DX認定

TSUZUKI
可能性に満ちた“余白”を、ともに。

Financial Results for the Three Months Ended June 30, 2026
～ Supplementary materials for financial results ～

July 31, 2026

Tsuzuki Denki Co., Ltd.
Securities Code: 8157 (TSE Prime Market, Information & Communication Industry)

Summary

Domestic demand for capital investment remained firm, and we captured this demand through the steady execution of our strategies.
For the full fiscal year, we target net sales growth for the second consecutive fiscal year and record-high operating profit and ordinary profit for the fifth consecutive fiscal year.

Overview of Q1 results

- **Net sales increased significantly, driven by the acquisition of a large order in the Products category. To expand net sales in the Engineering Services category, we will step up engineer recruitment and strengthen our partner strategy.**
- **Modernization-related initiatives in the SME market have recently gained momentum. Led by the four core engineering domains, net sales in the Engineering Services category are expected to increase YoY on a full-year basis.**
- **Proactive investments, including increased mid-career hiring, resulted in a temporary increase in expenses.**

Consolidated Financial Highlights

Q1 results: Net sales increased significantly despite lower earnings due in part to upfront investment

(Millions of yen)

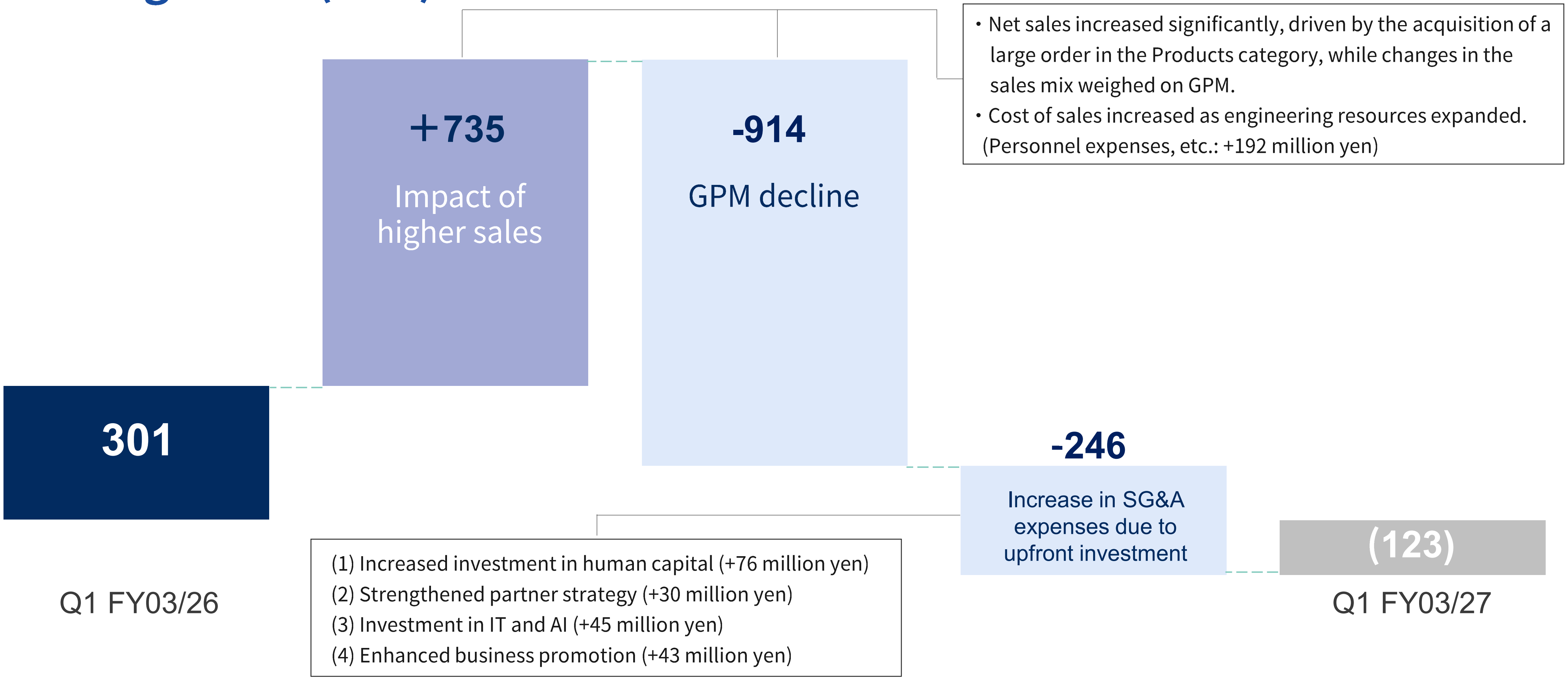
	Q1 FY03/26		Q1 FY03/27		Change (amount)	Change (YoY)
	amount	Composition ratio	amount	Composition ratio		
Net sales	18,833		**22,014**		+3,180	116.9%
Gross profit	4,354	23.1%	**4,175**	**19.0%**	(178)	95.9%
SG&A expenses	4,053	21.5%	**4,299**	**19.5%**	+246	106.1%
Operating profit (loss)	301	1.6%	**(123)**	**–**	(425)	–
Ordinary profit (loss)	359	1.9%	**(111)**	**–**	(471)	–
Profit (loss) attributable to owners of parent	272	1.4%	**(111)**	**–**	(384)	–

Factors Affecting Operating Profit (loss)

Upfront investments in growth initiatives, including the expansion of engineering resources

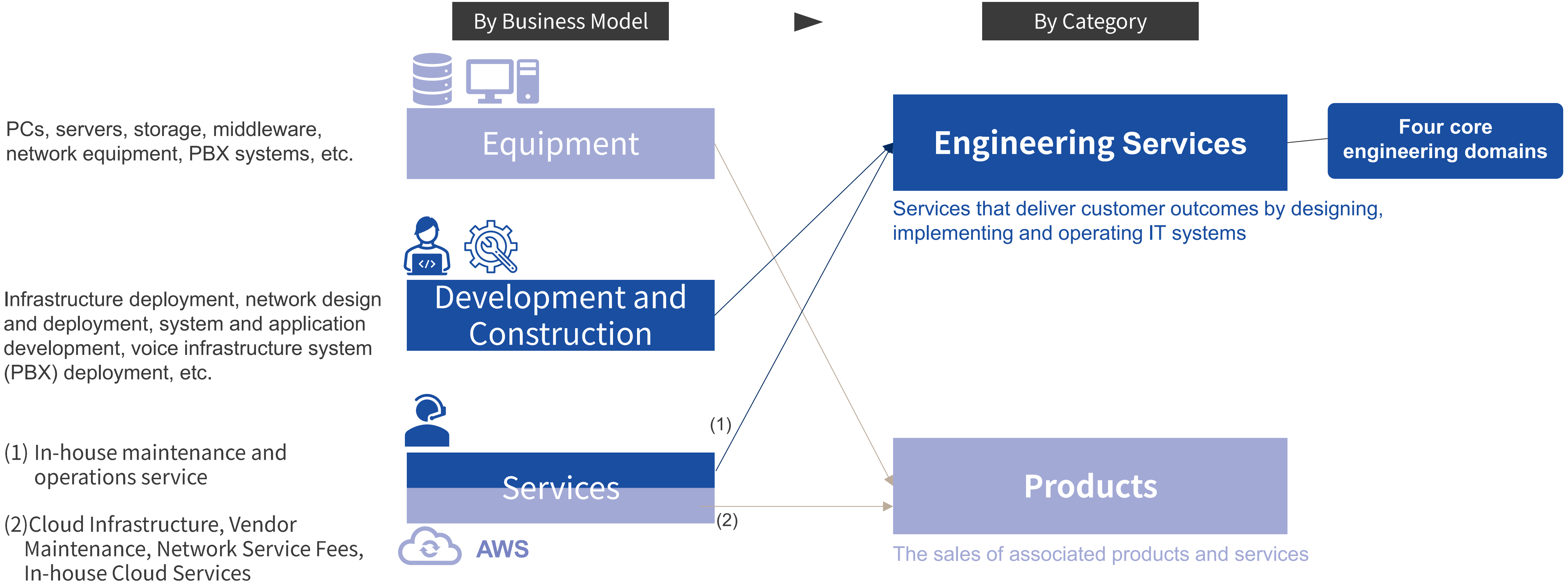
【Operating Profit (loss)】

(Millions of yen)



[Reference] Revamping Subsegments to Achieve Strategies

From this fiscal year, we classify our business into "Engineering Services," which deliver customer outcomes through IT design, implementation and operations, and "Products," which comprise related product and service sales.



Net Sales by Category

Engineering Services

Services that design, implement, and operate IT systems
to deliver customer outcomes

Infrastructure deployment, network design and deployment, system and application development, voice infrastructure system (PBX) deployment, In-house maintenance and operations service, etc.

Products

Sales of related products and services

PCs, servers, storage, middleware , network equipment, PBX systems, Cloud Infrastructure, Vendor Maintenance, Network Service Fees, In-house Cloud Services, etc.

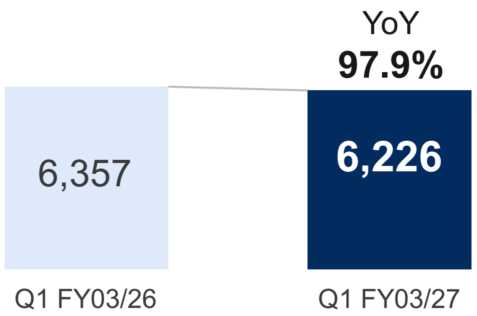
Net sales by category

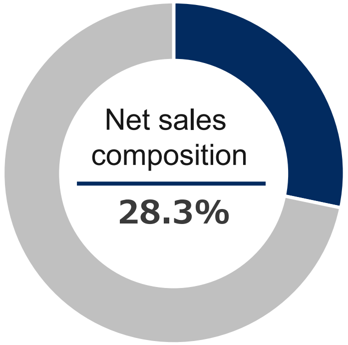
(Millions of yen)

Engineering Services

Overview of Q1 FY03/27

Net sales declined slightly but remained stable, supported primarily by network construction projects. We continue to strengthen our engineering resources to drive further growth.

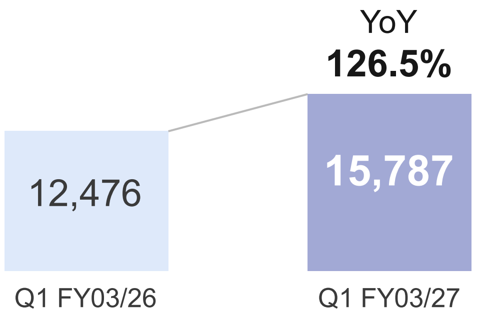


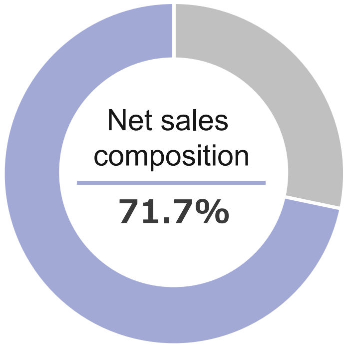


Products

Overview of Q1 FY03/27

Net sales increased significantly YoY, driven by the acquisition of a large-scale project in the Products category for the financial industry.





Orders

Orders in the Engineering Services category declined year on year due to the absence of a large project undertaken in the same period of the previous fiscal year. Nevertheless, total orders continued to grow as we capitalized on robust capital investment demand.

(Millions of yen)

	Q1 FY03/26	Q1 FY03/27	YoY change	YoY
Orders	27,806	**31,065**	+3,259	111.7%
Order backlog	29,219	**35,953**	+6,734	123.0%

By category

Engineering Services

Orders declined year on year due to the absence of a large construction project associated with an office relocation undertaken in the same period of the previous fiscal year. However, customer inquiries remained strong, and we accelerated efforts to secure new projects.

	Q1 FY03/26	Q1 FY03/27	YoY change	YoY
Orders	8,560	**8,279**	(281)	96.7%
Order backlog	8,361	**8,454**	+92	101.1%

Products

Demand continues to grow for the development and construction of IT infrastructure and the associated replacement of PCs and servers.

	Q1 FY03/26	Q1 FY03/27	YoY change	YoY
Orders	19,245	**22,786**	+3,540	118.4%
Order backlog	20,857	**27,499**	+6,641	131.8%

Net Sales Progress in Four core engineering domains

The Networks & Security and IT Platforms domains continued to perform well.
Upstream projects in the Business Applications domain are currently on the rise.

(Millions of yen)

	Q1 FY03/26	Q1 FY03/27	YoY change	YoY
(1)Network & Security	1,206	**1,406**	＋200	116.6%
(2) IT Platforms	713	**800**	＋87	112.2%
(3) Business Applications	1,950	**1,948**	(2)	99.9%
(3)-1 Standard-compliant app	801	**734**	(67)	91.6%
(3)-2 Customer-specific app	1,148	**1,213**	＋65	105.7%
(4) CX Communication Platform	900	**764**	(135)	84.9%
(4)-1 Unified Communications	671	**582**	(89)	86.7%
(4)-2 Contact Centers	228	**182**	(46)	79.8%

Initiatives to Drive Sales Growth

Greater involvement of engineers in sales activities

- Increase engineer participation in sales discussions to expand proposal opportunities that can lead to future orders
- Promote the development of large, high-value-added projects by gaining a deeper understanding of customer challenges

Strengthening the partner strategy

- "Tsuzuki Biz-CoCreation," a co-creation event with partner companies (175 participating companies; 307 attendees)
  Held on June 1, 2026, the event served as a starting point for sharing the direction of our new medium-term management plan and shifting to a co-creation-driven growth model

(Tsuzuki Biz-CoCreation)

FY03/27 Consolidated Earnings Forecast

Net sales exceeded expectations in Q1. By proactively capturing demand in growth markets, we target net sales growth for the second consecutive fiscal year and record-high operating profit and ordinary profit for the fifth consecutive fiscal year.

(Millions of yen)

	FY03/26		FY03/27		YoY change	YoY
	amount	Composition ratio	amount	Composition ratio		
Net sales	103,728		**107,000**		+3,272	103.2%
Operating profit	8,178	7.9%	**8,700**	**8.1%**	+521	106.4%
Ordinary profit	8,320	8.0%	**8,700**	**8.1%**	+379	104.6%
Profit attributable to owners of parent	6,472	6.2%	**5,750**	**5.4%**	(722)	88.8%

Shareholder Return

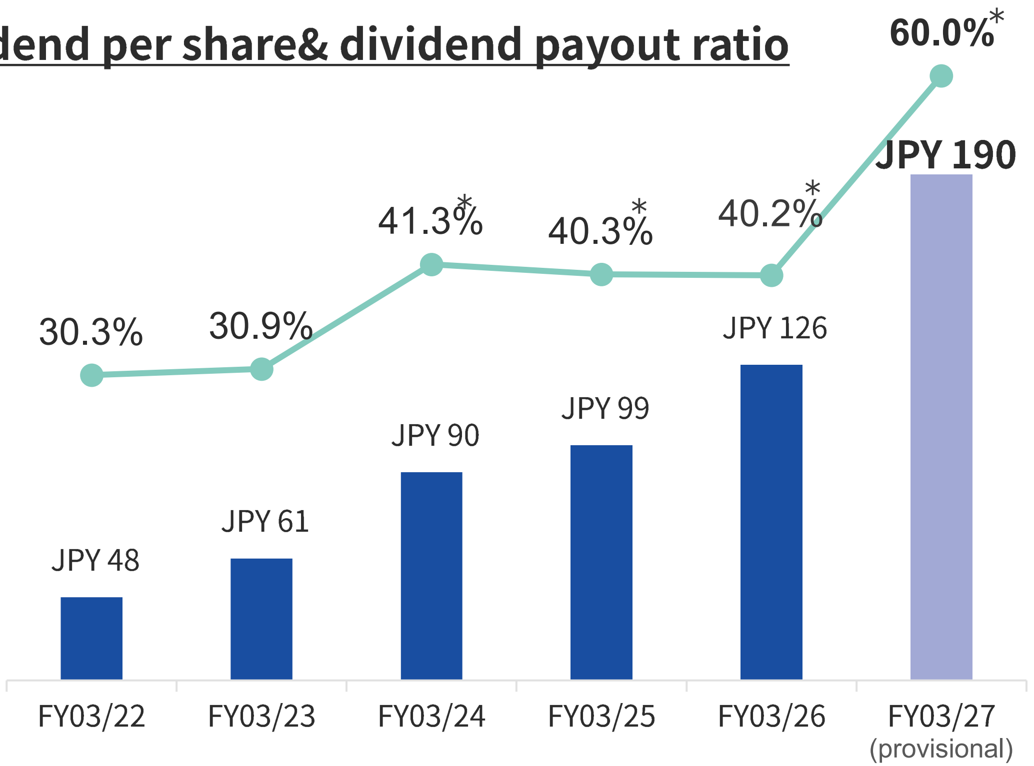
Beginning this fiscal year, we have increased our dividend payout ratio to further enhance shareholder returns

Pay stable dividends with a target payout ratio 40%* ➡ 60%*
(Minimum dividend on equity [DOE] ratio 3.5% ➡ 6.0%)

Annual dividend:190yen (provisional)
(Interim dividend: 95 yen; Year-end dividend: 95 yen)

* Profit attributable to owners of parent used for dividend calculation is based on profit from business activities, excluding extraordinary gains/losses, etc.)

Dividend per share& dividend payout ratio



*Based on profit from business activities. Dividend payout ratio is 29.5% in FY03/24, 37.6% in FY03/25 and 35.4% in FY03/26 based on reported profit attributable to owners of parent

Number of shares held \ Number of years held	Products (including QUO Cards, 13 types in different price ranges)	
	Less than 3 years	More than 3 years
100 shares to less than 300 shares	JPY1,000 worth	JPY2,000 worth
300 shares to less than 1,000 shares	JPY2,000 worth	JPY4,000 worth
1,000 shares or more	JPY3,000 worth	JPY6,000 worth

*If 1,000 shares or more but less than 3 years (worth 3,000 yen) and 300 shares to less than 1,000 shares for more than 3 years (worth 4,000 yen) both apply, it will be treated as 300 shares to less than 1,000 shares for more than 3 years (worth 4,000 yen).

Examples of Shareholder Benefit Gifts (Images are for illustrative purposes only.)

Q1 FY03/27　Breakdown of Net Sales

(billion of yen)

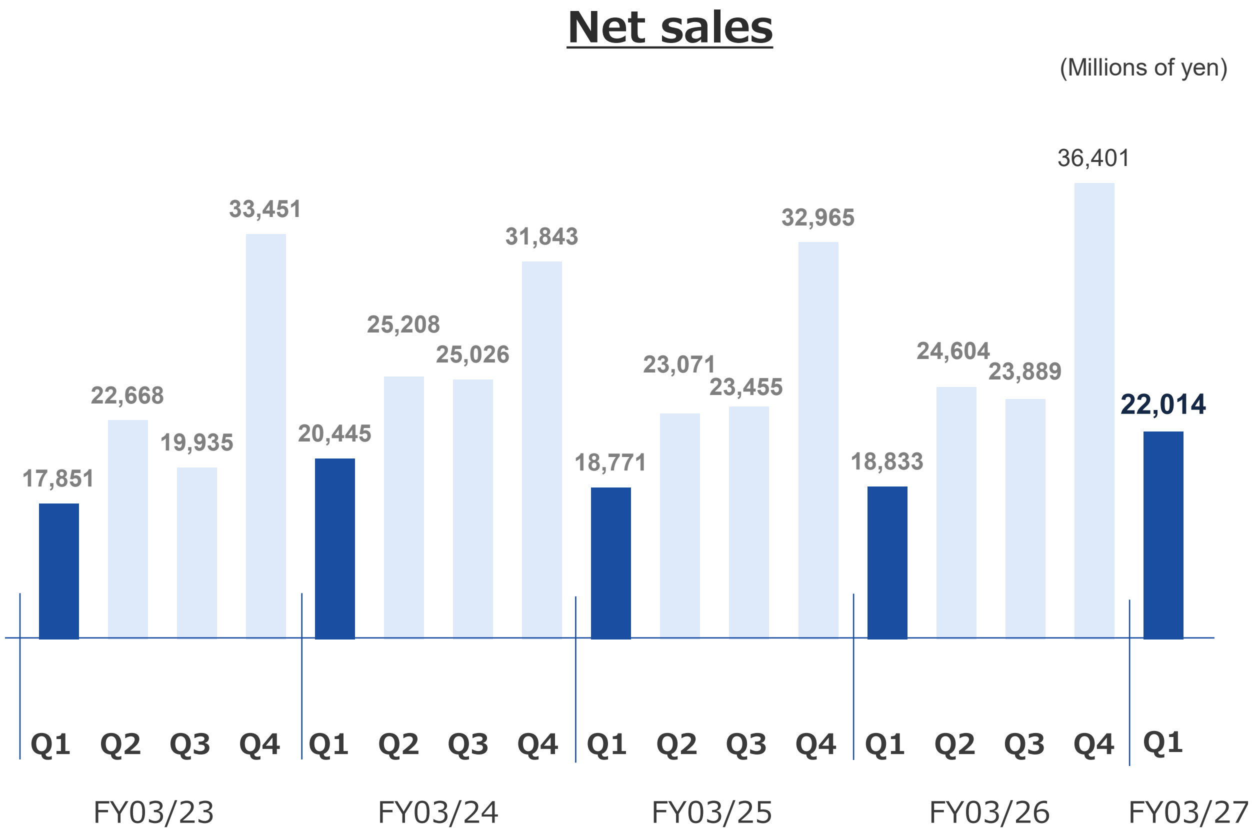
		Q1 FY03/26	Q1 FY03/27	YoY change	YoY
Engineering Services	SI	4.2	**4.0**	**(0.2)**	**94.9%**
	NI	2.0	**2.1**	**+0.1**	**104.2%**
	Engineering Services　TOTAL	6.3	**6.2**	**(0.1)**	**97.9%**
Products	SI	8.8	**10.7**	**+1.8**	**120.8%**
	NI	3.6	**5.0**	**+1.4**	**140.6%**
	Products TOTAL	12.4	**15.7**	**+3.3**	**126.5%**
Total		18.8	**22.0**	**+3.1**	**116.9%**

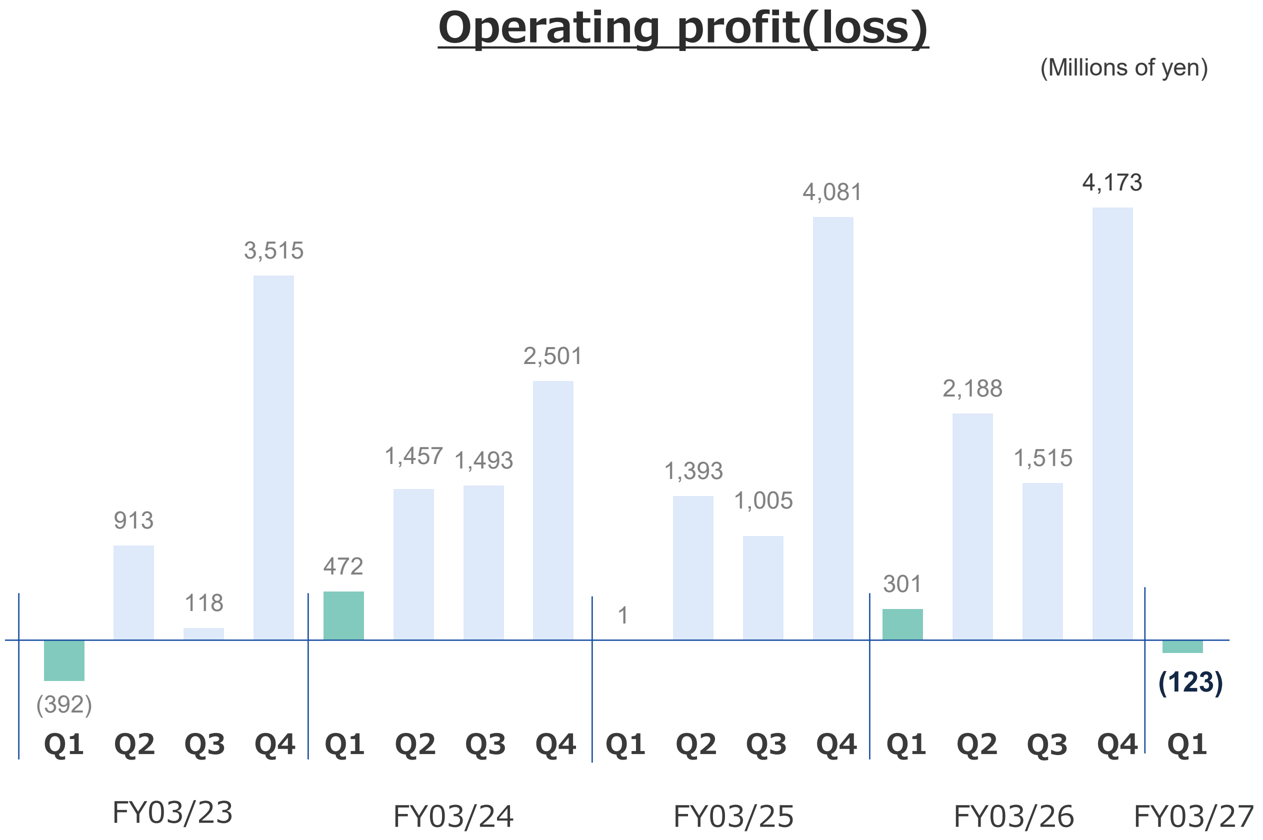
Breakdown of Engineering Services	Q1 FY03/26	Q1 FY03/27	YoY change	YoY
Network & Security	1.2	**1.4**	**+0.2**	**116.6%**
IT Platforms	0.7	**0.8**	**+0.1**	**112.2%**
Business Applications	1.9	**1.9**	**+0.0**	**99.9%**
Standard-compliant app	0.8	**0.7**	**(0.1)**	**91.6%**
Customer-specific app	1.1	**1.2**	**+0.1**	**105.7%**
CX Communication Platform	0.9	**0.7**	**(0.2)**	**84.9%**
Unified Communications	0.6	**0.5**	**(0.1)**	**86.7%**
Contact Centers	0.2	**0.1**	**(0.1)**	**79.8%**
Four core engineering domains Total	4.7	**4.9**	**+0.2**	**103.1%**
Other business domains	1.5	**1.3**	**(0.2)**	**82.3%**
Engineering Services Total	6.3	**6.2**	**(0.1)**	**97.9%**

Accounting Period　Performance Trends

[Note regarding quarterly earnings for the Group]

Because many of the Group's customers have fiscal years ending in March, and a large portion of transactions are recognized as revenue at a single point in time, net sales and operating profit tend to be concentrated in the second and fourth quarters.





※On January 9, 2024, due to the sale of a subsidiary, we transitioned to a single segment

Corporate Profile & Business Model

Corporate Name	TSUZUKI DENKI CO.,LTD.
Head Office	Tokyo Art Club Building, 6-19-15 Shinbashi, Minato-ku, Tokyo 105-8665, JAPAN
Founded	Founded May 1st, 1932 as Tsuzuki Shohten
Establishment of the Corporation	Established on March 26th, 1941 as Tsuzuki Telephone Business, Co., Ltd.
Industry	Information and Communication Industry
Stock Information	Prime Market of the Tokyo Stock Exchange (Code:8157)
Capital Fund	JPY 9,812,930,540-
Volume of Sales	JPY 103,728 million (as of March 2026 Consolidated)
Number of Employees	2,040(as of March 2026 Consolidated)

Contact

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Disclaimer

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Bring to society “*yohaku*”
filled with possibilities,
through people, insight,
and technology, together.