024)**
2. Plans for the year ending March 2026 (FY2025) and Progress on Medium-term Business Plan

## References

- Business Trends
- Our Businesses

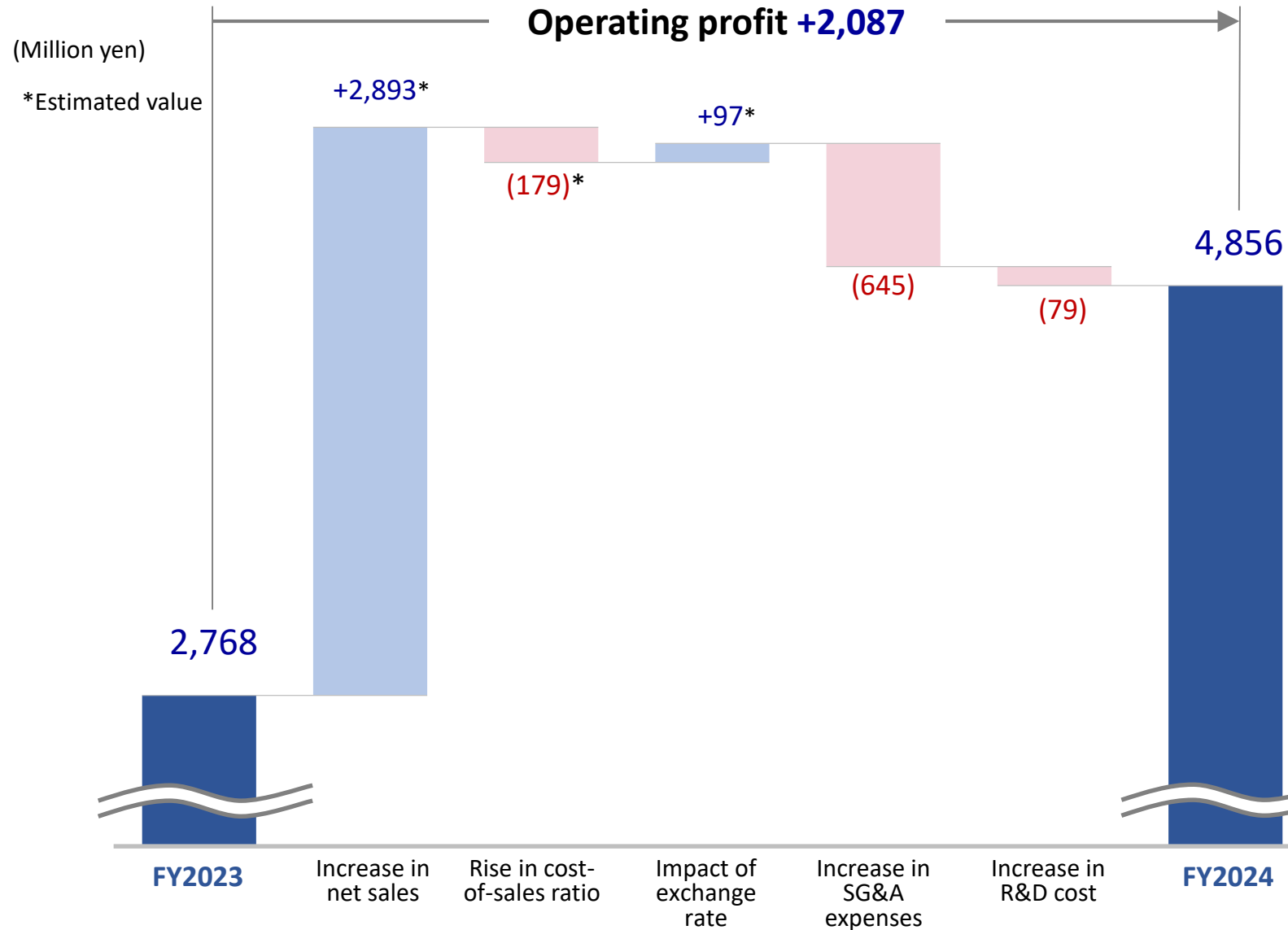
# Net Sales and P/L

(Million yen)	FY2023 Results	FY2024 Results	YoY Change		Announced on Feb. 7, 2025		
			Amount	%	Forecasts	Change	
						Amount	%
Net sales	47,166	57,650	+10,484	+22.2%	57,400	+250	+0.4%
Operating profit	2,768	4,856	+2,087	+75.4%	4,570	+286	+6.3%
Ordinary profit	2,990	5,001	+2,011	+67.2%	4,730	+271	+5.7%
Profit attributable to owners of parent	2,277	3,797	+1,521	+66.8%	3,400	+397	+11.7%

- Both sales and profits have increased significantly year on year.
- Marine Systems Business and Defense & Communications Equipment Business have contributed to increased net sales.
- Significant increases in all line-item profits. Operating profit and Ordinary profit reached record highs.

Operating profit margin	5.9%	8.4%	+2.6pts
Exchange rate (to the US dollar)	¥144.32	¥152.64	

## Analysis of YoY Changes in Operating Profit



Operating profit increased significantly driven by a significant increase in net sales of the Defense Business due to higher defense spending, despite an increase in SG&A expenses.

Net Sales and Operating Profit (Loss) by Segment

(Million yen)		FY2023 Results	FY2024 Results	YoY Change		Announced on Feb. 7, 2025			Overview compared to the previous fiscal year
				Amount	%	Forecast	Change		
							Amount	%	
Marine Systems	Net Sales	11,016	12,529	+1,513	+13.7%	12,600	(71)	−0.6%	Net sales and operating profit increased, 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	1,006	1,551	+545	+54.2%	1,560	(9)	−0.6%	
Hydraulics and Pneumatics	Net Sales	11,675	11,460	(215)	−1.8%	11,300	+160	+1.4%	Net sales decreased year on year due to a sluggish performance in industrial machinery market, despite steady performance in the overseas market. Operating profit decreased due to a decline in net sales.
	Operating Profit	273	197	(76)	−27.7%	240	(43)	−17.8%	
Fluid Measurement Equipment	Net Sales	4,772	5,019	+247	+5.2%	4,900	+119	+2.4%	Net sales increased, thanks to the steady performance of the public sector market and the fire extinguishing equipment market. Operating profit increased, thanks to the increase in net sales from the public sector market.
	Operating Profit	733	789	+57	+7.7%	660	+129	+19.6%	
Defense & Communications Equipment	Net Sales	16,185	24,394	+8,209	+50.7%	24,400	(6)	−0.0%	Net sales increased, thanks to an increase in national defense budgets that led to a strong performance for radar warning receivers and other products. Operating profit increased significantly year on year, driven by the growth in net sales.
	Operating Profit	362	1,635	+1,274	+352.1%	1,390	+245	+17.6%	
Others	Net Sales	3,517	4,247	+730	+20.8%	4,200	+47	+1.1%	Net sales increased, thanks to higher sales of ultrasonic rail inspection cars, the main product of the Railway Maintenance Business. Operating profit increased significantly, driven by the growth in net sales.
	Operating Profit	502	756	+254	+50.6%	800	(44)	−5.5%	
Total	Net Sales	47,166	57,650	+10,484	+22.2%	57,400	+250	+0.4%	
	Operating Profit	2,768	4,856	+2,087	+75.4%	4,570	+286	+6.3%	

\*Segment sales and operating profit are presented on a pre-adjustment basis.

Status of Orders Received

(Million yen)	Orders Received for FY2024				Order Backlog as of March 31, 2025				Overview
	FY2023	FY2024	YoY change		FY2023	FY2024	YoY change		
			Amount	%			Amount	%	
Marine Systems	11,268	13,817	+2,549	+22.6%	4,416	5,705	+1,288	+29.2%	Both orders received and order backlog increased due to strong demand for new shipbuilding in the overseas market and maintenance services.
Hydraulics and Pneumatics	11,635	11,466	(169)	−1.5%	3,399	3,390	(9)	−0.3%	Both orders received and order backlog were on par with the previous fiscal year. This was due to strong performance in overseas markets offsetting stagnation in other markets.
Fluid Measurement Equipment	4,700	5,415	+715	+15.2%	1,521	1,917	+396	+26.0%	Both orders received and order backlog increased thanks to strong orders in the fire extinguishing equipment markets in addition to steady demand for measuring instruments in both the public and private sector markets.
Defense & Communications Equipment	27,566	33,988	+6,422	+23.3%	33,651	43,246	+9,595	+28.5%	Against a backdrop of increased national defense budgets, both orders received and order backlog reached record highs.
Others	3,759	4,666	+907	+24.1%	1,733	2,151	+418	+24.1%	Both orders received and order backlog increased in the Railway Maintenance Business due to winning of large-scale overseas projects.
Total	58,929	69,352	+10,423	+17.7%	44,720	56,408	+11,688	+26.1%	Both orders received and year-end order backlog reached record highs.

Management Indicators

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Return on Capital						
ROE (Return on equity)	%	3.1	4.6	2.7	6.5	9.8
ROA (Return on assets)	%	2.7	3.5	3.0	4.8	7.0
Cost of equity	%	6.7	6.1	7.8	8.1	6.3

Per Share Information

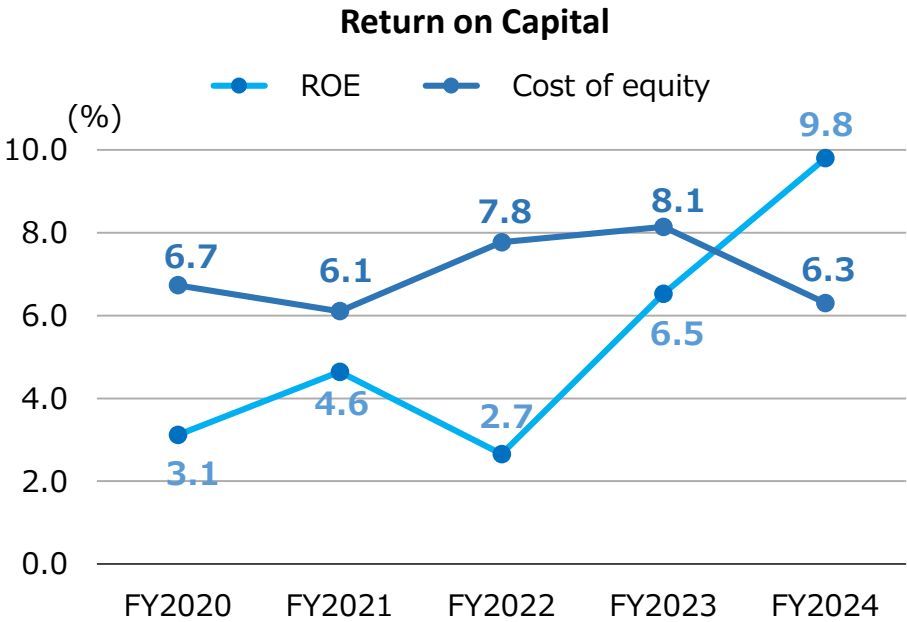
EPS (Earnings per share)	Yen	57.67	91.06	53.16	138.62	231.15
BPS (Net assets per share)	Yen	1,919.21	2,005.00	2,005.89	2,243.54	2,460.11

Market Valuation

FY-end stock price	Yen	944	1,187	1,215	2,719	3,345
FY-end market cap.*	Billion Yen	161	195	199	447	550
PER (Price earnings ratio)	Times (x)	16.37	13.03	22.85	19.61	14.47
PBR (Price-to-book ratio)	Times (x)	0.49	0.59	0.61	1.21	1.36

Achieving Management Conscious of Cost of Capital and Stock Price

- We perceive our cost of equity to be between 6% and 8%.
- ROE increased significantly, exceeding the cost of equity.
- To achieve management that is conscious of cost of capital and stock price, we will implement the key strategies of the Medium-term Business Plan (FY2024–2026) and aim to expand the equity spread.



\*FY-end market cap : 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).



## Condensed Balance Sheet

(Million yen)	As of March 31, 2024	As of March 31, 2025	Change
<b>Assets</b>			
Current assets	50,863	56,190	+5,327
(Inventories)	22,905	23,970	+1,065
Non-current assets	16,115	20,307	+4,192
(Property, plant and equipment)	7,025	9,709	+2,684
<b>Total assets</b>	<b>66,978</b>	<b>76,497</b>	<b>+9,519</b>
<b>Liabilities</b>			
Current liabilities	21,781	24,060	+2,279
(Short-term borrowings)	8,954	10,417	+1,462
Non-current liabilities	7,828	11,430	+3,602
(Long-term borrowings)	5,808	9,062	+3,254
<b>Total liabilities</b>	<b>29,609</b>	<b>35,490</b>	<b>+5,881</b>
<b>Net assets</b>			
Shareholders' equity	32,901	36,180	+3,279
Accumulated other comprehensive income	3,948	4,238	+290
<b>Total net assets</b>	<b>37,369</b>	<b>41,007</b>	<b>+3,638</b>
<b>Total liabilities and net assets</b>	<b>66,978</b>	<b>76,497</b>	<b>+9,519</b>

### ■ Assets : Current assets

Trade receivables increased by ¥3,940 million due to the significantly increased net sales, Inventories increased by ¥1,065 million due to higher purchases to respond to a higher volume of orders received in the Defense Business.

### ■ Assets : Non-current assets

Property, plant and equipment increased by ¥2,684 million due mainly to investment for growth such as a construction of a new plant building for the Defense Business and replacement of aging facilities.

### ■ Liabilities

Long-term borrowings were taken on to accommodate the demand for funds associated with a significant increase in orders received, resulting in an increase of ¥4,716 million in borrowings.

■ With the equity ratio at 52.8%, we continued to maintain financial soundness.

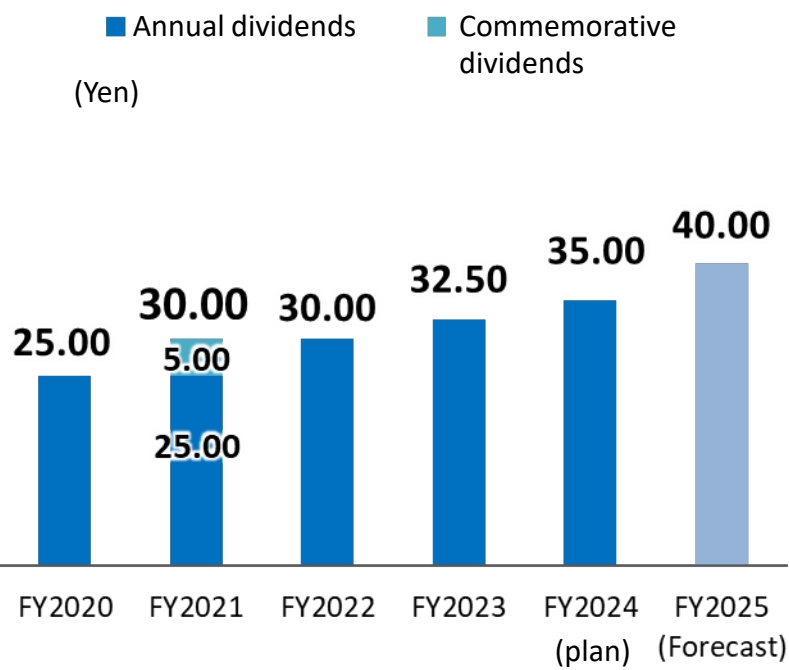
## Consolidated Cash Flows

(Million yen)	FY2020	FY2021	FY2022	FY2023	FY2024
Operating CF	7,068	2,256	(2,829)	(2,835)	<b>(455)</b>
Investing CF	(928)	(572)	4	(2,373)	<b>(4,025)</b>
FCF	6,140	1,684	(2,824)	(5,209)	<b>(4,480)</b>
Financing CF	(2,247)	(1,120)	(780)	4,299	<b>4,178</b>
Cash and cash equivalents at end of period	11,588	12,208	8,671	7,796	<b>7,553</b>
Depreciation	1,128	1,073	1,035	868	<b>1,193</b>
Inventories	12,673	14,979	18,153	22,905	<b>23,970</b>

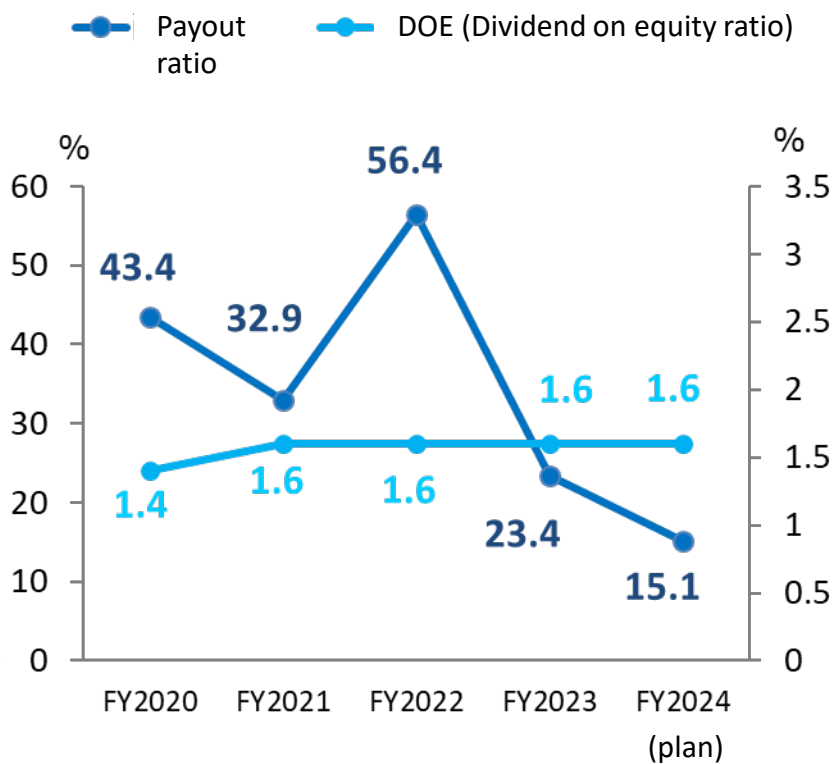
- Operating cash flow remained negative due mainly to an increase of ¥3,932 million in trade receivables primarily as a result of the increased net sales of the Defense Business and an increase of ¥1,037 million in inventories, despite securing of profit before income taxes of ¥4,875 million.
- Investing cash flow remained negative due mainly to purchase of non-current assets of ¥3,833 million, which includes the plant building for the Defense Business.
- As a result, free cash flow (FCF) for FY2024 remained largely negative.

# Shareholder Returns

## Dividends trends



## Dividend payout ratio and DOE trends



## Basic Dividend Policy

- To achieve TOKYO KEIKI Vision 2030 and enhance corporate value, we implement optimal shareholder returns policy, being mindful of our optimal capital structure—while prioritizing investment for growth and considering the balance with our financial foundation.
- For annual dividends, we aim for stable and consistent shareholder returns, taking account of past dividend performance.

## Dividends

**FY under review (FY2024)**                      **¥35.00**

**Next FY (FY2025)**                                **¥40.00**

\* Record high for three consecutive years since FY2000

## Shareholder Benefits

- Points are awarded based on the number of shares held by eligible shareholders.
- These points can be exchanged for preferred products on our dedicated website for shareholders, “TOKYO KEIKI Premium Benefits Club.”
- For details, please refer to our exclusive website for shareholders:

<https://tokyokeiki.premium-yutaiclub.jp/>

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Status of External Environmental Risks

	Occurrences		Business to be affected	Impact and Responses	Degree of Impact
Policies of the U.S. administration	• Higher tariffs	• Direct sales to the U.S.	✓ Others (U.S. sales subsidiary)	• Seek to optimize selling prices to secure profits despite a negligible amount of net sales in the U.S.  The Group’s net sales to the U.S. for FY2024 amounted to ¥603 million.	Low
		• Indirect impact	✓ Marine Systems	• Have a slowdown in ocean freight movement (–). • See maintenance services to be affected by longer transportation distances due to changes in import and export countries (+).	Unknown
			✓ Hydraulics and Pneumatics	• Early grasp customers’ production schedules and appropriately control our production.	Unknown
Unstable exchange rate	• Sharp appreciation of the yen		✓ Marine Systems ✓ Hydraulics and Pneumatics	• Forecast at ¥140 to the US dollar. Marine Systems: foreign currency sales (–) Hydraulics and Pneumatics: components purchased from overseas (+)	Medium
Chinese economy	• Economic stagnation impacting sales.		✓ Marine Systems ✓ Hydraulics and Pneumatics	• Expand sales of high value-added products. • Expand sales in other regions.	Medium

## FY2025 Full-year Earnings Forecast

(Million yen)	FY2024 Results	FY2025 Forecast	YoY Change	
			Amount	%
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	

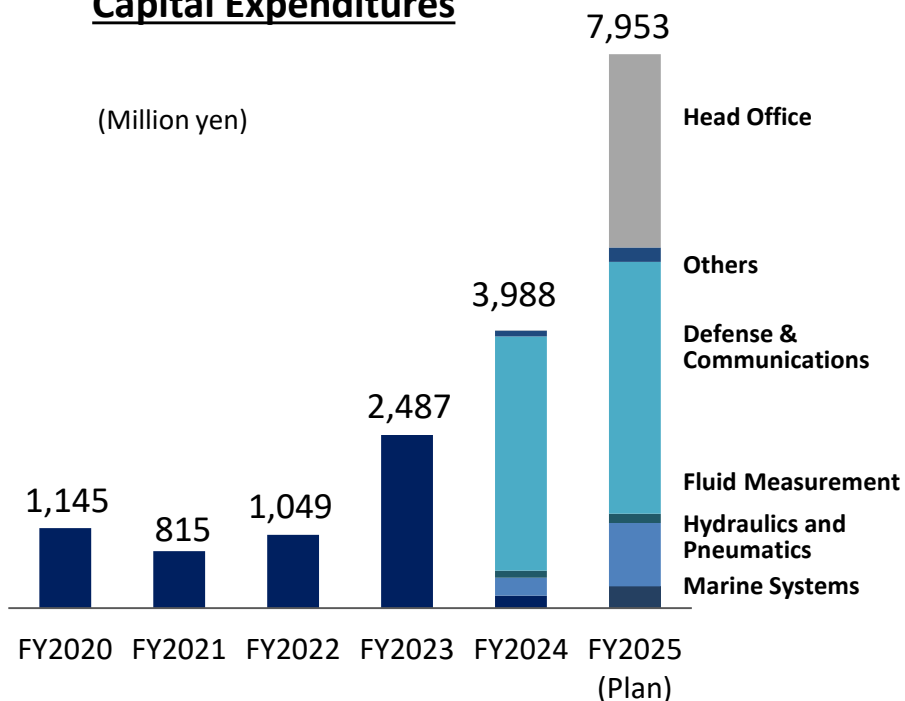
■ Plan to increase net sales due to expected net sales growth in the Defense & Communications Equipment Business and other businesses, but plan to decrease profits due to an expected increase in personnel expenses and the incurrence of head office relocation costs.

## Exchange rate and exchange rate sensitivity

Currency	Exchange rate		Sensitivity (1Q-4Q)	
	FY2024 Result	FY2025 Forecast	Benchmark	Operating profit
USD	¥152.64	¥140.00	¥1 depreciation	+12 million

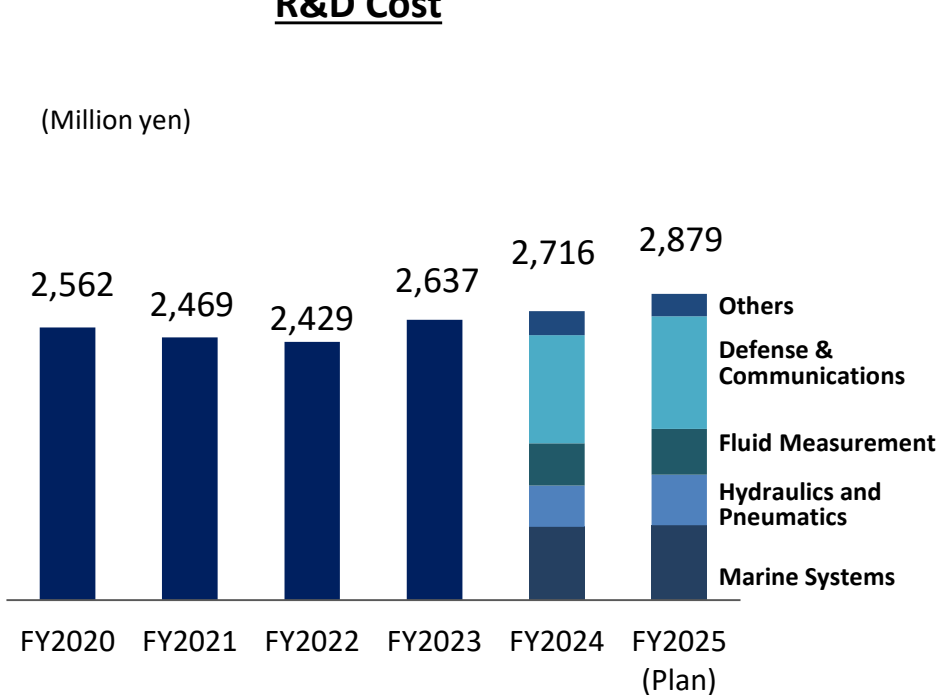
## Investment for Growth (Capital Expenditures and R&amp;D Cost)

## Capital Expenditures



	FY2024	FY2025
■ Head Office	3	2,772
■ Others	82	211
■ Defense & Communications	3,369	3,617
■ Fluid Measurement	100	131
■ Hydraulics and Pneumatics	255	914
■ Marine Systems	178	308
<b>Total</b>	<b>3,988</b>	<b>7,953</b>

## R&amp;D Cost



	FY2024	FY2025
■ Others	225	211
■ Defense & Communications	1,016	1,057
■ Fluid Measurement	397	430
■ Hydraulics and Pneumatics	389	478
■ Marine Systems	690	704
<b>Total</b>	<b>2,716</b>	<b>2,879</b>

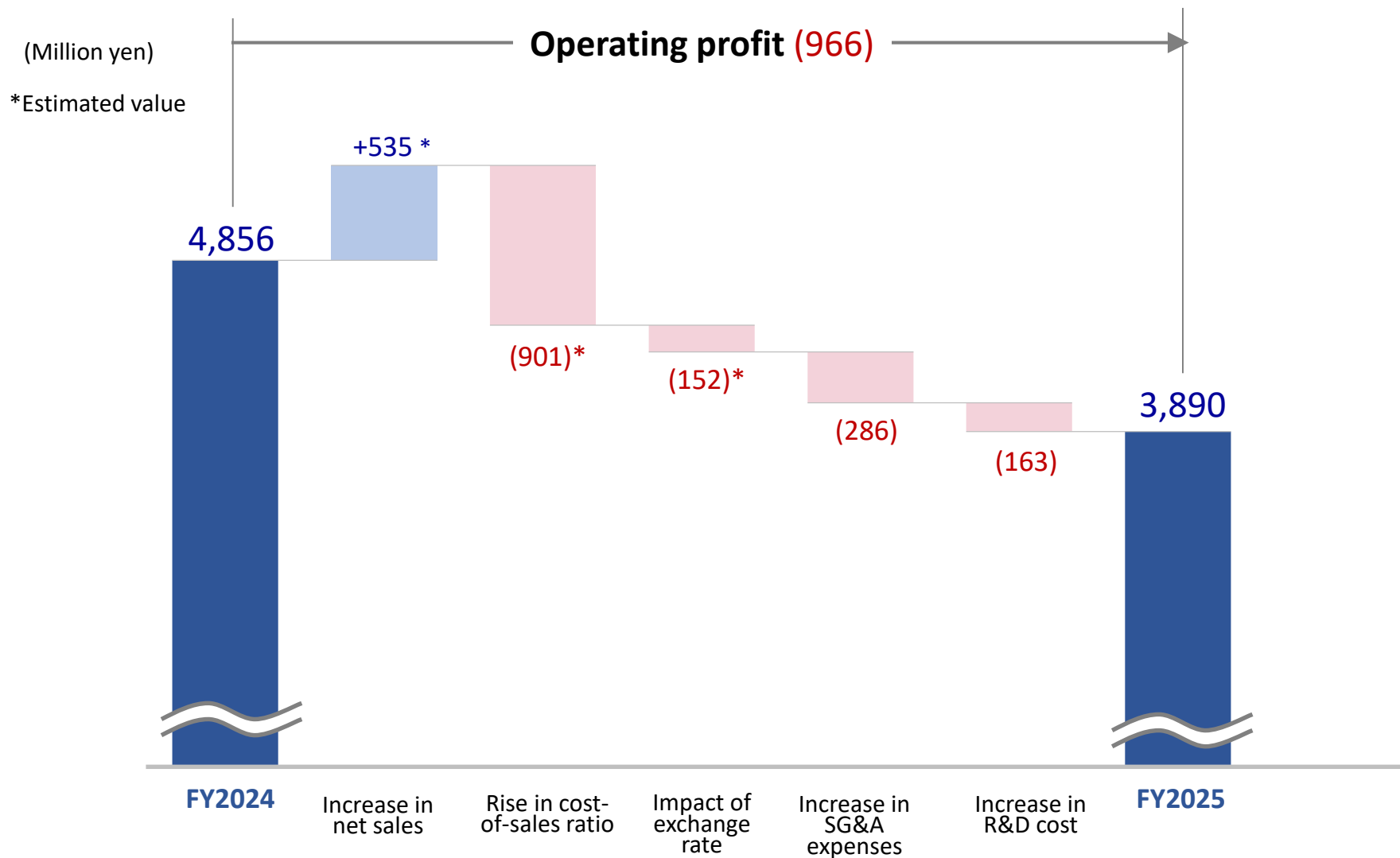
## ■ Capital expenditures

In addition to accommodating development projects in the Defense Business, we plan to update and enhance various production facilities, as well as establish facilities associated with the relocation of the head office.

## ■ R&amp;D cost

In addition to product development related to growth drivers such as space, hydrogen and edge AI, we are planning R&D to acquire new projects related to autonomous ships and the Defense Business.

## Analysis of YoY Changes in Operating Profit



- Personnel costs will rise, such as due to the increase in base pay (¥605 mn). The cost-of-sales ratio and SG&A expenses will rise due to the head office relocation (¥360 mn).
- We will strive to reduce costs and secure profits.



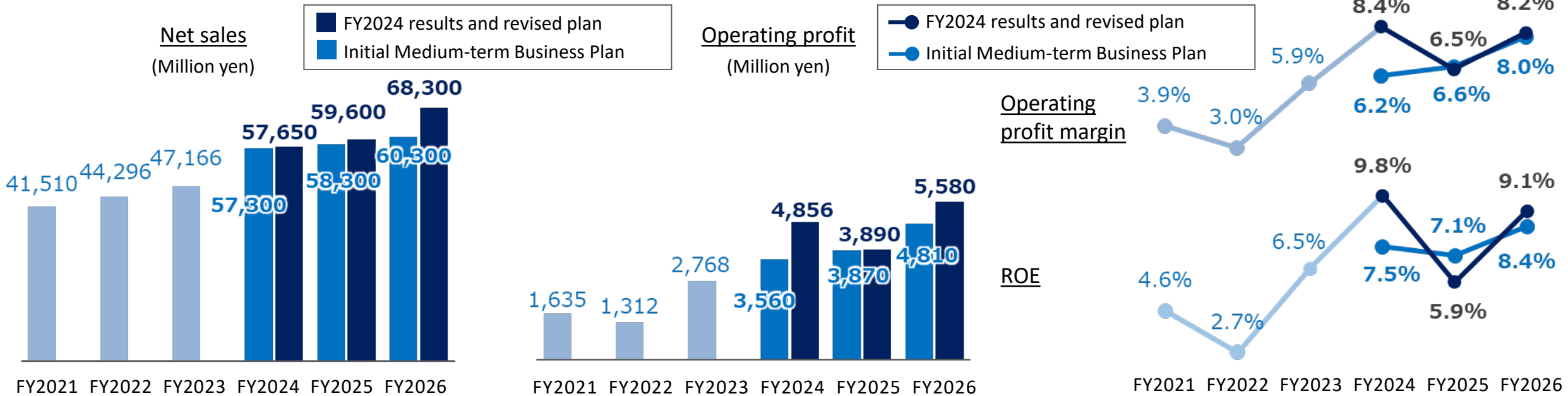
Earnings Forecast by Segment

(Million yen)		FY2024 Results	FY2025 Forecast	YoY change		YoY Outlook
				Amount	%	
Marine Systems	Net sales	12,529	13,000	+471	+3.8%	While demand for new shipbuilding and maintenance services is expected to remain steady, net sales is projected to increase and operating profit to decline due to rising investments in human resources and R&D for future growth.
	Operating profit	1,551	1,120	(431)	-27.8%	
Hydraulics & Pneumatics	Net sales	11,460	11,900	+440	+3.8%	Net sales and operating profit are projected to increase, factoring in a recovery in demand for the industrial machinery market in the latter half of the fiscal year and for specially-equipped vehicles.
	Operating profit	197	240	+43	+21.6%	
Fluid Measurement Equipment	Net sales	5,019	5,200	+181	+3.6%	While both measuring instruments and fire extinguishing systems are expected to remain steady, net sales projected to increase and operating profit to decline due to changes in product mix.
	Operating profit	789	610	(179)	-22.7%	
Defense & Communications Equipment	Net sales	24,394	25,300	+906	+3.7%	Besides deliveries in the Defense Business are expected to ease, net sales is projected to increase due to deliveries of mobile satellite communications antenna stabilizers in the Communications Equipment Business. Operating profit, however, is projected to decline due to changes in product mix.
	Operating profit	1,635	1,520	(115)	-7.1%	
Others	Net sales	4,247	4,200	(47)	-1.1%	In the Inspection systems business, net sales is projected to increase through expanded sales of new products. However, the Railway maintenance business is projected to see a decline in both net sales and operating profit due to reduced deliveries of its core product, ultrasonic rail inspection car.
	Operating profit	756	480	(276)	-36.5%	
Total	Net sales	57,650	59,600	+1,950	+3.4%	
	Operating profit	4,856	3,890	(966)	-19.9%	

Upward revision on Medium- term Business Plan

- Background of upward revision
- Reflect the impact of a large-scale, unplanned R&D project awarded in the Defense Business during FY2024, as well as the solid outlook for the Marine Systems Business, among other contributing factors.

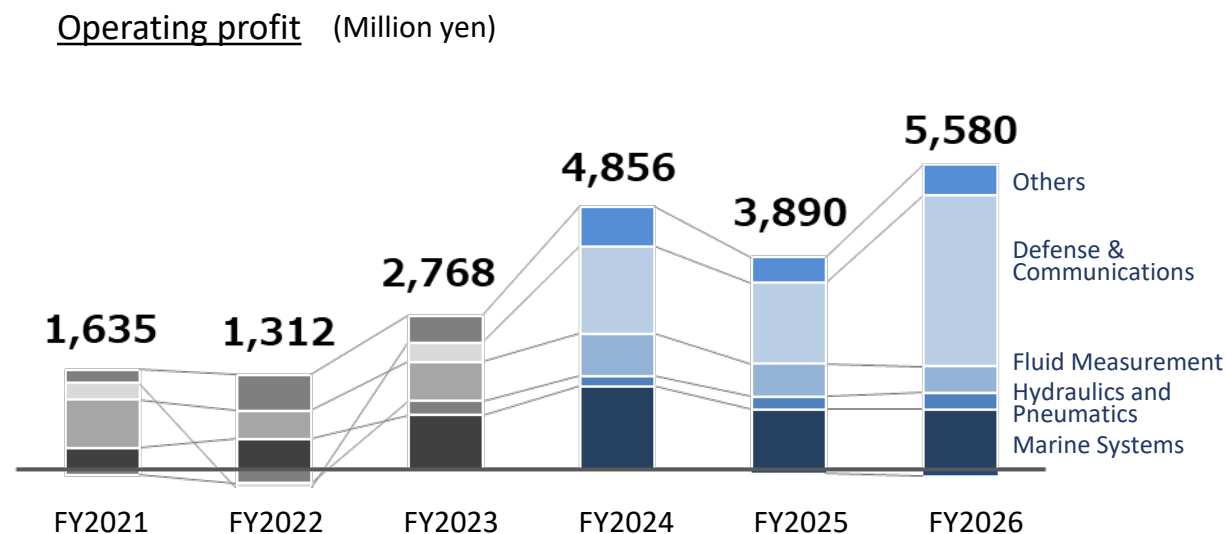
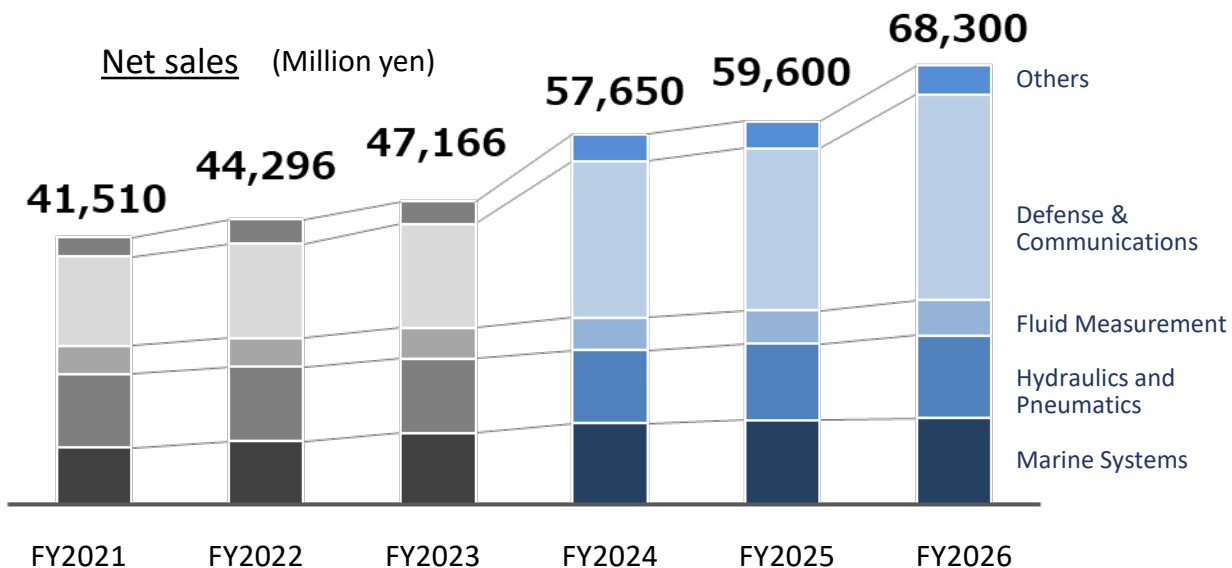
■ Aim to achieve record-high net sales and operating profit in the final year of the plan, FY2026.



		FY2024		FY2025		FY2026	
		Initial plan	Results	Initial plan	Revised plan	Initial plan	Revised plan
Profitability	Net sales	¥57.3 bn	¥57.65 bn	¥58.3 bn	¥59.60 bn	¥60.3 bn	¥68.30 bn
	Operating profit	¥3.56 bn	¥4.86 bn	¥3.87 bn	¥3.89 bn	¥4.81 bn	¥5.58 bn
	Operating profit margin	6.2%	8.4%	6.6%	6.5%	8.0%	8.2%
	ROE	7.5%	9.8%	7.1%	5.9%	8.4%	9.1%

## Progress of Business Plan by Segment

- Expect the large-scale R&D project awarded in FY2024 in the Defense & Communications Equipment Business to contribute to sales and operating profit for FY2026.
- Continue focusing on R&D investment and securing human resources to accomplish goals of TOKYO KEIKI Vision 2030.

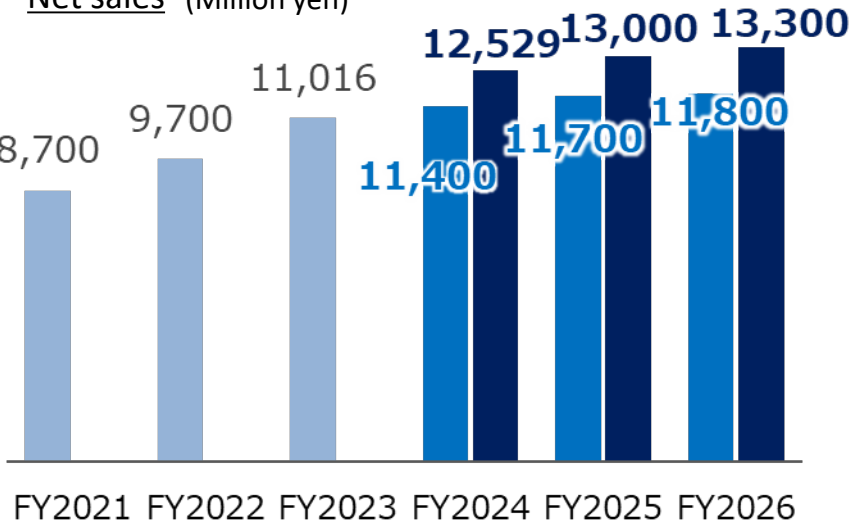


Progress of Business Plan by Segment

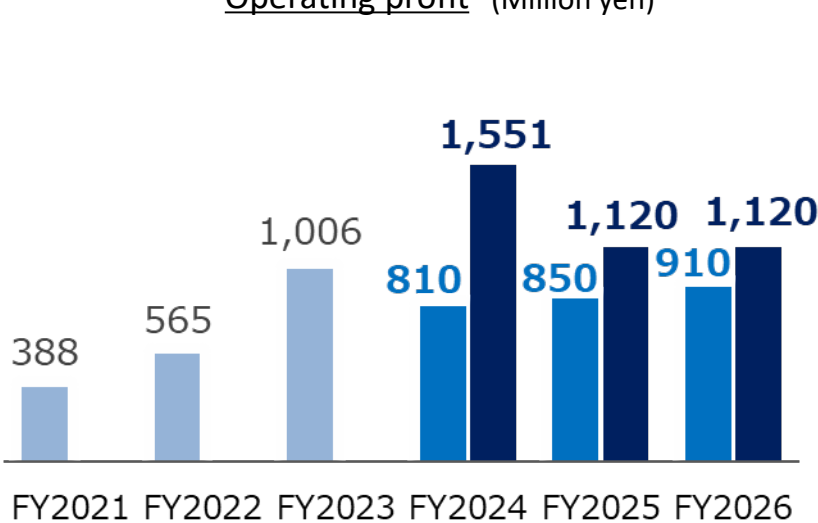
Marine Systems Business

- Although shipbuilding capacity will not increase rapidly, net sales are expected to rise over the medium to long term as demand for vessels looks set to climb going forward.
- Focus on R&D investment and securing human resources.

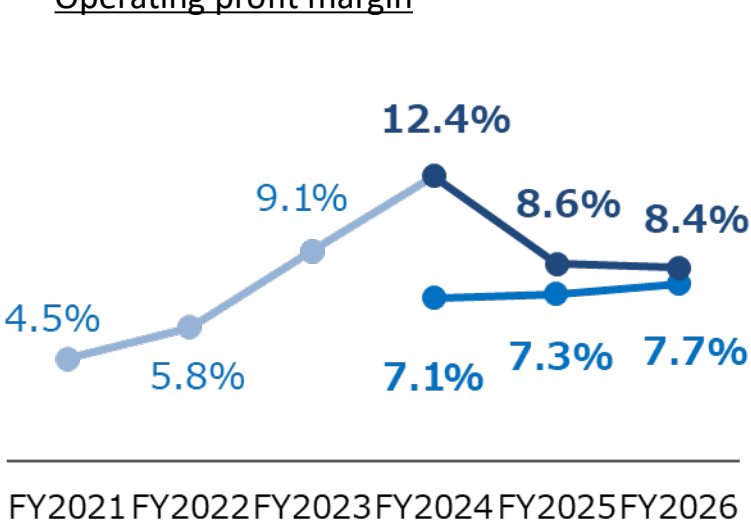
Net sales (Million yen)



Operating profit (Million yen)



Operating profit margin

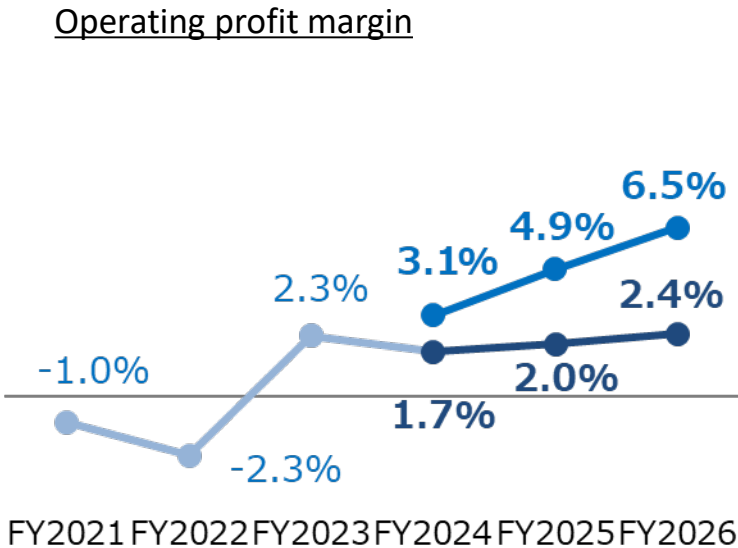
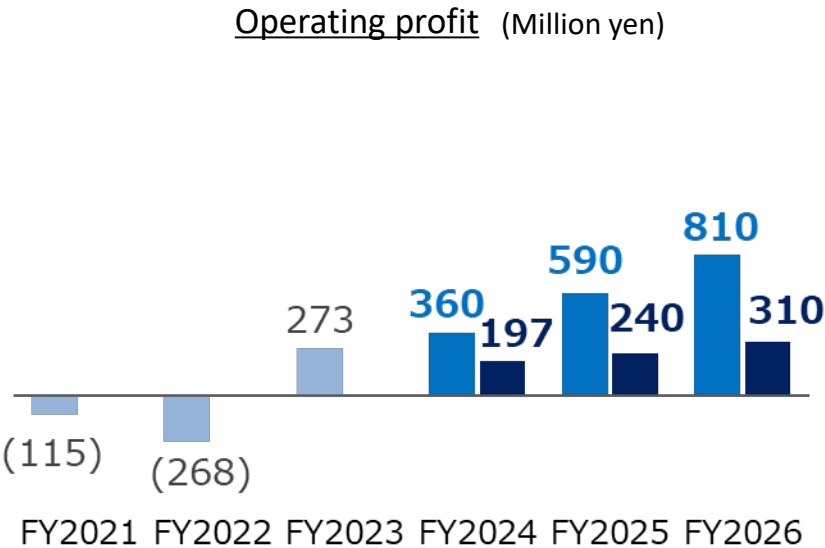
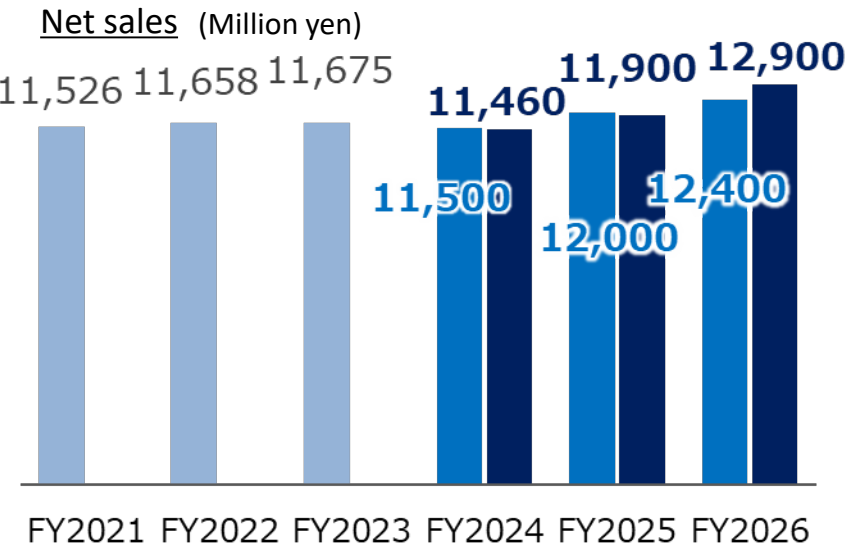


Market trends	Business policies	Key measures
<ul style="list-style-type: none"><li>● Era of large-scale shipbuilding expected to arrive against backdrop of construction of substitute ships and pursuit of carbon neutrality.</li><li>● Rise of high-performance marine gyrocompasses made in China.</li><li>● Medium- to long-term shipping market themes: Emergence of autonomous vessels as means of conserving energy, saving labor, and operating safely and stably.</li></ul>	<ul style="list-style-type: none"><li>● Maintain and build on top shares of marine gyrocompass and autopilot markets.</li><li>● Develop new markets with new products that push beyond boundaries of navigational instruments.</li><li>● Establish development system ahead of development of autonomous vessels.</li></ul>	<ul style="list-style-type: none"><li>● Product technology evolution and expansion:<ul style="list-style-type: none"><li>• Prepare for era of large-scale shipbuilding: Strengthen cost competitiveness, expand product lineup, and digitally transform (DX) operations.</li><li>• Conceptualize autonomous vessel technology.</li></ul></li><li>● Human resources development for sustainable growth:<ul style="list-style-type: none"><li>• Produce innovators, global leaders, and executives.</li><li>• Run workshops and conduct kaizen activities in workplaces to produce experts.</li></ul></li></ul>

Progress of Business Plan by Segment

Hydraulics and  
Pneumatics Business

- Improve operating profit margin by expanding sales of high-value-added products.
- Restructure production plants and reduce cost ratios.



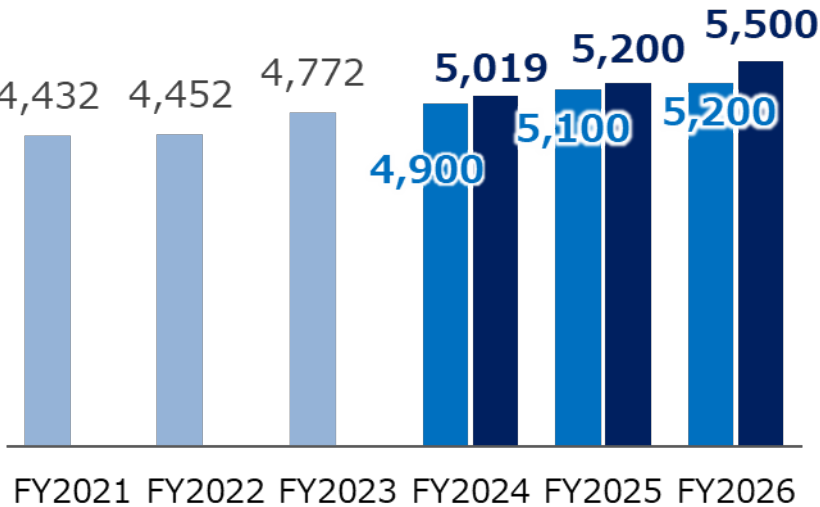
Market trends	Business policies	Key measures
<ul style="list-style-type: none"><li>● Expect a recovery in demand for the industrial machinery market in the latter half of the fiscal year.</li><li>● Expect a recovery in demand for specially-equipped vehicles, one of the company’s core strengths.</li><li>● Anticipate stable demand in the overseas markets at FY2024 levels.</li><li>● Foresee the advent of a hydrogen-based society as part of pursuit of carbon neutrality.</li></ul>	<ul style="list-style-type: none"><li>● Strengthen existing businesses and revive earning power.</li><li>● Take on challenge of leveraging new technology to create businesses.</li><li>● Pursue total cost reduction by optimizing production structure.</li><li>● Increase profitability with high-value-added products.</li><li>● Advance Hydrogen &amp; Energy business.</li></ul>	<ul style="list-style-type: none"><li>● Improving profitability of equipment for industrial machinery:<ul style="list-style-type: none"><li>• Employ select-and-focus approach to markets and optimize selling prices.</li><li>• Pursue production automation and labor-saving.</li><li>• Expand Vietnam plant and transfer production to it.</li></ul></li><li>● Develop and bring to market electronics for construction machinery.</li><li>● Sell small hydrogen filling stations in addition to hydrogen compressors.</li></ul>

Progress of Business Plan by Segment

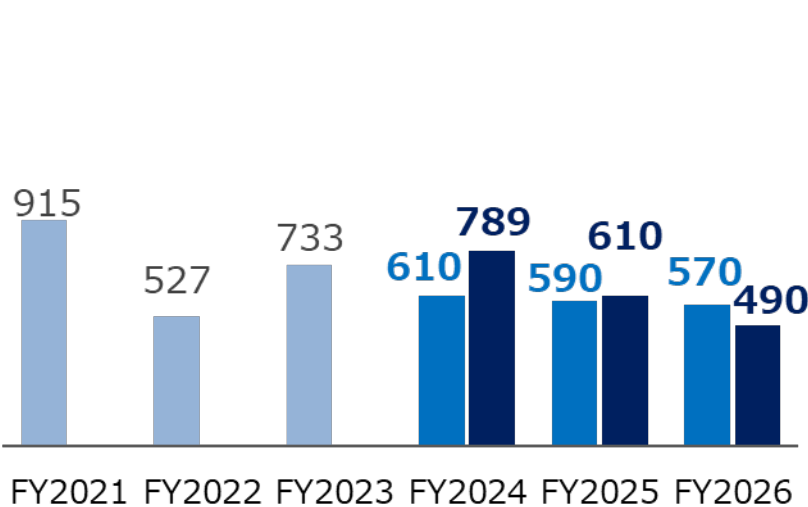
Fluid Measurement  
Equipment Business

■ Implement measures that will lead to medium- to long-term growth while securing stable earnings.

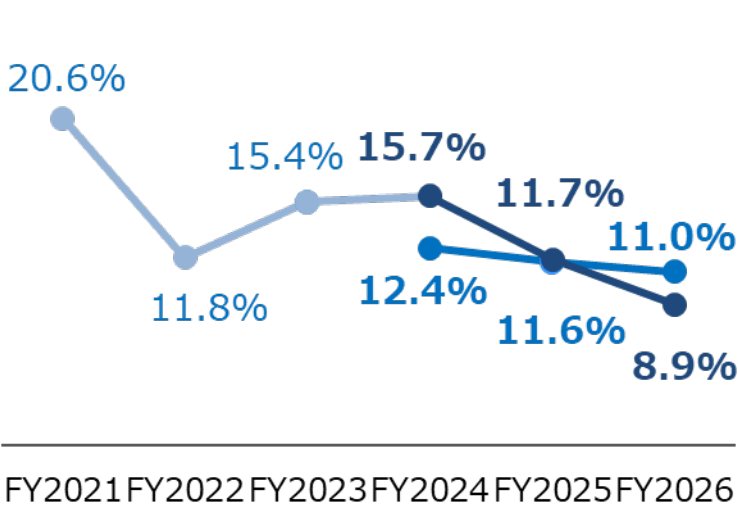
Net sales (Million yen)



Operating profit (Million yen)



Operating profit margin

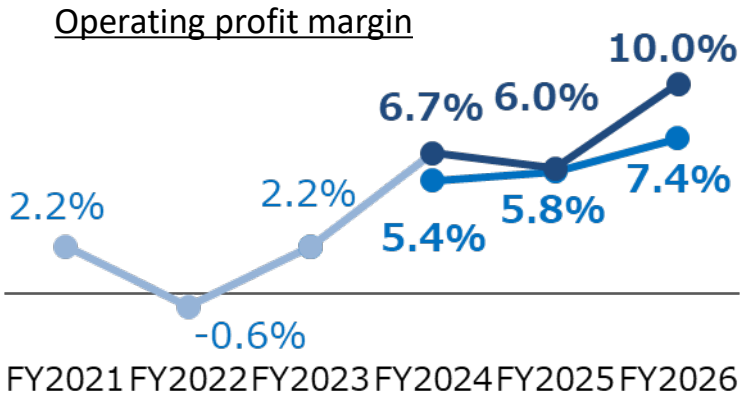
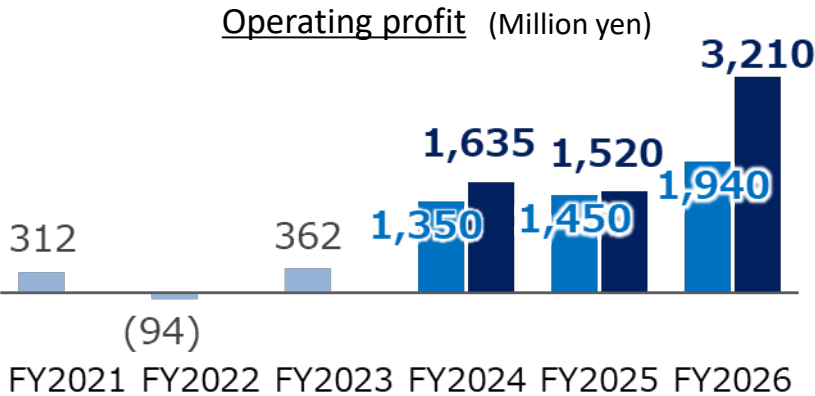
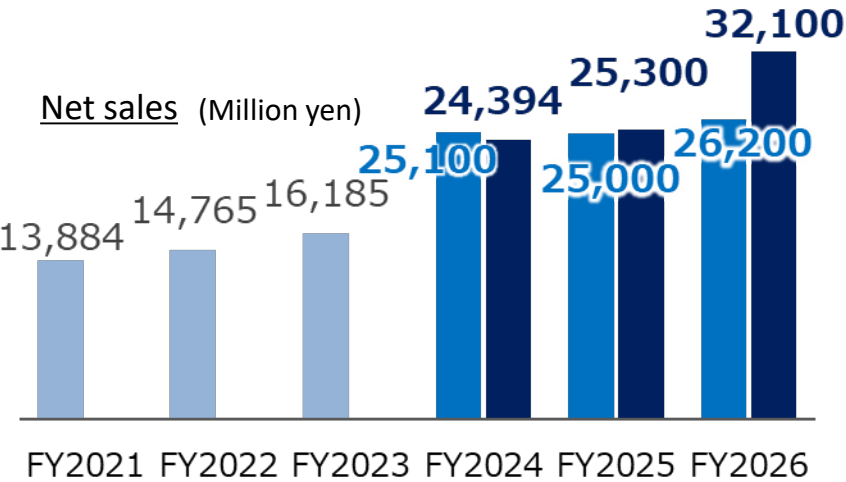


	Market trends	Business policies	Key measures
Measuring instruments	<ul style="list-style-type: none"><li>While there is replacement demand due to aging water infrastructure, the extent of this demand varies as facilities are also being consolidated or shut down as the declining population is leading to wide-area cooperation in the provision of water services.</li><li>Increase in river flooding and seriousness of water-related disasters due to climate change.</li></ul>	<ul style="list-style-type: none"><li>Secure sales and profits in public-sector market.</li><li>Expand sales in private-sector market and overseas markets.</li></ul>	<ul style="list-style-type: none"><li>Expand sales of high-value-added products such as high-precision ultrasonic flowmeters.</li><li>Develop and bring to market new types of flowmeters and level gauges.</li><li>Expand overseas market share by improving distribution networks.</li></ul>
Fire extinguishing systems	<ul style="list-style-type: none"><li>Demand for gas cylinder valve inspections has peaked.</li></ul>	<ul style="list-style-type: none"><li>Expand sales by winning orders for large-scale projects.</li></ul>	<ul style="list-style-type: none"><li>Develop human resources and strengthen organizational capabilities to handle large-scale projects.</li></ul>

Progress of Business Plan by Segment

Defense & Communications  
Equipment Business

- Respond to orders received in the defense business and conduct R&D for the future.
- In the communications equipment business, continue to invest in growth as earnings stabilize.



	Market trends	Business policies	Key measures
Defense equipment	<ul style="list-style-type: none"><li>● The Ministry of Defense has announced that contracts related to new projects required over the five years to FY2027 will amount to ¥43.5 trillion.</li><li>● It is expected to disburse budgets for replacement parts and repair projects, and to promote new development projects.</li></ul>	<ul style="list-style-type: none"><li>● Secure reliable production system to respond to increase in incoming orders, and expand business fields through R&amp;D and proposals for new projects.</li></ul>	<ul style="list-style-type: none"><li>● Respond to Ministry of Defense's measures to improve suppliers' profits.</li><li>● Conduct R&amp;D in new inertial sensors (FOG, HRG) and develop product offerings.</li><li>● Continue sales activities in preparation for entering next-generation fighter market.</li></ul>
Marine traffic equipment	<ul style="list-style-type: none"><li>● Marine traffic safety measures are being promoted based on the Ministry of Land, Infrastructure, Transport and Tourism's "Initiatives for Maritime Safety Including Ship Traffic in the New Era (Fifth Traffic Vision)".</li></ul>	<ul style="list-style-type: none"><li>● Become manufacturer of vessel traffic service (VTS) radars and other products that provide the world with safety and security in ship navigation.</li></ul>	<ul style="list-style-type: none"><li>● Strengthen sales activities for SeaKu (VTS radar) overseas.</li><li>● Strengthen and expand VTS-related business in Japan.</li></ul>
Communication and control equipment	<ul style="list-style-type: none"><li>● Promotion of use of small satellite constellations to strengthen national security.</li><li>● Due to labor shortages, there is a growing demand in society for automation and labor-saving.</li></ul>	<ul style="list-style-type: none"><li>● Utilize core technologies to take on challenge of developing new businesses and products.</li><li>● Enhance competitiveness of sensor technology and contribute to advancement of smart agriculture.</li></ul>	<ul style="list-style-type: none"><li>● Develop and expand Aerospace business, including satellite assembly and satellite-mounted equipment.</li><li>● Expand sales related to smart agriculture through development of new products for agricultural machinery.</li></ul>

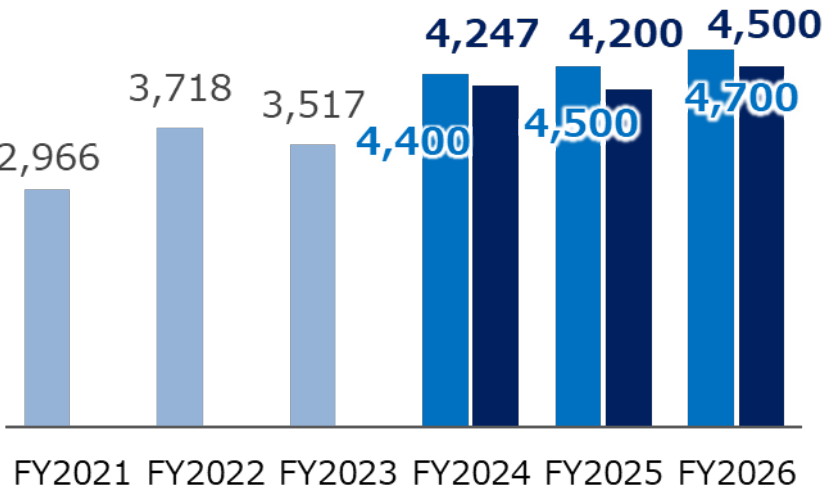


Progress of Business Plan by Segment

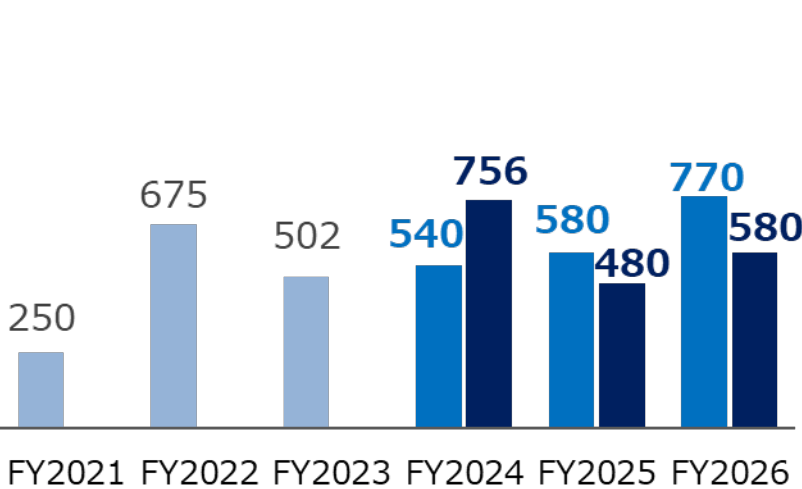
Others  
(Inspection systems and Railway maintenance)

■ Aiming to secure stable revenue through the development and expansion of new products.

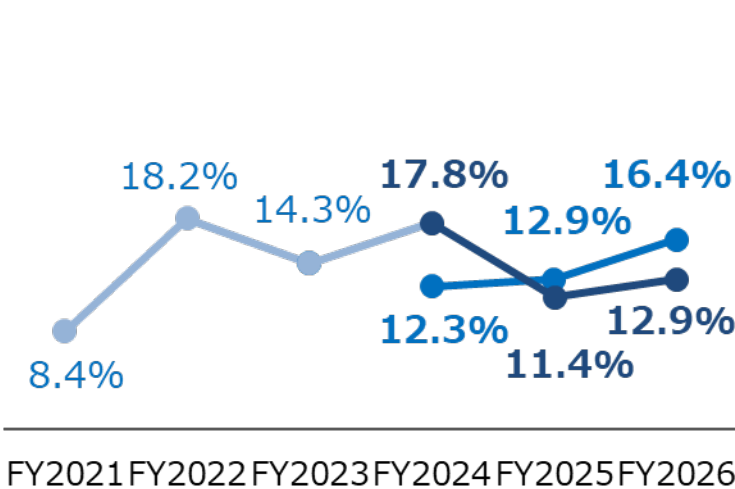
Net sales (Million yen)



Operating profit (Million yen)



Operating profit margin



	Market trends	Business policies	Key measures
Railway Maintenance	<ul style="list-style-type: none"><li>Progress is being made with efforts to cut costs by developing autonomous driving technology and streamlining maintenance through digitalization and labor-saving.</li></ul>	<ul style="list-style-type: none"><li>Dig deeper into customer needs and pursue new product development strategies.</li></ul>	<ul style="list-style-type: none"><li>Develop new products and bring them to market.</li><li>Expand sales of track diagnosis support systems.</li></ul>
Inspection Systems	<ul style="list-style-type: none"><li>In the domestic market, labor shortages are becoming more serious, and the need for inspection equipment that adds value through automation and standardization of inspection processes is increasing.</li></ul>	<ul style="list-style-type: none"><li>By applying AI technology to inspection equipment, offer a product lineup that meets the needs of customers at manufacturing sites.</li></ul>	<ul style="list-style-type: none"><li>Expand distribution channels beyond gravure flexible plastic material market.</li><li>Develop and sell applied products such as bag-making inspection equipment and plate reconciliation systems.</li></ul>



## Contents

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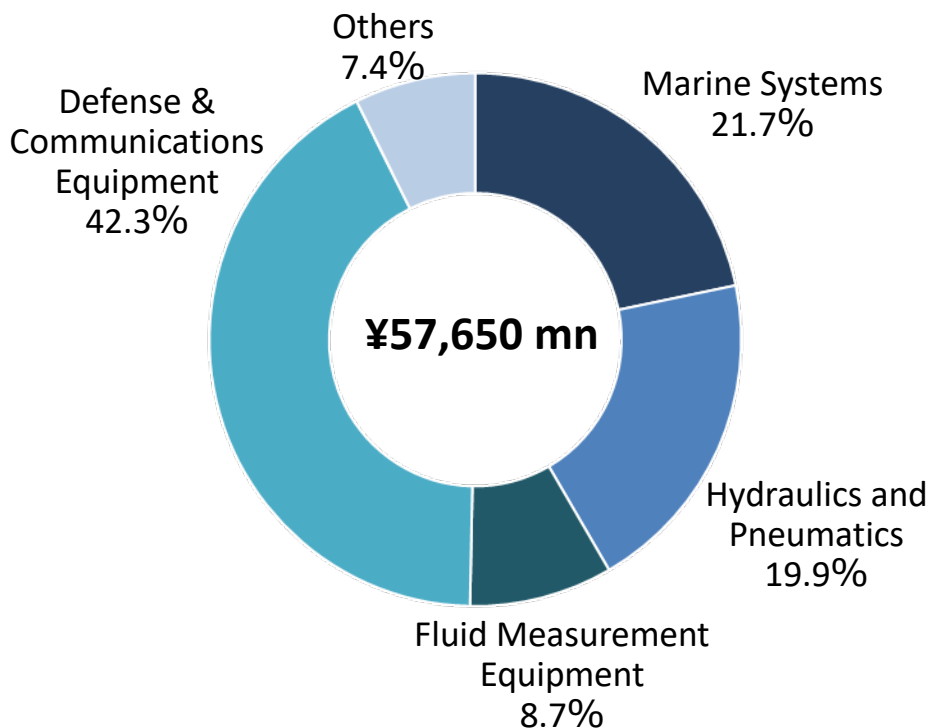
1. Financial Results for the year ended March 2025 (FY2024)
2. Plans for the year ending March 2026 (FY2025) and Progress on Medium-term Business Plan

## References

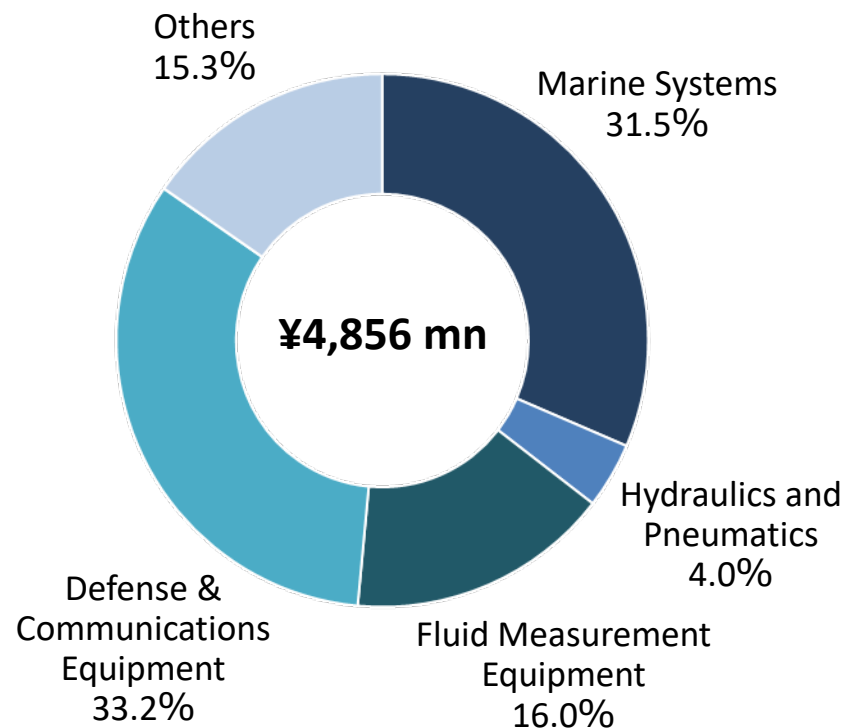
- **Business Trends**
- Our Businesses

## Segment Ratio of Net Sales and Operating Profit for FY2024

Net sales



Operating profit

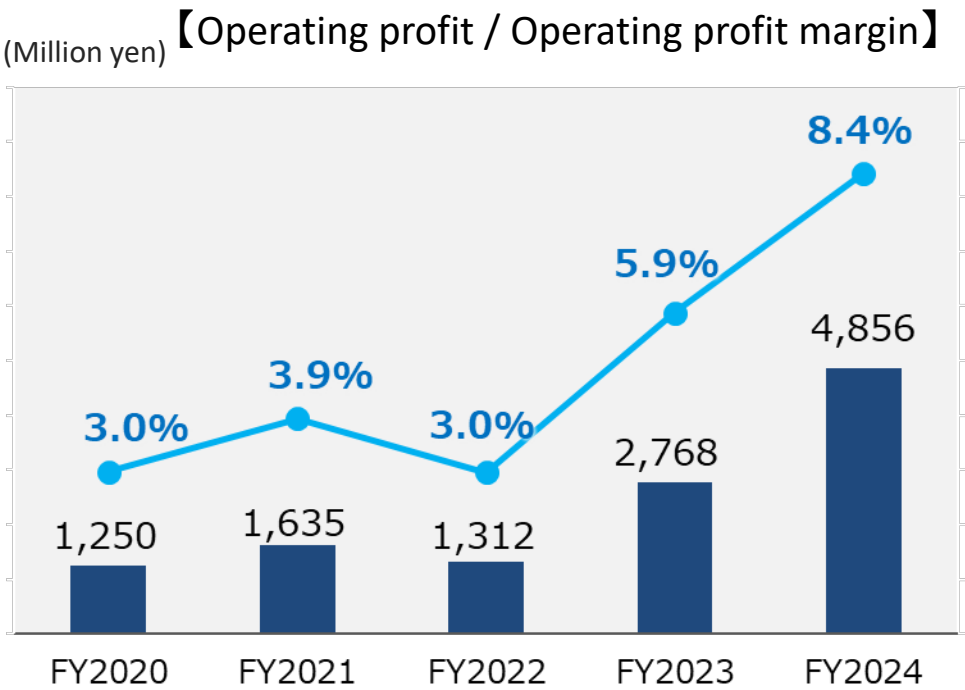
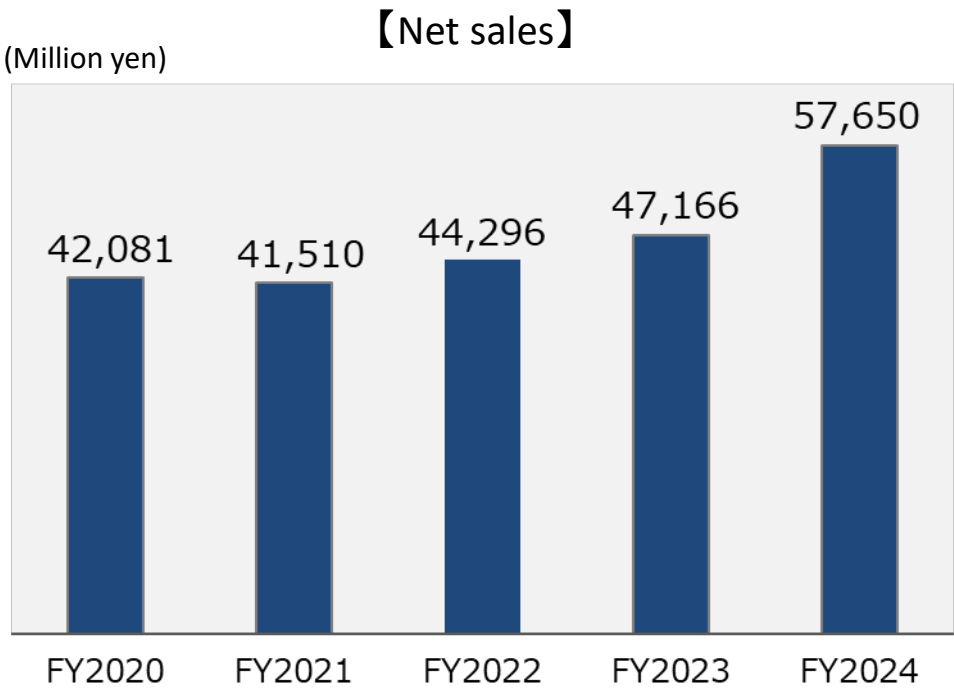


Business characteristics

- Due to the nature of the businesses, Fluid Measurement Equipment Business, Defense and Communications Equipment Business, and Others in Railway Maintenance Business have sales and earnings weighted in the second half.
- Performance of Hydraulics and Pneumatics Business is affected by the economy.

\*Segment ratio of net Sales and operating profit sales are presented on a pre-adjustment basis )

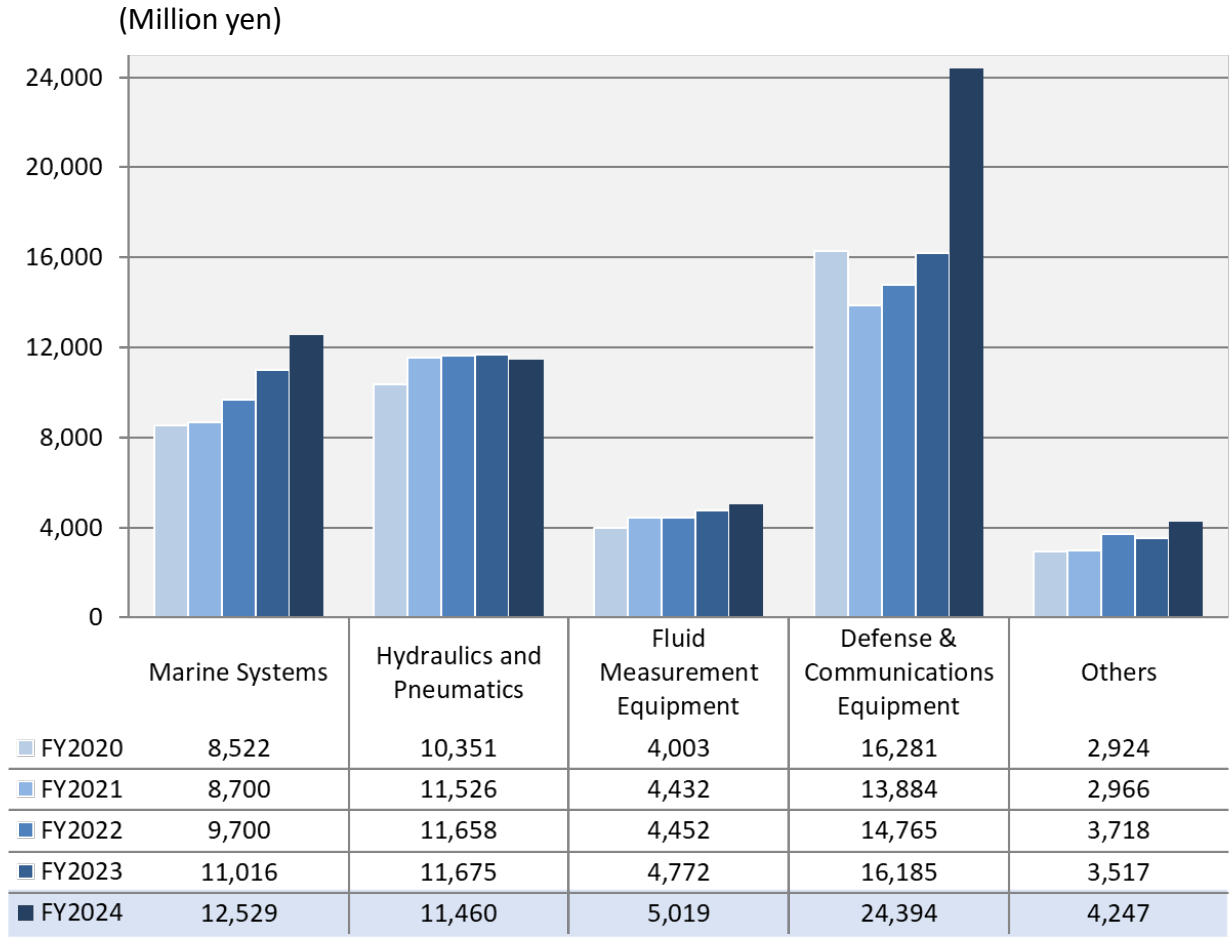
Changes in Net Sales and Operating Profit



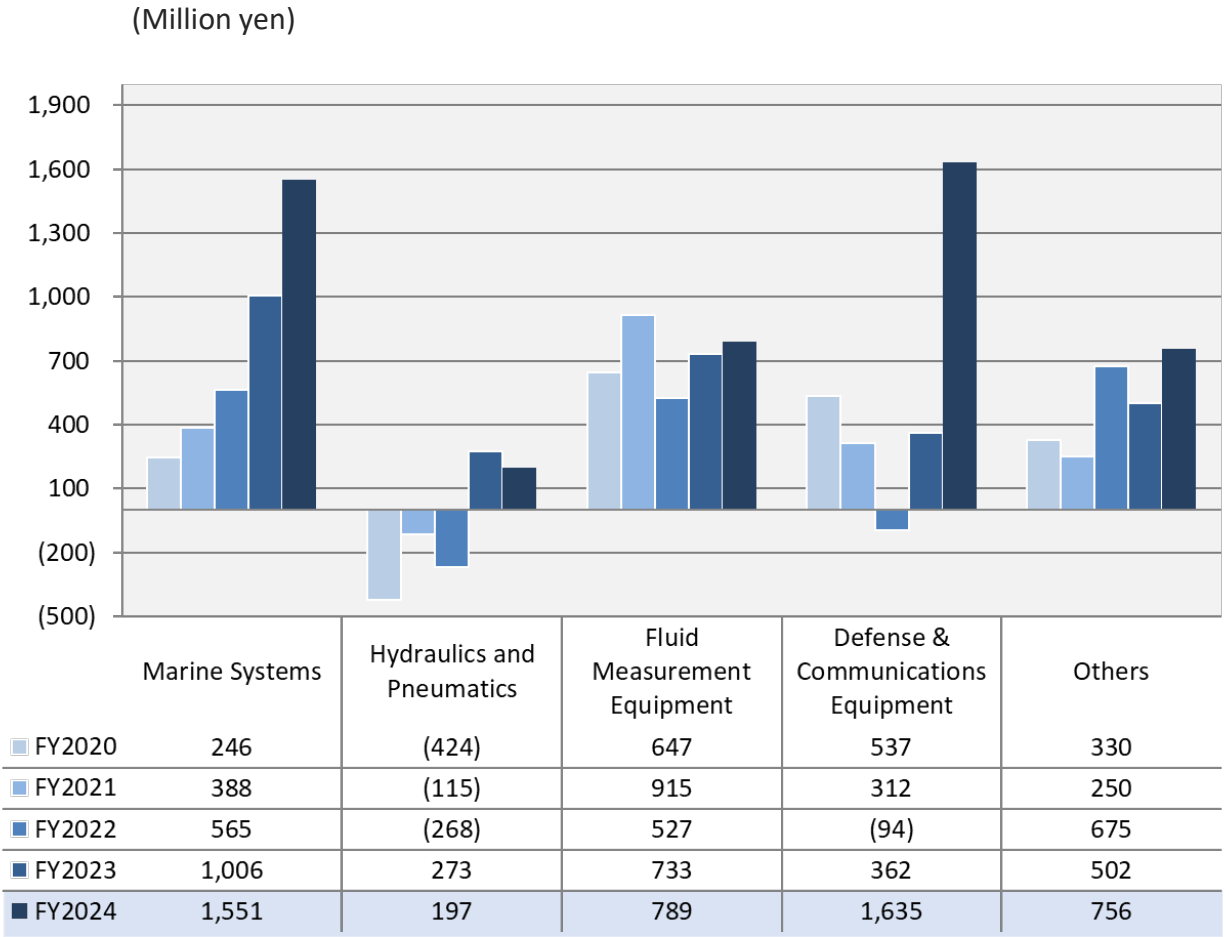
(Million yen)	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales	42,081	41,510	44,296	47,166	57,650
Operating profit	1,250	1,635	1,312	2,768	4,856
Ordinary profit	1,458	1,926	1,687	2,990	5,001
Profit attributable to owners of parent	945	1,493	873	2,277	3,797
Operating profit margin	3.0%	3.9%	3.0%	5.9%	8.4%

Changes in Net Sales by Segment

【Net sales】

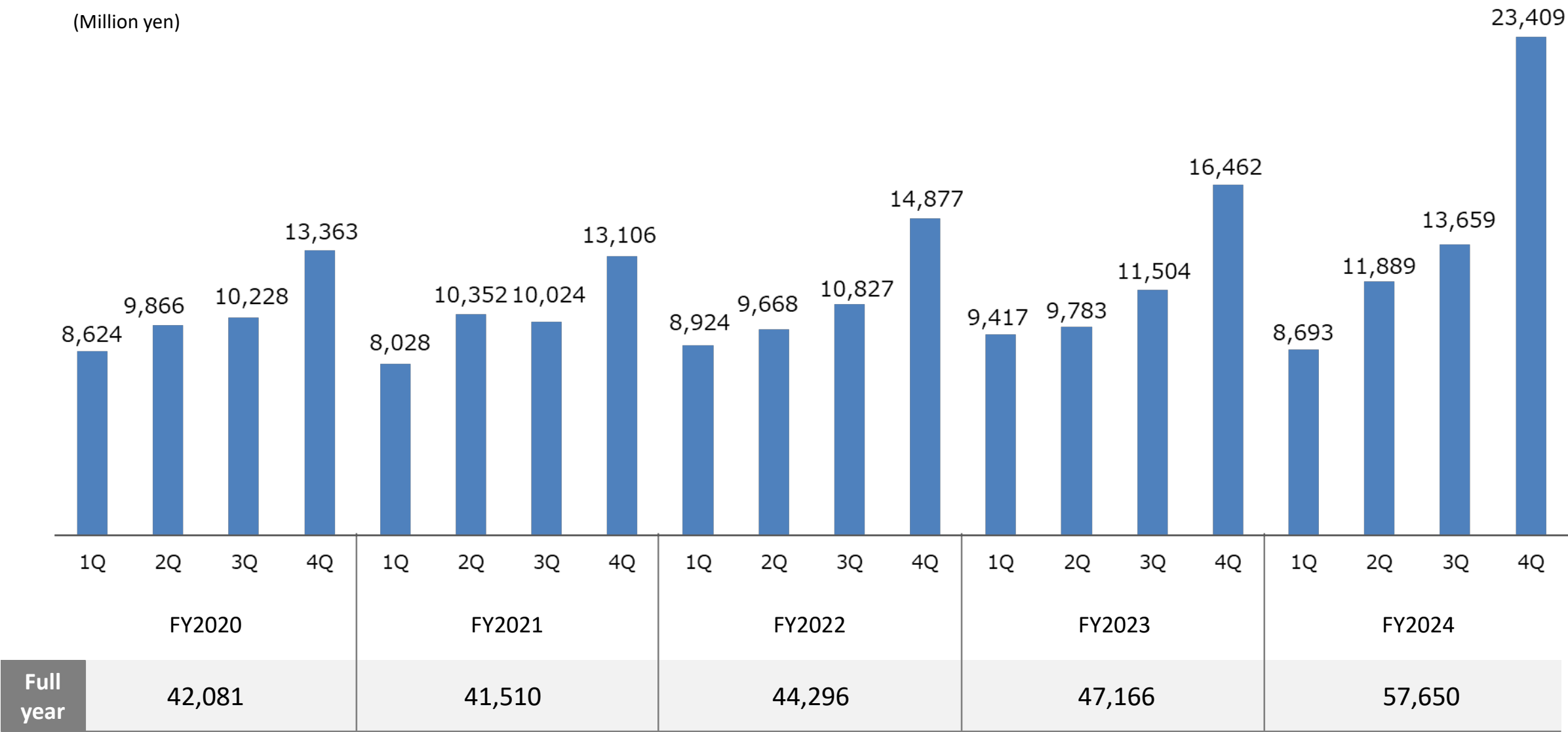


【Operating profit】

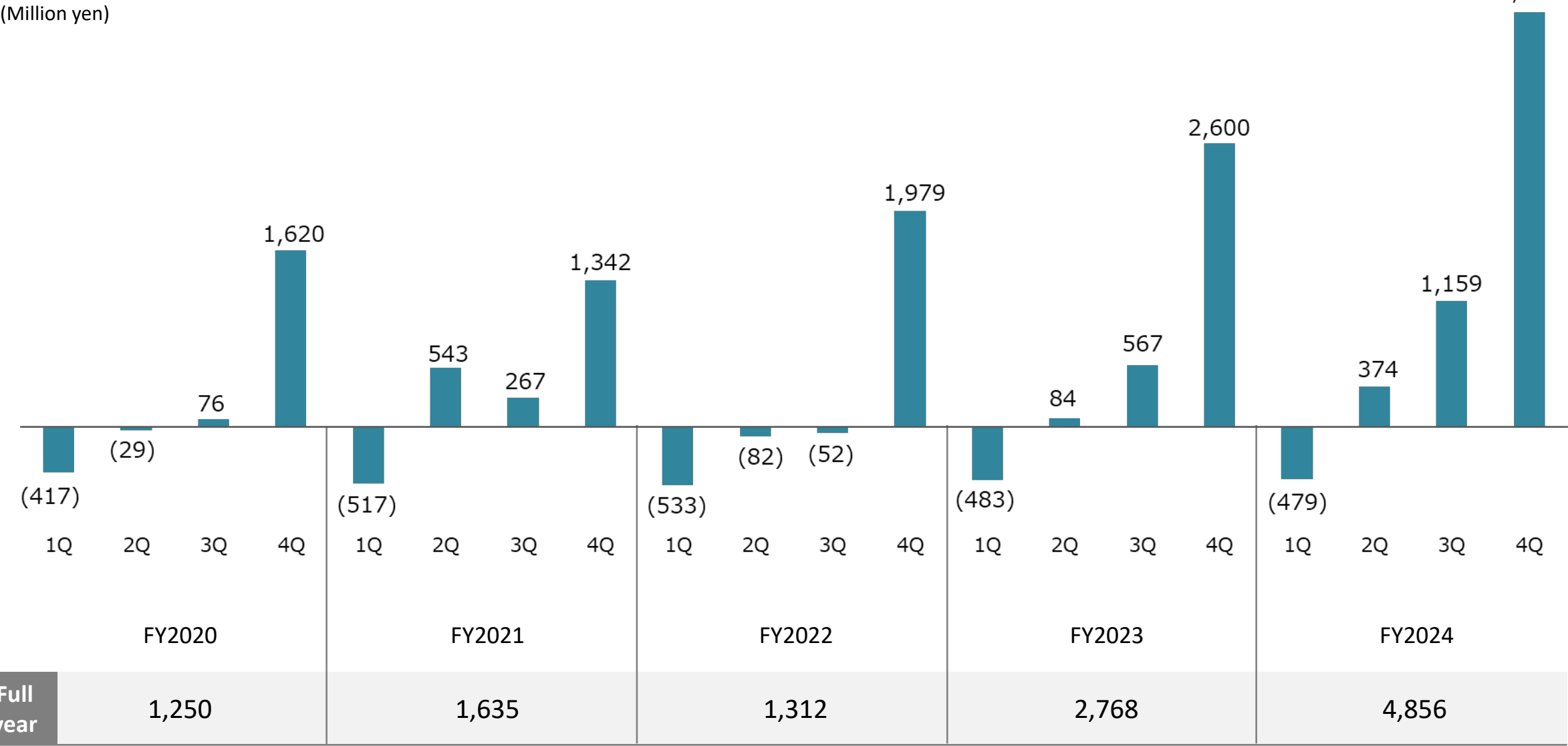


Quarterly Changes in Net Sales

(Million yen)



Quarterly Changes in Operating Profit

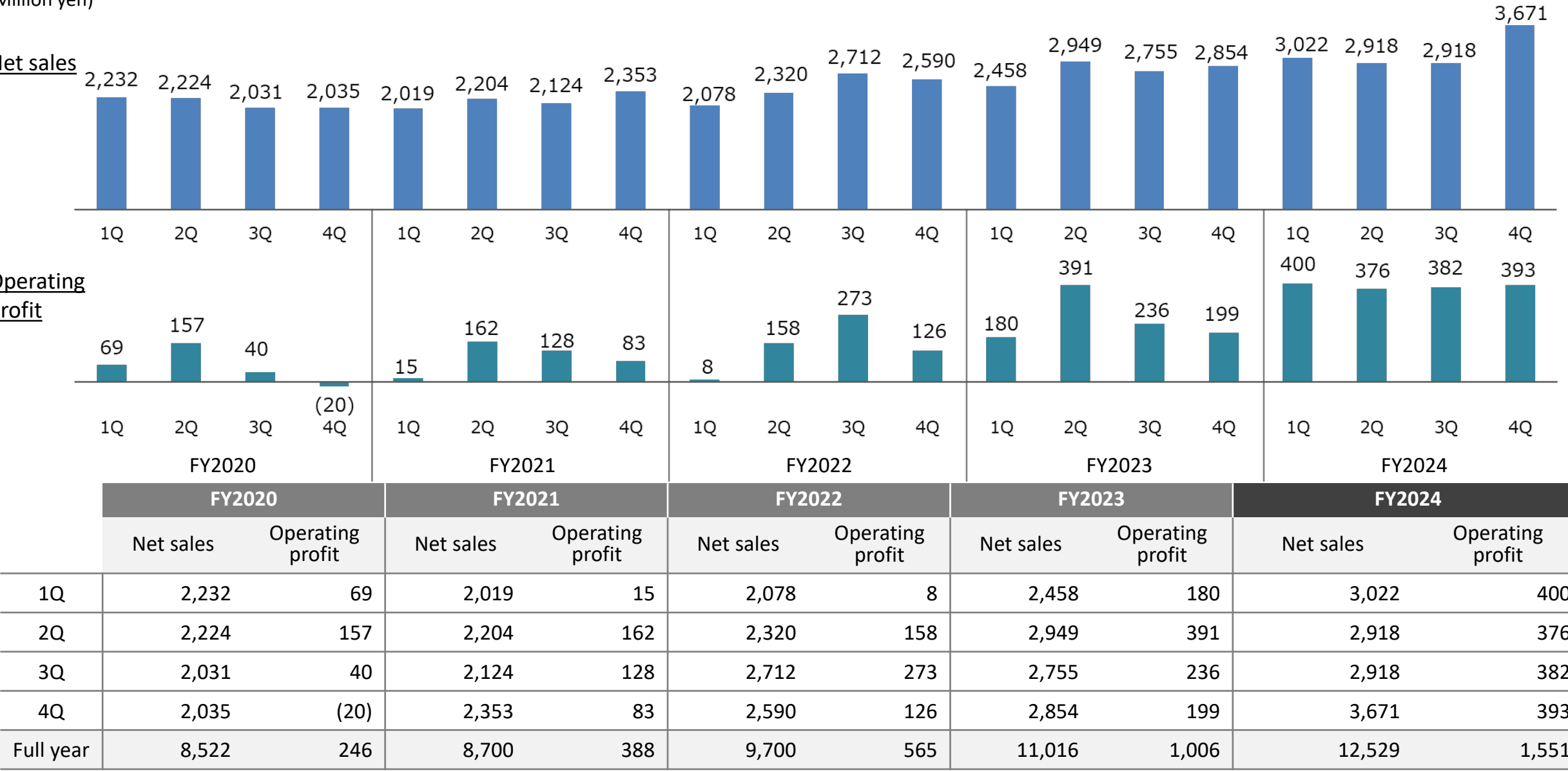


Quarterly Changes in Net Sales and Operating Profit by Segment [Marine Systems]

(Million yen)

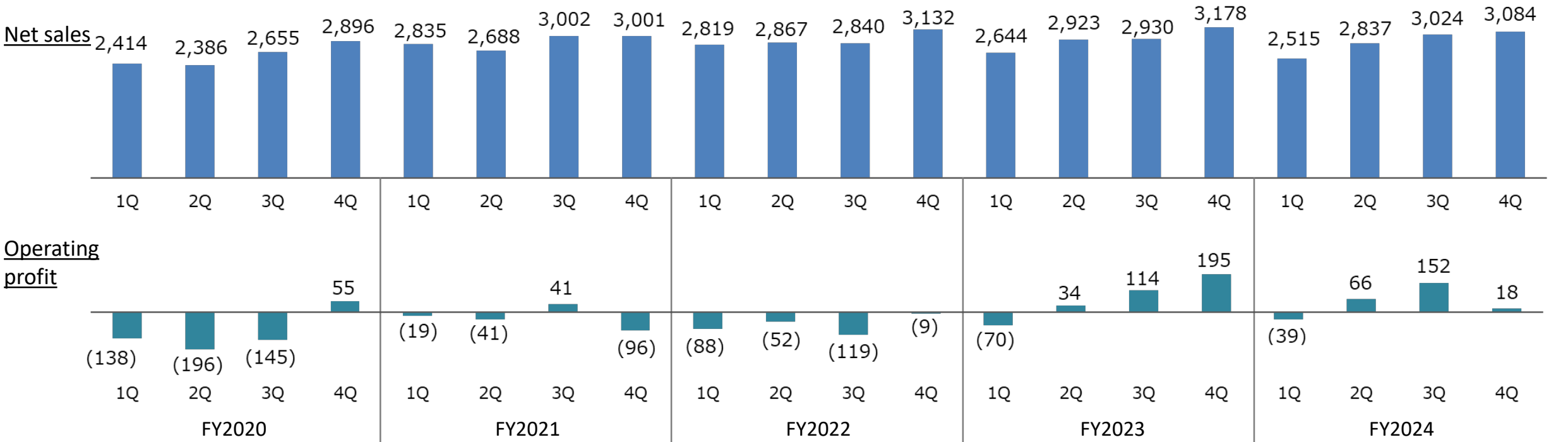
Net sales

Operating  
profit



Quarterly Changes in Net Sales and Operating profit by Segment [Hydraulics and Pneumatics]

(Million yen)



	FY2020		FY2021		FY2022		FY2023		FY2024	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
1Q	2,414	(138)	2,835	(19)	2,819	(88)	2,644	(70)	2,515	(39)
2Q	2,386	(196)	2,688	(41)	2,867	(52)	2,923	34	2,837	66
3Q	2,655	(145)	3,002	41	2,840	(119)	2,930	114	3,024	152
4Q	2,896	55	3,001	(96)	3,132	(9)	3,178	195	3,084	18
Full year	10,351	(424)	11,526	(115)	11,658	(268)	11,675	273	11,460	197

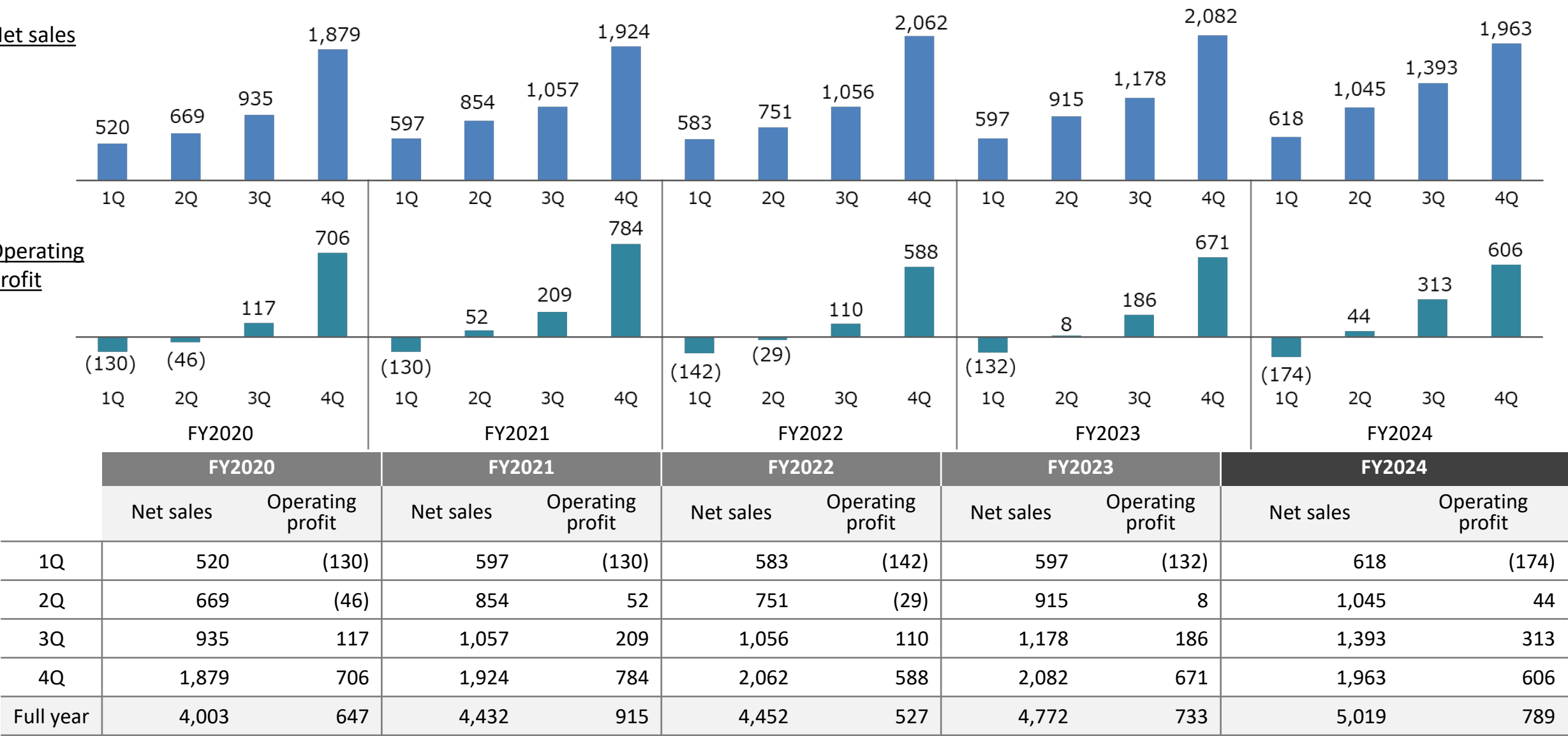


Quarterly Changes in Net Sales and Operating profit by Segment [Fluid Measurement Equipment]

(Million yen)

Net sales

Operating profit



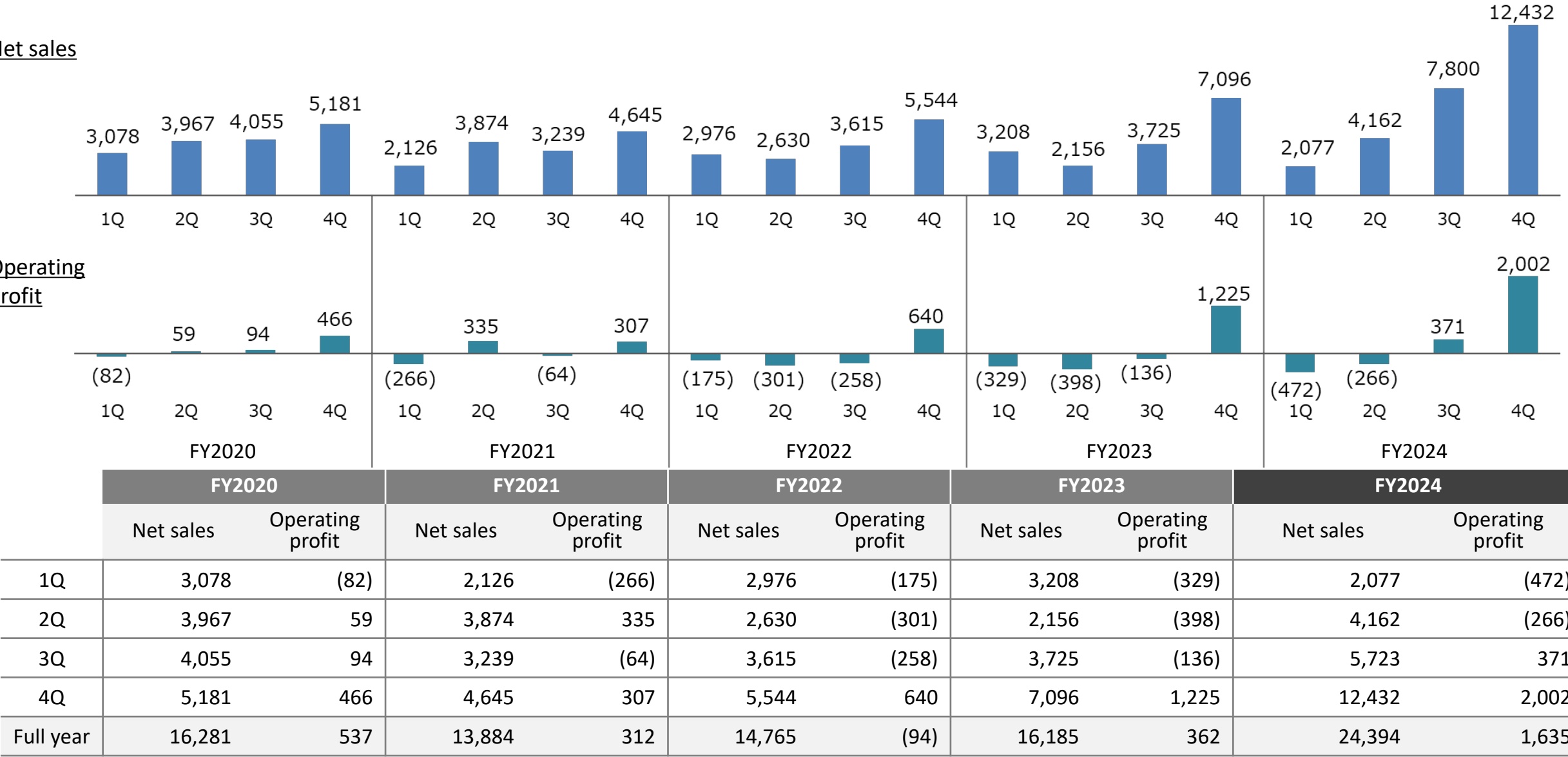
Quarterly Changes in Net Sales and Operating profit by Segment  
[Defense & Communications Equipment]



(Million yen)

Net sales

Operating profit

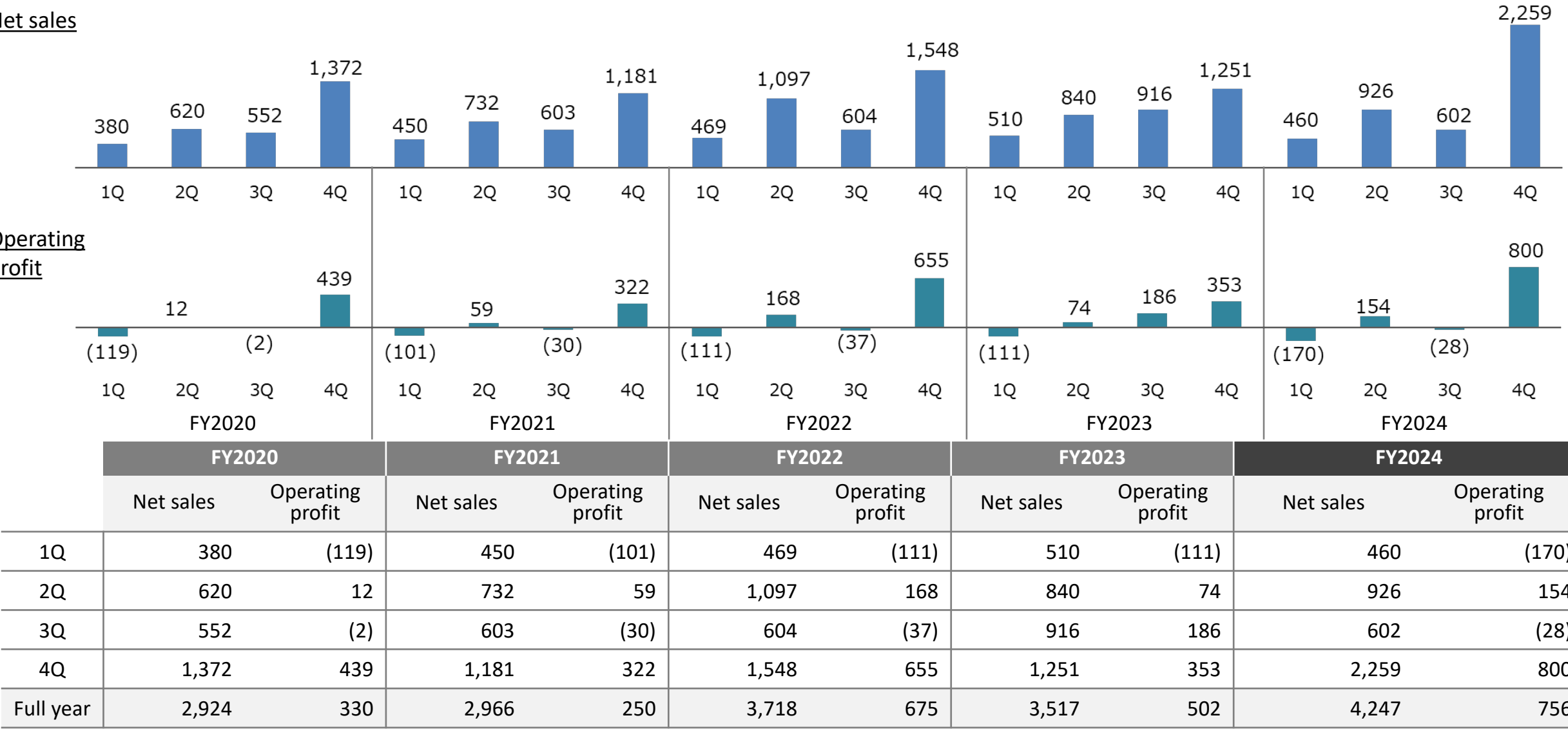


Quarterly Changes in Net Sales and Operating profit by Segment [Others]

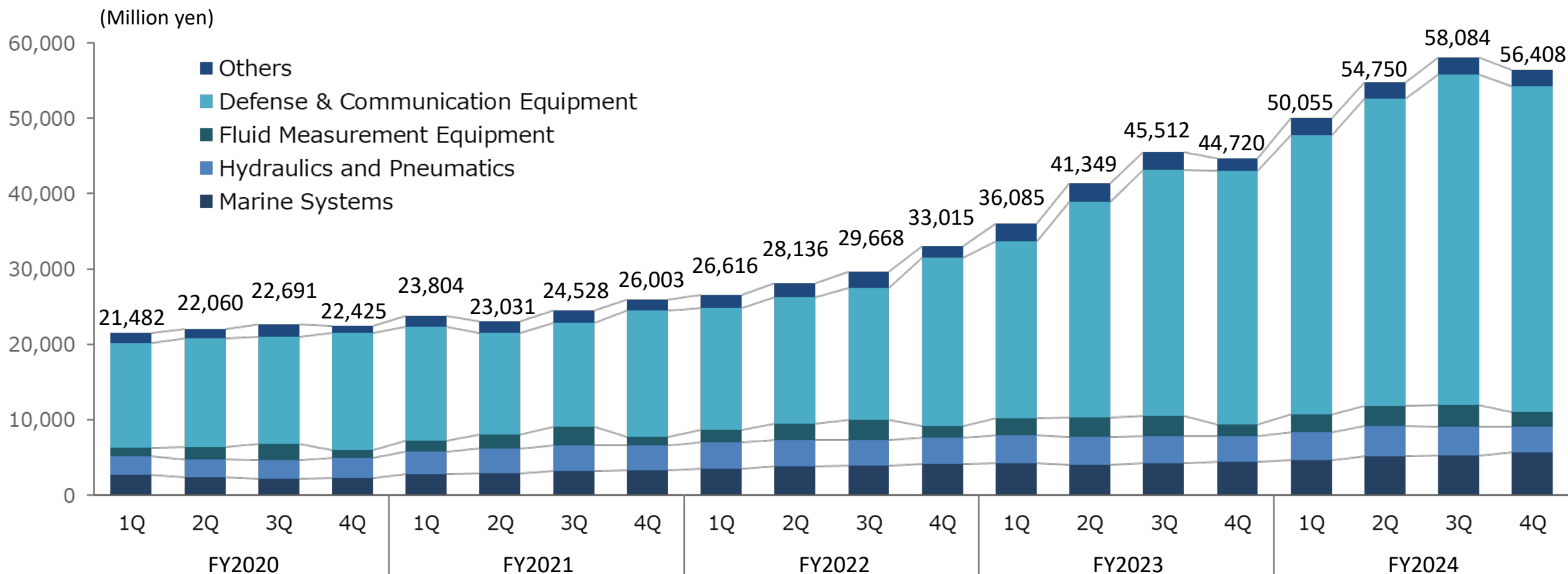
(Million yen)

Net sales

Operating  
profit

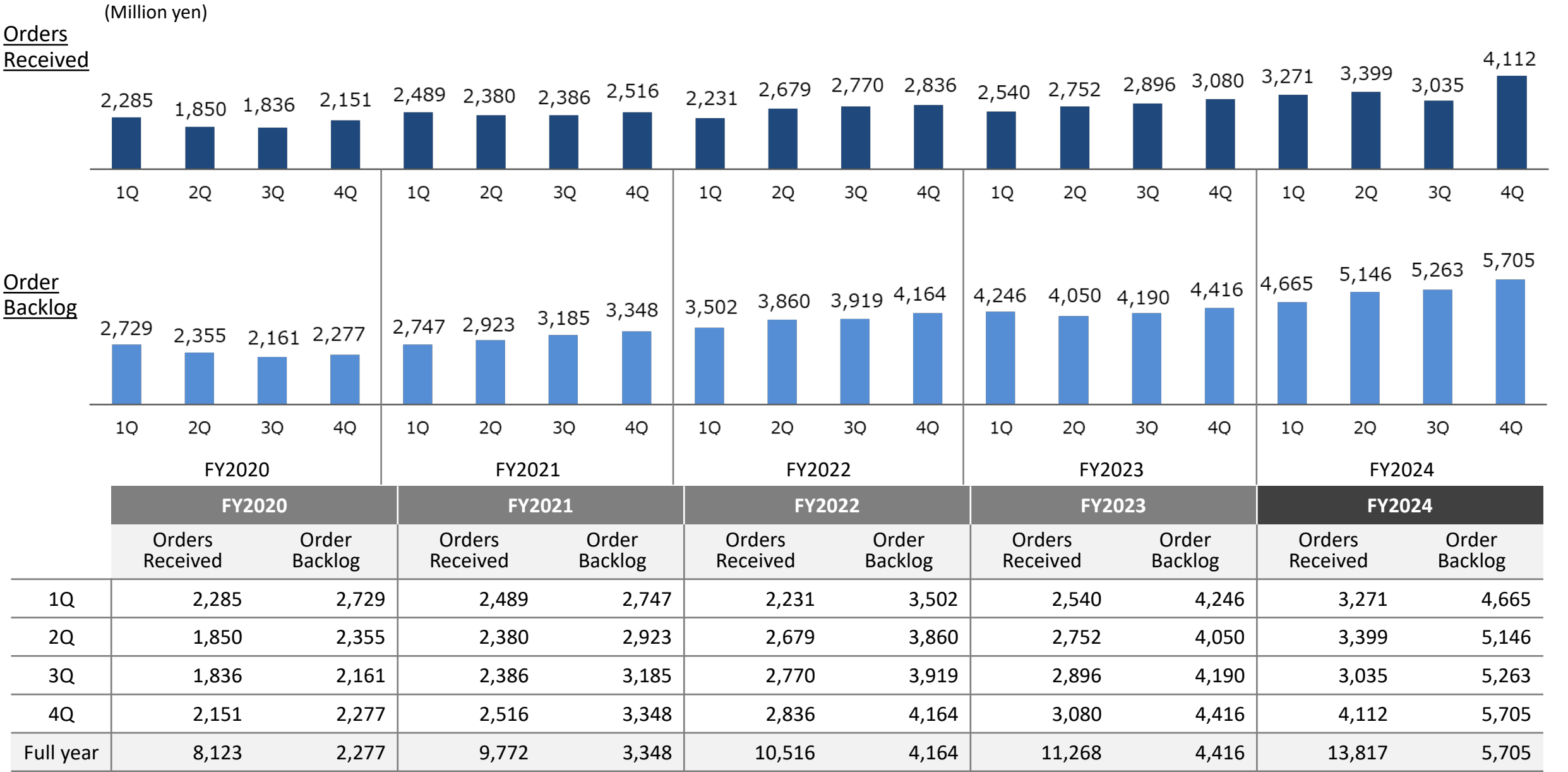


## Quarterly Changes in Order Backlog

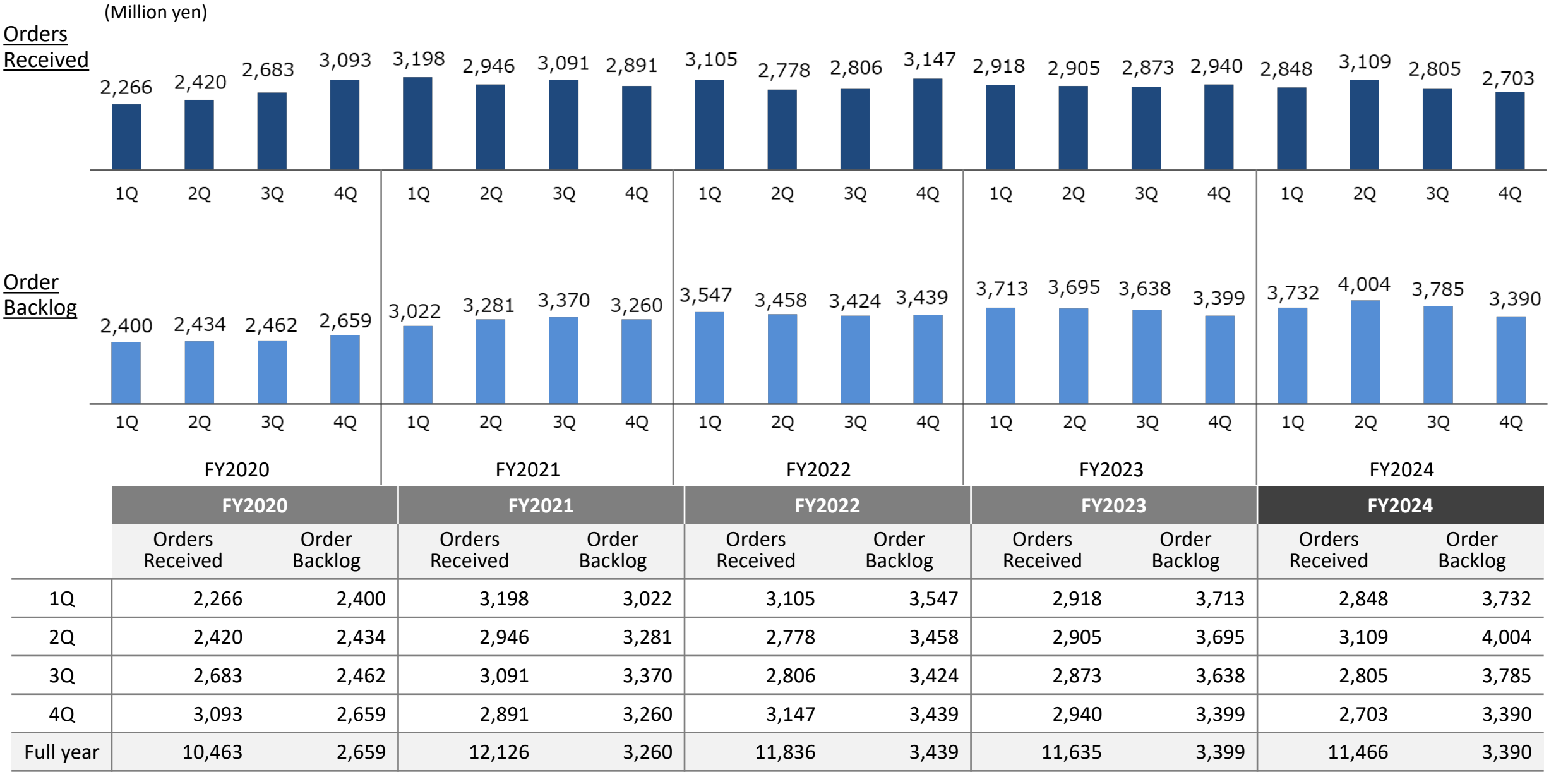


	FY2020	FY2021	FY2022	FY2023	FY2024
1Q	21,482	23,804	26,616	36,085	50,055
2Q	22,060	23,031	28,136	41,349	54,750
3Q	22,691	24,528	29,668	45,512	58,084
4Q	22,425	26,003	33,015	44,720	56,408

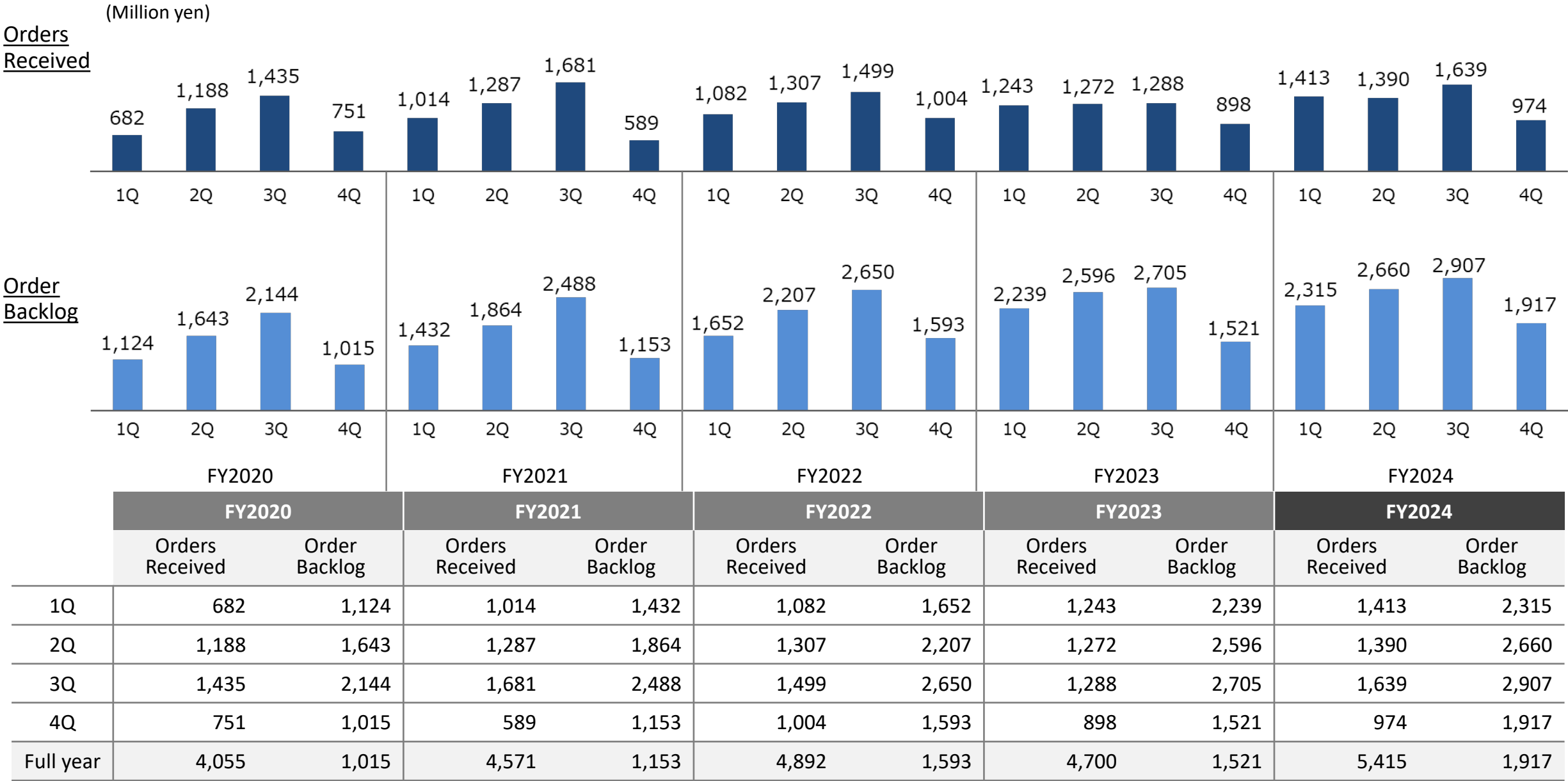
Quarterly Changes in Order Backlog by Segment [Marine Systems]



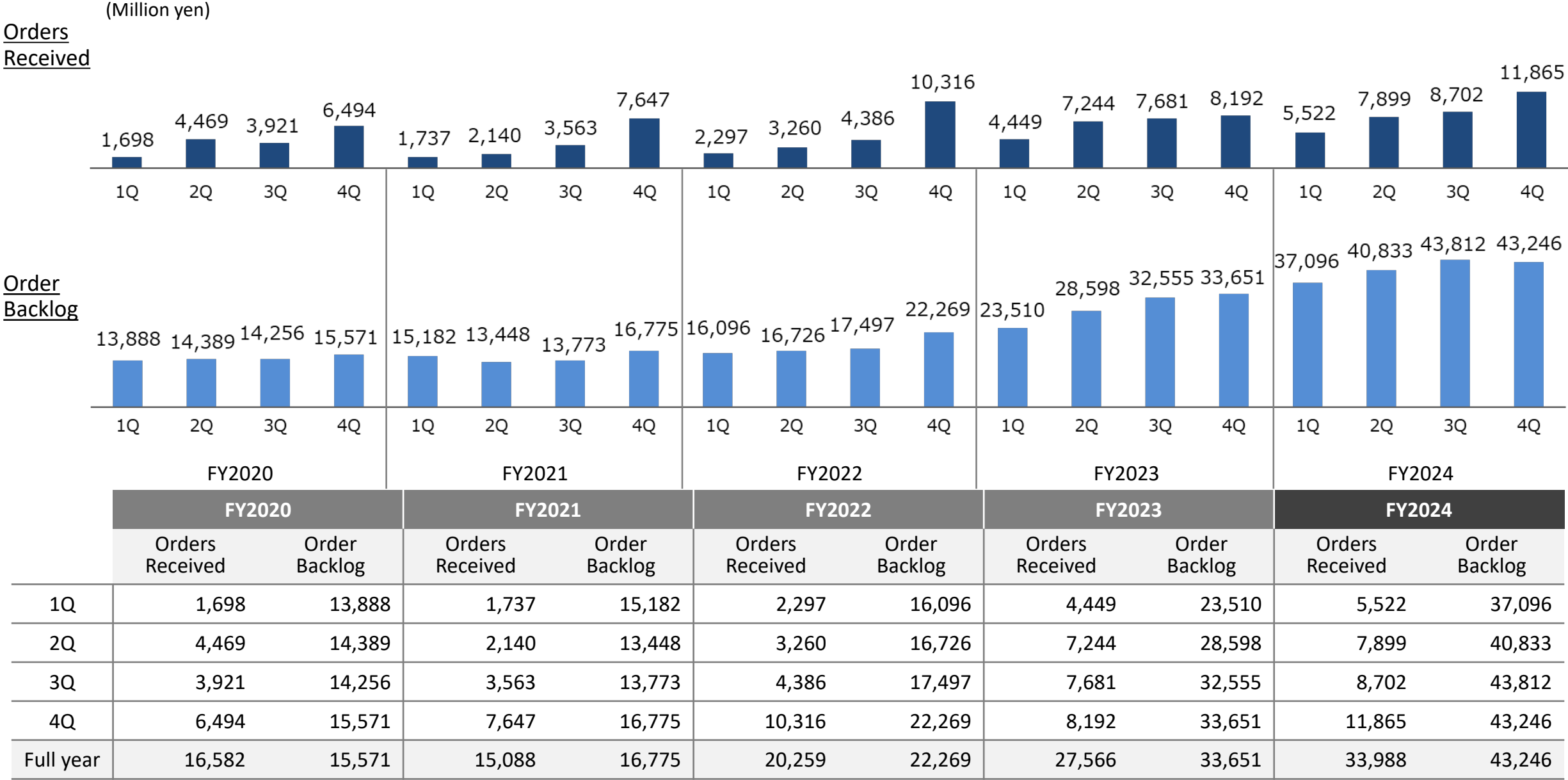
Quarterly Changes in Order Backlog by Segment [Hydraulics and Pneumatics]



Quarterly Changes in Order Backlog by Segment [Fluid Measurement Equipment]

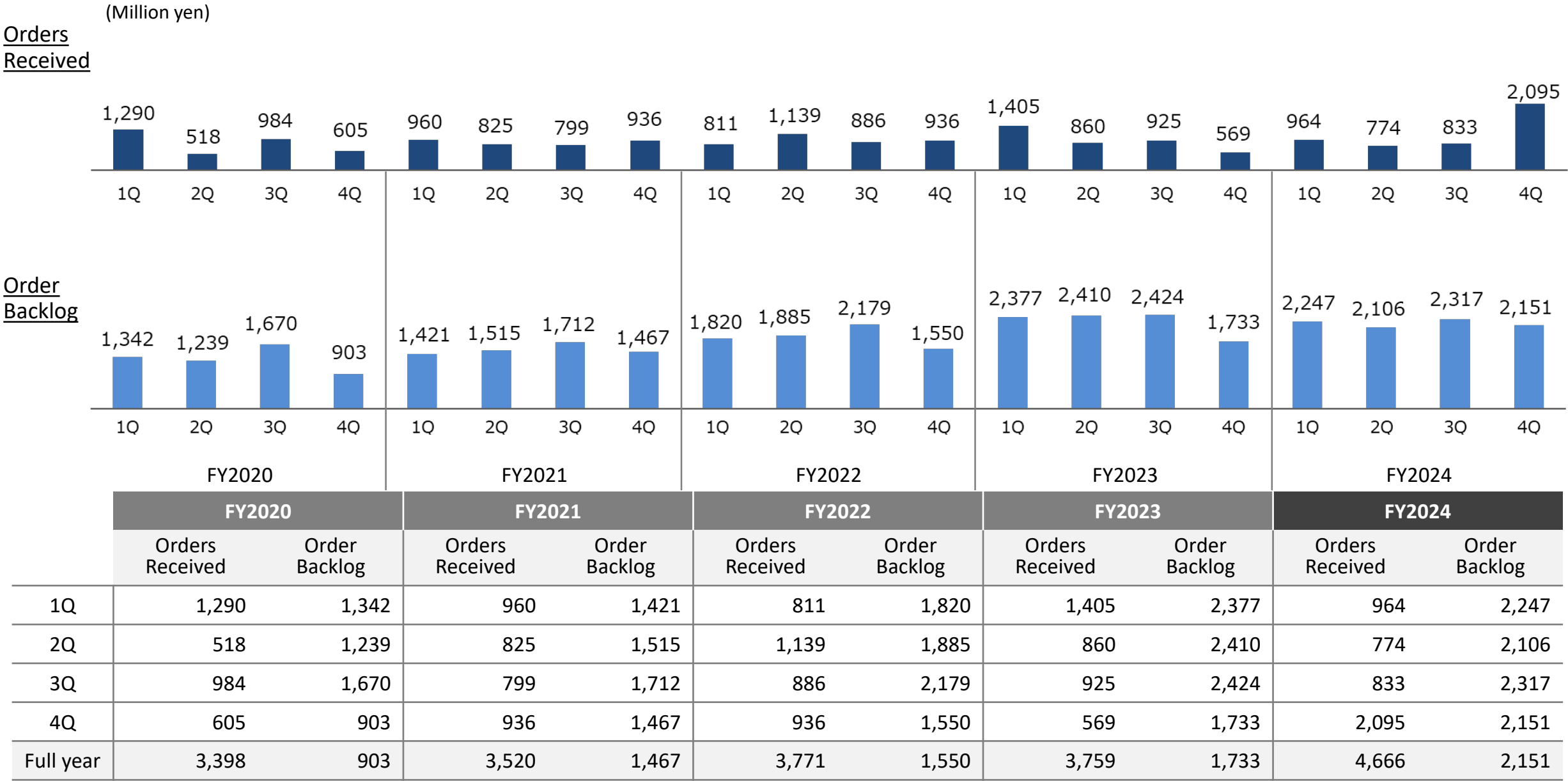


Quarterly Changes in Order Backlog by Segment  
[Defense & Communications Equipment]





Quarterly Changes in Order Backlog by Segment (Others)



Quarterly Changes in Order Backlog by Segment (Table)

	Million yen	FY2020	FY2021	FY2022	FY2023	FY2024
Marine Systems	1Q	2,729	2,747	3,502	4,246	4,665
	2Q	2,355	2,923	3,860	4,050	5,146
	3Q	2,161	3,185	3,919	4,190	5,263
	4Q	2,277	3,348	4,164	4,416	5,705
Hydraulics and Pneumatics	1Q	2,400	3,022	3,547	3,713	3,732
	2Q	2,434	3,281	3,458	3,695	4,004
	3Q	2,462	3,370	3,424	3,638	3,785
	4Q	2,659	3,260	3,439	3,399	3,390
Fluid Measurement Equipment	1Q	1,124	1,432	1,652	2,239	2,315
	2Q	1,643	1,864	2,207	2,596	2,660
	3Q	2,144	2,488	2,650	2,705	2,907
	4Q	1,015	1,153	1,593	1,521	1,917
Defense & Communications Equipment	1Q	13,888	15,182	16,096	23,510	37,096
	2Q	14,389	13,448	16,726	28,598	40,833
	3Q	14,256	13,773	17,497	32,555	43,812
	4Q	15,571	16,775	22,269	33,651	43,246
Others	1Q	1,342	1,421	1,820	2,377	2,247
	2Q	1,239	1,515	1,885	2,410	2,106
	3Q	1,670	1,712	2,179	2,424	2,317
	4Q	903	1,467	1,550	1,733	2,151

## Contents

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1. Financial Results for the year ended March 2025 (FY2024)
2. Plans for the year ending March 2026 (FY2025) and Progress on Medium-term Business Plan

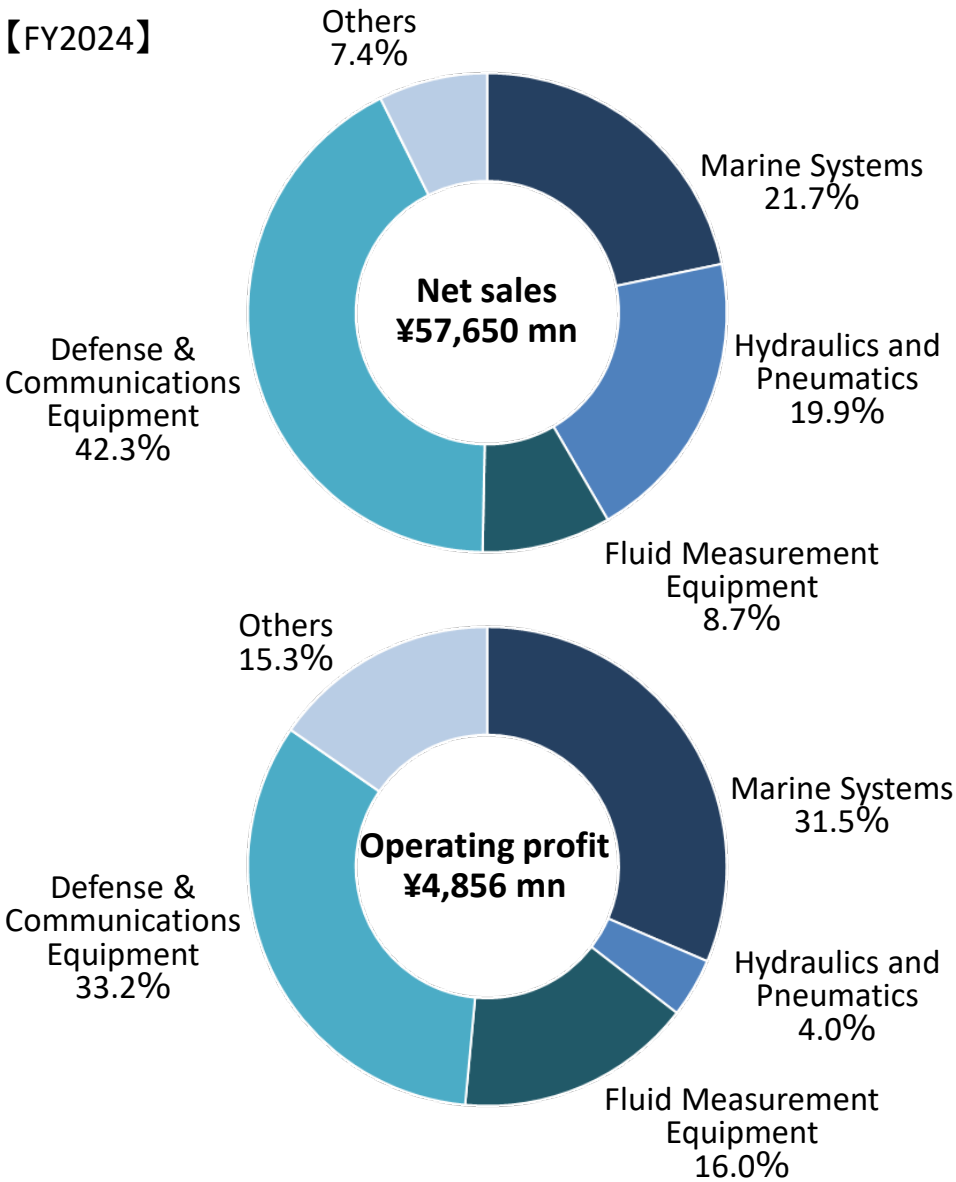
### References

- Business Trends
- **Our Businesses**

# Principal Businesses of TOKYO KEIKI Group

TOKYO KEIKI Group’s businesses are divided into four segments and others, and there are 11 businesses within these segments.

【FY2024】

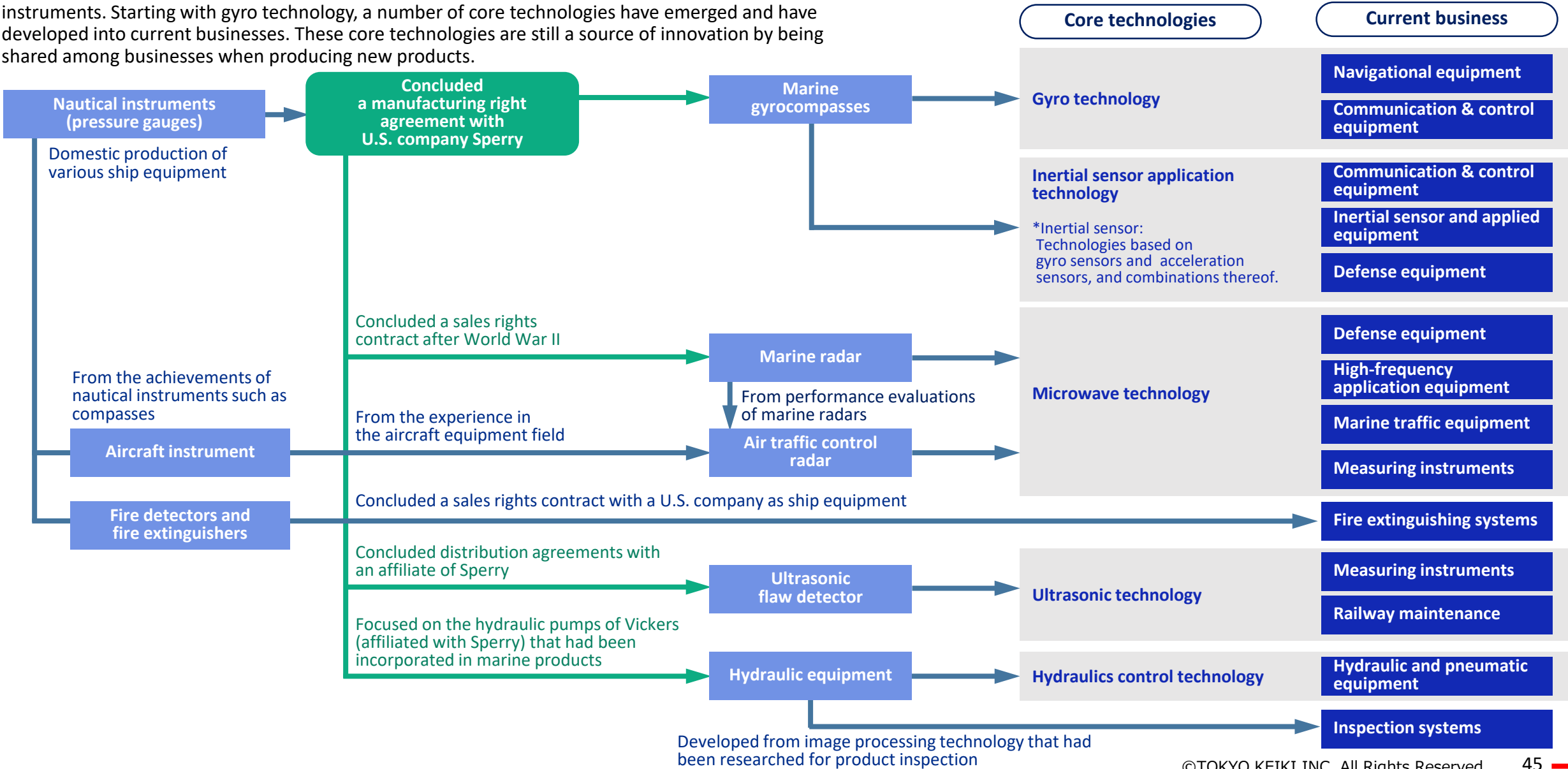


Segment (4+ Others)	Business (11)
Marine Systems Business	■ Navigational equipment
Hydraulics and Pneumatics Business	■ Hydraulic and pneumatic equipment
Fluid Measurement Equipment Business	■ Measuring instruments
	■ Fire extinguishing systems
Defense & Communications Equipment Business	■ Defense equipment
	■ Marine traffic equipment
	■ Inertial sensor and applied equipment
	■ High-frequency application equipment (microwave applied equipment)
	■ Communication & control equipment
Others	■ Inspection systems
	■ Railway maintenance

\*Segment ratio of net Sales and operating profit sales are presented on a pre-adjustment basis

# History of Creation of Core Technologies




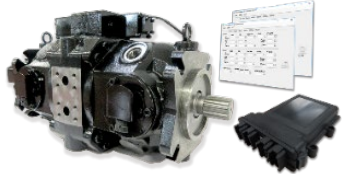
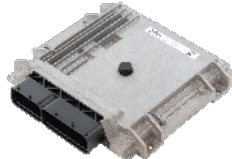




The business of the TOKYO KEIKI Group goes back to the Meiji Era and the development of nautical instruments. Starting with gyro technology, a number of core technologies have emerged and have developed into current businesses. These core technologies are still a source of innovation by being shared among businesses when producing new products.



# Marine Systems Business

Navigational equipment	Contributing to safe navigation and energy-saving ship steering.				Market share
Navigational equipment					Marine gyrocompasses and autopilots
	Marine autopilots for steering systems, such as automatic rudders, etc.	Marine gyrocompasses that indicate the direction of a ship's heading	Fiber Optic Gyrocompass (FOG) without moving parts for periodic replacement of the sensor	Electronic Chart Display and Information Systems (ECDIS) that display navigational charts in real time	<b>More than 60%</b> of the global commercial vessels market
	<ul style="list-style-type: none"><li>■ Offering a complete lineup of essential marine systems for ships and supplying them globally.</li><li>■ Pioneer in marine systems as the first in Japan to manufacture marine radars, gyrocompasses, and autopilots.</li></ul>				<b>More than 80%</b> of the domestic coastal vessels market.
<div><div><div><div>無人運航船プロジェクト <b>MEGURI 2040</b></div><div> THE NIPPON FOUNDATION</div><div> DFFAS</div></div><div>"DFFAS Project for Realizing Fully Autonomous Ships"</div></div><div><div><div> Innovative Ships for a Sustainable Future</div></div><div>"Wind Challenger Project"</div></div></div>					
<ul style="list-style-type: none"><li>■ As a leader in marine gyrocompasses and autopilots, we have also participated in the fully autonomous ship development project and the next-generation wind-powered vessel project, which contributes to reducing GHG emissions.</li></ul>					

# Hydraulics and Pneumatics Business







Hydraulic and pneumatic Equipment	Supporting the manufacturing floor and frontline of infrastructure.			Market share
For industrial machinery	 Direct drive pump control system for flow rate and pressure level control	 Compact power unit widely used as a hydraulic power source for machine tools and general industrial machinery	 Solenoid directional valve for various hydraulic equipment	<b>Approx. 40%</b> of the domestic market for plastic injection molding machines
	■ Providing energy-efficient and highly controllable hydraulic and pneumatic equipment for injection molding machines, machine tools, die-casting machines for automobile manufacturing, and other applications.			
For construction machinery	 Electric direct control piston pumps for construction machinery	 Programmable Logic Controller (PLC) for construction machinery	 Displays for construction machinery	
	■ Providing hydraulic products and electronic equipment that controls the drive primarily for specially-equipped vehicles such as cranes and aerial work platforms.			
Utilization of hydrogen energy	 Hydrogen compressors for hydrogen filling stations		 Split module hydrogen compression packages	
	■ Providing hydraulic-drive hydrogen compressors for hydrogen filling stations as well as split-module hydrogen compression packages.			



# Fluid Measurement Equipment Business

High-precision ultrasonic flowmeters that more accurately monitor and control flow enabling effective use of water resources without waste.

**TOKYO KEIKI**

Measuring instruments	Protecting life and human life: Contributing to the safety of life through water resource management and river disaster prevention.	Market share
Flow monitoring	<div><p>Ultrasonic flowmeters for monitoring water supply, agricultural water, and industrial water</p></div> <div><p>Easy-to-install, easy-to-setup Ultrasonic flowmeters</p></div> <div><p>Microwave level gauges widely used in food manufacturing plants and industrial plants in oil tanks, etc.</p></div>	<b>Over 60%</b> of the market for domestic water and sewerage systems and agricultural water.
	<ul style="list-style-type: none"><li>■ The first pioneer in the world to commercialize ultrasonic flowmeters.</li><li>■ Our ultrasonic flowmeters are used to monitor flow rates in water and sewerage systems as well as agricultural water pipelines.</li></ul>	
Land disaster prevention	<div><p>Crisis management water gauges that provide early detection of rising river levels</p></div> <div><p>Flood-control level gauges that indicate the risk of urban flood damage caused by sewage overflowing from manholes</p></div>	
	<ul style="list-style-type: none"><li>■ Systems use microwave level gauges to protect lives from the spate of river and urban flooding.</li></ul>	
Fire extinguishing systems	Protecting against fires: Gas-based fire extinguishing systems are widely used in facilities that are strictly prohibited from getting wet	
	<div><p>Gas-based fire extinguishing systems are widely used in parking garages, museums, art museums, office buildings and factories with printing machinery, etc., where the use of water or foam-based fire extinguishers is not suitable.</p></div> <ul style="list-style-type: none"><li>■ Miscellaneous gas-based fire extinguishing systems, developed from our (Japan's first) inert gas fire extinguisher systems, contribute to safe living.</li></ul>	








# Defense & Communications Equipment Business

Defense equipment	Contributing to national defense: Our strength lies in microwave application technologies and inertial sensor technologies.	Market share
	<div><div><p>Photo courtesy of Satoshi Akatsuka, IKAROS PUBLICATIONS, LTD.</p><p>Radar warning receivers that instantly analyze radio waves around aircraft and warn pilot of threat radar signals</p></div><div><p>Inertial navigation system using high-precision ring laser gyro, installed on submarines that cannot use any external signals such as GPS for azimuth measurement</p></div><div><p>Air data computer (ADC) that calculates the altitude and speed of the aircraft. This is mounted on Blue Impulse aircrafts</p></div></div> <p>■ Developing, producing, and providing repairs and maintenance for defense avionics equipment and warship navigation systems.</p>	
Marine traffic equipment	Contributing to safe vessel navigation: Providing maritime monitoring systems that can be called a “marine traffic control tower”.	Market share
	<div><div><p>Maritime surveillance radar installed at the Umihotaru Parking Area in Tokyo Bay</p></div><div><p>VTS systems responsible for monitoring operations at Vessel Traffic Service Centers deployed in seven ports across Japan</p></div><div><p>*1 VTS: Vessel Traffic Services *2 AIS: Automatic Identification System (System for exchanging information between vessels, as well as between vessels and navigation aid facilities)</p></div></div> <p>■ VTS*1 systems including the maritime surveillance radars and AIS*2 information management equipment, which are required for maritime traffic control operations on congested waterways.</p> <p>■ VTS radars to the gulf coasts and rivers in Europe as well.</p>	<p><b>100% share</b> of VTS systems in Vessel Traffic Service Centers nationwide</p>

## Defense & Communications Equipment Business

Inertial sensor and applied equipment	Contributing to smart agriculture and disaster prevention systems through combining inertial sensors and control technologies.	Market share
	<div data-bbox="415 294 614 426"> </div> <div data-bbox="631 311 940 401"> <p>Seismic accelerometer essential for measuring seismic magnitude</p> </div> <div data-bbox="1197 287 1454 434"> </div> <div data-bbox="1470 311 1923 401"> <p>Straight-line assistance for agricultural vehicles to reduce the burden of working on the farm</p> </div> <div data-bbox="354 454 2117 554"> <ul style="list-style-type: none"> <li>■ Promoting smart agriculture with straight-line assistance for agricultural vehicles that integrates gyro technology, inertial sensors, and proprietary software technology.</li> <li>■ Contributing to national disaster prevention with accelerometers used in seismometers for the Japan Meteorological Agency.</li> </ul> </div>	<p>Our share of accelerometers used in seismometers for the Japan Meteorological Agency is <b>approx. 80%</b></p>
High-frequency application equipment	Entering into advanced industries through contributing to semiconductor production equipment components and space business, making full use of microwave application technologies.	
	<div data-bbox="430 701 588 855"> </div> <div data-bbox="631 725 1105 843"> <p>Solid-state microwave power supply used for next-generation semiconductor production equipment</p> </div> <div data-bbox="1197 701 1508 855"> </div> <div data-bbox="1523 725 2030 786"> <p>Synthetic aperture radar (SAR) satellite with the microwave amplifier onboard</p> </div> <div data-bbox="354 872 2030 943"> <ul style="list-style-type: none"> <li>■ Solid-state microwave power supplies used in semiconductor production equipment to achieve semiconductor miniaturization.</li> <li>■ Providing microwave amplifiers that amplify radar signals emitted from SAR satellites toward the earth's surface.</li> </ul> </div>	
Communication & control equipment	Improving broadcasting quality by utilizing technologies such as gyro sensors, accelerometers, and magnetic azimuth sensors.	
	<div data-bbox="415 1076 652 1243"> </div> <div data-bbox="670 1093 1314 1240"> <p>Antenna directioning systems which continuously grasp the position and attitude directions of helicopters, control relay antennas toward receiving stations, and transmit video without interruption</p> </div> <div data-bbox="1373 1076 1508 1243"> </div> <div data-bbox="1523 1093 1951 1212"> <p>Camera stabilizer installed on relay vehicles for marathons and news helicopters used by broadcasting stations</p> </div> <div data-bbox="354 1262 2040 1358"> <ul style="list-style-type: none"> <li>■ Achieving stable video transmission through attitude control equipment mounted on news helicopters and relay vehicles.</li> <li>■ Ensuring reliable transmission of aerial footage with antenna directioning systems mounted on news helicopters of domestic TV stations.</li> </ul> </div>	<p>Antenna directioning systems are mounted on <b>more than 90%</b> of news helicopters owned by domestic TV stations</p>

Others (Inspection/Railroad)

Inspection systems	Contributing to improving the quality of printing: Detecting printing defects and material surface problems through high-precision image processing technologies.		Market share
	 <p>Print quality inspection device that ensures print quality by detecting print defects</p>	 <p>Material inspection equipment that detects flaws and foreign matter contaminations in plain materials such as films, nonwoven fabrics, and metal foils</p>	<p><b>A domestic market leader</b> for gravure printing inspection for flexible plastic materials</p> <p>Flexible plastic materials: packaging materials consisting of thin, flexible materials such as plastic films, paper, and aluminium foil</p>
	<ul style="list-style-type: none"><li>■ Achieving high-speed and real-time image processing with in-house developed chips.</li><li>■ Automatically detecting printing errors and foreign matter contamination at high speed to improve work efficiency and eliminate material waste.</li></ul>		
Railway maintenance	Contributing to safe operations of railways: Utilizing ultrasonic technology for railway maintenance.		Market share
	 <p>Ultrasonic rail inspection car that performs non-destructive inspections using ultrasonic technology</p>	 <p>Track diagnosis support system that automatically inspects and determines the condition of multiple types of track materials</p>	 <p>Switch profile gauge that simultaneously measures rails wear, crossing wear, and track geometry</p>
	<ul style="list-style-type: none"><li>■ Supporting railway maintenance work with maintenance equipment and maintenance services such as ultrasonic rail flaw detectors and switch profile gauges.</li></ul>		<p>Ultrasonic rail inspection cars for JR and private domestic railways</p> <p><b>over 70%</b></p>

## Cautionary Note on forward-looking information

The data and forecasts disclosed in this document are based on judgments and information available as of the date of publication. They are subject to change due to various factors and do not guarantee future performance or the achievement of the stated goals or forecasts. Additionally, the information contained herein may change in the future without notice.

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