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Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

July 31, 2026

Company name: Tsuzuki Denki Co., Ltd.
Listing Stock Exchange: Tokyo
Stock code: 8157
URL: https://www.tsuzuki.co.jp/
Representative (title): Katsuyuki Yoshida, President and CEO
Contact (title): Toshihiro Hirai, Managing Executive Officer
Tel: +81-50-3684-7780

Scheduled date for dividend payment: —
Preparation of supplemental explanatory materials: Yes
Results briefing to be held: No

1. Consolidated financial results for the three months ended June 30, 2026 (April 1, 2026, to June 30, 2026)

(1) Consolidated operating results

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

	Net sales		Operating profit		Ordinary profit		Quarterly profit attributable to owners of parent	
Three months ended June 30, 2026	22,014	16.9%	(123)	—	(111)	—	(111)	—
Three months ended June 30, 2025	18,833	0.3%	301	—	359	762.4%	272	—

Note: Comprehensive income was (50) million yen (—) in three months ended June 30, 2026;
444 million yen (99.5%) in three months ended June 30, 2025.

	Earnings per share (yen)	Diluted earnings per share (yen)
Three months ended June 30, 2026	(6.13)	—
Three months ended June 30, 2025	15.03	—

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio	Net assets per share (yen)
As of June 30, 2026	80,869	47,266	57.9%	2,569.39
As of March 31, 2026	87,630	48,837	55.1%	2,652.76

Reference: Shareholders' equity as of June 30, 2026: 46,807 million yen; as of March 31, 2026: 48,315 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, 2026	—	50.00	—	76.00	126.00
Year ending March 31, 2027	—				
Year ending March 31, 2027 (forecast)		95.00	—	95.00	190.00

Note: Revisions to most recent dividend forecast: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (April 1, 2026, to March 31, 2027)

% 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	107,000	3.2%	8,700	6.4%	8,700	4.6%	5,750	(11.2%)	315.64

Note: Revisions to most recent earnings forecast: None

*Notes

(1) Changes in significant subsidiaries (which affected scope of consolidation) during the quarter: None
Newly added ___ companies (names)
No longer consolidated ___ companies (names)

(2) Special accounting methods used in preparation of quarterly consolidated financial statements: Yes
Note: For details, please refer to Attachment page 12: “2. Consolidated financial statements and notes (3) Notes to quarterly consolidated financial statements (Application of special accounting methods in the preparation of quarterly 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 June 30, 2026	18,977,894	As of March 31, 2026	18,977,894
2. Number of shares at year end (treasury stock)	As of June 30, 2026	760,703	As of March 31, 2026	764,497
3. Average number of shares over the period	Three months ended June 30, 2026	18,216,235	Three months ended June 30, 2025	18,131,512

Note: The number of treasury shares includes those held in the Directors’ Compensation Board Incentive Plan (BIP) trust account (294,222 in three months ended June 30, 2026; 294,222 in year ended March 2026); and Stock-grant ESOP trust account (262,534 in three months ended June 30, 2026; 266,388 in year ended March 2026).

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

*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.

(Availability of supplementary material on financial results)
The supplementary document on quarterly earnings will be disclosed via TDnet on the same day and will also be made available on the Company’s website..

Content of attachment

1. Qualitative information on quarterly results

(1) Earnings

In the first three months of the fiscal year ending March 31, 2027, the Japanese economy continued its gradual recovery, supported by improvements in employment and income conditions. However, the outlook remained uncertain due to concerns about the impact on the domestic economy of factors such as inflation, US trade policy, the situation in the Middle East, and volatility in financial and capital markets.

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 driven by the acceleration of corporate 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 Group has set “Growth Navigator” (an organization that navigates growth and creates value together with stakeholders) as its long-term vision through the fiscal year ending March 31, 2033, which will mark the 100th anniversary of its founding. With the aim of remaining a company consistently chosen by customers as a partner that leads their growth, the Group is working to realize this vision. As the second stage of its long-term vision, the Group launched the three-year medium-term management plan, “Trust & Challenge 2029,” beginning in the fiscal year ending March 31, 2027. By transitioning to a human resource portfolio that accelerates value creation, the Group aims to transform itself into a professional services company and achieve profit growth accompanied by sales growth, while further enhancing corporate value through a virtuous cycle of growth and shareholder returns.

During the first three months of the fiscal year under review, net sales increased significantly. However, the Group recorded a decline in earnings due to upfront investment to support future growth, including investment in human capital through proactive recruitment activities and the hosting of events to strengthen its partner strategy. As a result, net sales increased 16.9% year on year to 22,014 million yen, but the Group posted an operating loss of 123 million yen (compared with operating profit of 301 million yen in the same period of the previous fiscal year), ordinary loss of 111 million yen (compared with ordinary profit of 359 million yen), and loss attributable to owners of parent of 111 million yen (compared with profit attributable to owners of parent of 272 million yen).

* Note regarding the characteristics of the Group’s quarterly results

Many of the Group’s customers have fiscal years running from April to March of the following year. In addition, as many transactions involve performance obligations determined to be satisfied at a point in time, the Group’s net sales and profits tend to be concentrated in September and March, which coincide with the middle and end of the fiscal year.

Segment information has been omitted because the Group operates in a single segment. Sales and orders in the first three months of the fiscal year under review, classified by category, are as follows.

[Results by Category]

Engineering Services

Net sales decreased 2.1% year on year to 6,226 million yen, reflecting the absence of a large-scale PC installation project undertaken in the same period of the previous fiscal year. However, transactions with major customers remained solid, supported by projects such as IT platform construction for manufacturers, network construction for companies in the information and communications industry, and operation of a fleet management system for a convenience store chain. Orders decreased 3.3% year on year to 8,279 million yen. Although orders declined from the high base created by several network construction projects associated with office relocations received in the same period of the previous fiscal year, the Group secured multiple large projects from manufacturers, logistics companies, local governments, and other customers. As a result, the order backlog rose year on year, reflecting steady performance.

Products

Net sales increased significantly by 26.5% year on year to 15,787 million yen, primarily due to the acquisition of a large-scale product order in the financial industry. Orders continued to increase, rising 18.4% year on year to 22,786 million yen, driven by a new contract for the procurement of equipment associated with the renewal of a medical information system, as well as a device replacement project in the retail industry.

(1) Net sales (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Engineering Services	6,357	6,226	(130)	97.9%
Products	12,476	15,787	+3,311	126.5%
Total	18,833	22,014	+3,180	116.9%

(2) Orders (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Engineering Services	8,560	8,279	(281)	96.7%
Products	19,245	22,786	+3,540	118.4%
Total	27,806	31,065	+3,259	111.7%

(3) Order backlog (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Engineering Services	8,361	8,454	+92	101.1%
Products	20,857	27,499	+6,641	131.8%
Total	29,219	35,953	+6,734	123.0%

Note: To provide a more detailed view of the Group's business performance, the Group previously disclosed sales, orders, and order backlog by business model. Under the medium-term management plan, "Trust & Challenge 2029," which commenced in the current fiscal year, the Group has positioned "the evolution to a profit model centered on engineering services" as a key strategic initiative. Accordingly, beginning in the current fiscal year, supplementary disclosures are presented by category rather than by business model.

(Reference) Results by business model

(1) Net sales (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Equipment	4,923	8,218	+3,294	166.9%
Development and construction	3,009	3,072	+63	102.1%
Service	10,900	10,723	(177)	98.4%
Total	18,833	22,014	+3,180	116.9%

(2) Orders (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Equipment	11,886	15,232	+3,346	128.2%
Development and construction	4,652	3,899	(753)	83.8%
Service	11,267	11,933	+666	105.9%
Total	27,806	31,065	+3,259	111.7%

(3) Order backlog (millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026		
			Versus Three months of previous year	
Equipment	17,354	23,918	+6,564	137.8%
Development and construction	6,094	4,941	(1,153)	81.1%
Service	5,771	7,093	+1,322	122.9%
Total	29,219	35,953	+6,734	123.0%

(2) Financial position

Total assets as of June 30, 2026 stood at 80,869 million yen, down 6,761 million yen from March 31, 2026. This was primarily due to a decrease of 11,983 million yen in notes and accounts receivable–trade and contract assets, partially offset by increases of 2,931 million yen in inventories and 1,861 million yen in cash and deposits.

Total liabilities amounted to 33,603 million yen, down 5,189 million yen from March 31, 2026. This mainly reflected a decrease of 4,463 million yen in notes and accounts payable–trade.

Net assets totaled 47,266 million yen, down 1,571 million yen from March 31, 2026, while the shareholders' equity ratio rose to 57.9% from 55.1% as of March 31, 2026. This was primarily due to a decrease in retained earnings resulting from dividend payments of 1,426 million yen.

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

The Company maintained its consolidated earnings forecast for the fiscal year ending March 31, 2027, announced on May 15, 2026, as performance has progressed largely in line with the initial plan. However, should any matters requiring disclosure arise due to changes in circumstances or other factors, the Company will promptly disclose them.

2. Consolidated financial statements and notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	43,467	45,328
Notes and accounts receivable - trade and contract assets	24,156	12,172
Electronically recorded monetary claims	778	710
Inventories	4,259	7,190
Other	1,575	1,727
Allowance for doubtful accounts	(3)	(3)
Total current assets	74,232	67,127
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	1,654	1,652
Accumulated depreciation	(843)	(865)
Buildings and structures (net)	810	786
Machinery, equipment and vehicles	2	0
Accumulated depreciation	(0)	(0)
Machinery, equipment and vehicles (net)	1	0
Land	215	215
Lease assets	1,075	1,020
Accumulated depreciation	(725)	(696)
Lease assets (net)	349	324
Construction in progress	25	115
Other	1,488	1,480
Accumulated depreciation	(1,076)	(1,094)
Other (net)	412	385
Total property, plant and equipment	1,814	1,828
Intangible assets		
Lease assets	121	105
Other	1,884	1,950
Total intangible assets	2,005	2,056
Investments and other assets		
Investment securities	2,383	2,468
Long-term loans receivable	14	14
Retirement benefit asset	3,347	3,406
Deferred tax assets	3,154	3,287
Other	714	717
Allowance for doubtful accounts	(37)	(37)
Total investments and other assets	9,577	9,857
Total noncurrent assets	13,398	13,742
Total assets	87,630	80,869

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,840	9,376
Short-term loans payable	3,751	3,751
Lease obligations	238	209
Income taxes payable	2,624	187
Provision for bonuses	2,809	1,233
Provision for loss on orders received	117	34
Other	5,805	9,354
Total current liabilities	29,186	24,148
Non-current liabilities		
Long-term borrowings	4,100	4,100
Lease obligations	305	279
Retirement benefit liability	3,859	3,742
Long-term accounts payable – other	444	283
Provision for share awards	585	694
Other	310	353
Total noncurrent liabilities	9,605	9,454
Total liabilities	38,792	33,603
Net assets		
Shareholders’ equity		
Share capital	9,812	9,812
Capital surplus	2,581	2,581
Retained earnings	36,421	34,883
Treasury shares	(867)	(863)
Total shareholders’ equity	47,948	46,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,159	1,174
Remeasurements of defined benefit plans	(791)	(780)
Total accumulated other comprehensive income	367	393
Noncontrolling interests	522	459
Total net assets	48,837	47,266
Total liabilities and net assets	87,630	80,869

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statement of income)

Consolidated income statement for the first quarter

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	18,833	22,014
Cost of sales	14,479	17,838
Gross profit	4,354	4,175
Selling, general, and administrative expenses	4,053	4,299
Operating profit (loss)	301	(123)
Non-operating income		
Interest income	0	0
Dividend income	64	38
Other	21	13
Total non-operating income	85	52
Non-operating expenses		
Interest expenses	23	35
Other	2	3
Total non-operating expenses	26	39
Ordinary profit (loss)	359	(111)
Extraordinary income		
Gain on sale of investment securities	19	-
Total extraordinary income	19	-
Extraordinary loss		
Loss on retirement of non-current assets	0	1
Total extraordinary losses	0	1
Profit (Loss) before income taxes	379	(112)
Income taxes	81	(35)
Profit (Loss)	297	(76)
Profit attributable to non-controlling interests	25	34
Profit (Loss) attributable to owners of parent	272	(111)

(Quarterly consolidated statement of comprehensive income)

First quarter

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit (Loss)	297	(76)
Other comprehensive income		
Valuation difference on available for sale securities	128	15
Remeasurements of defined benefit plans	18	10
Other comprehensive income	146	26
Comprehensive income	444	(50)
Breakdown		
Comprehensive income attributable to owners of parent	419	(85)
Comprehensive income attributable to noncontrolling interests	25	34

(3) Notes to quarterly 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 quarterly 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 first quarter, and multiplying quarterly 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 has been omitted because the Group operates in a single segment.

(Notes to consolidated statement of cash flows)
The Company has not prepared a consolidated statement of cash flows for the first quarter of the consolidated fiscal year under review. Depreciation (including amortization expenses related to intangible fixed assets) for the said period are as follows.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	283	201