

Financial Results

for the Nine Months Ended December 31, 2025

~ Supplementary materials for financial results ~

January 30, 2026
Tsuzuki Denki Co., Ltd.



Highlights

Net sales increased, with operating profit and ordinary profit reaching record highs, as in Q2

	Q1–Q3 FY03/25		Q1–Q3 FY03/26		(Millions of yen)	
	amount	Composition ratio	amount	Composition ratio	YoY change	YoY
Net sales	65,298		67,326		+ 2,028	103.1%
Gross profit	14,601	22.4%	16,146	24.0%	+ 1,544	110.6%
SG&A expenses	12,201	18.7%	12,141	18.0%	△60	99.5%
Operating profit	2,400	3.7%	4,005	5.9%	+ 1,605	166.9%
Ordinary profit	2,520	3.9%	4,141	6.2%	+ 1,621	164.3%
Profit attributable to owners of parent	1,736	2.7%	3,327	4.9%	+ 1,590	191.6%

Highlights of Consolidated Results

Net sales

YoY

103.1%

- ✓ **A shift in resource allocation to growth areas drove substantial growth in Development & Construction, with sales across all business models, including Equipment and Service, increasing year-on-year**

Operating profit

YoY

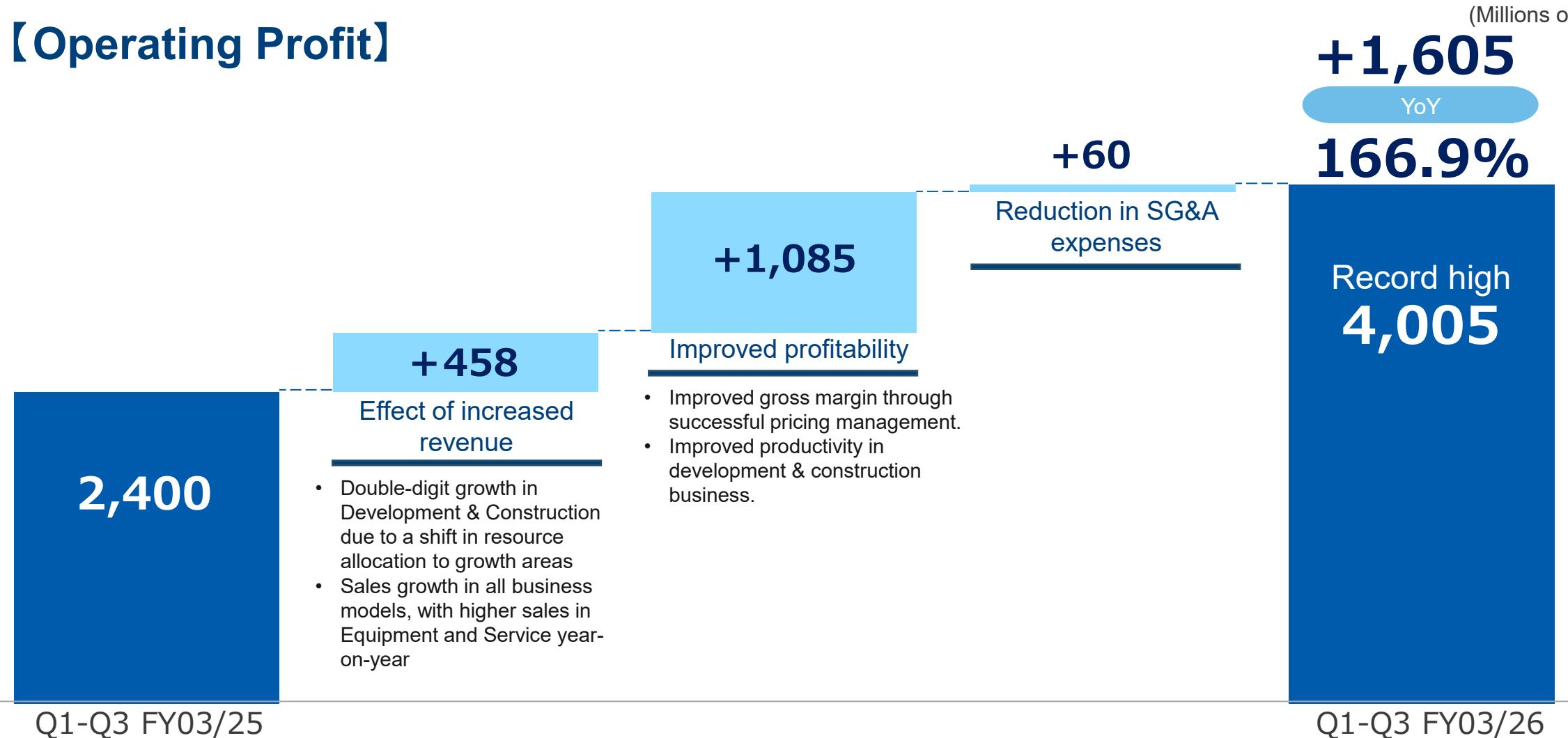
166.9%

- ✓ **Gross margin improved owing to pricing management**
- ✓ **Productivity increased in Development & Construction**

Factors Affecting Operating Profit

Operating profit in high-margin Development & Construction grew significantly driven by a shift in resource allocation, with profitability improvement measures also proving effective

(Operating Profit)



Net Sales by Business Model

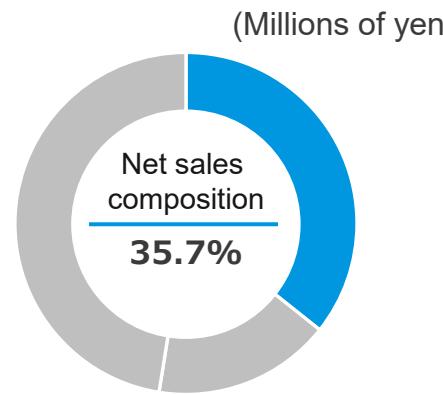
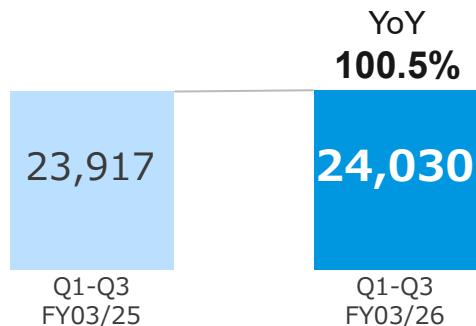
Equipment

- ▶ PCs
- ▶ Servers
- ▶ Storage devices
- ▶ Network devices
- ▶ PBXs, etc.

Overview of Q1-Q3 FY03/26

Sales were steady, surpassing the same period of the previous year, driven by orders for server and storage installations for manufacturers.

Net sales by business model

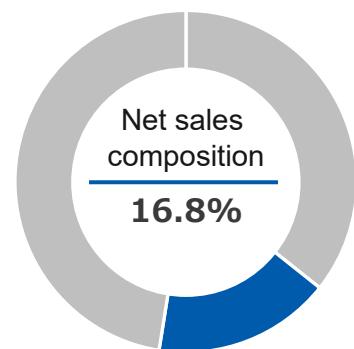
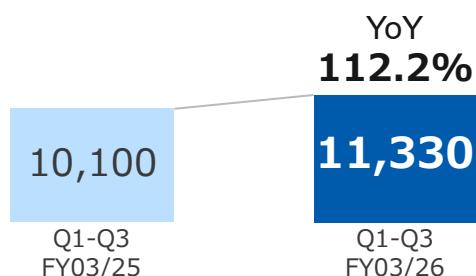


Development & Construction

- ▶ Infrastructure construction (information and network systems)
- ▶ System and application development
- ▶ Network design and construction
- ▶ Voice platform system (PBX) design, construction, etc.

Overview of Q1-Q3 FY03/26

Sales increased substantially year-on-year, driven by growth in network and contact center construction projects.

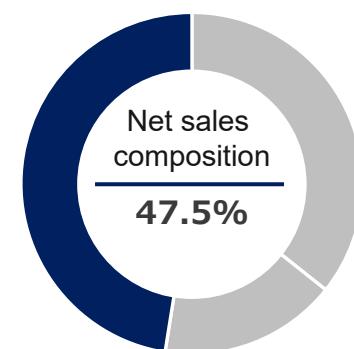
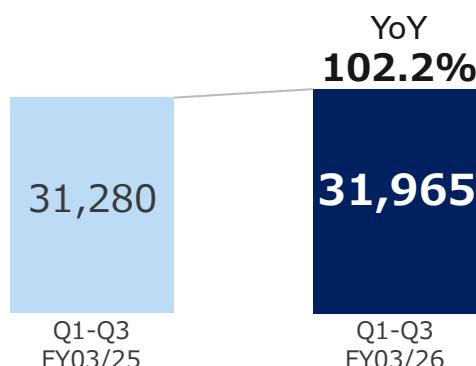


Service

- ▶ Various cloud services (CT-e1/SaaS, TCloud series, etc.)
- ▶ Device maintenance
- ▶ Monthly line fees
- ▶ Cloud infrastructure (Microsoft azure, etc.)
- ▶ Maintenance and operation services, etc.

Overview of Q1-Q3 FY03/26

Sales grew steadily year-on-year, supported by growth in recurring-revenue (subscription-based) businesses, such as cloud solutions.



Orders received were extremely favorable, supported by strong IT investment appetite

	Q1–Q3 FY03/25	Q1–Q3 FY03/26	YoY change	(Millions of yen)
Orders	71,866	82,166	+ 10,299	114.3%
Order backlog	24,463	35,086	+ 10,622	143.4%
By business model				
Equipment: Acquired large-scale equipment installation projects for government agencies and financial institutions				
Orders	28,351	37,762	+ 9,410	133.2%
Order backlog	15,002	24,123	+ 9,120	160.8%
Development & Construction: Received multiple large-scale network construction orders				
Orders	11,871	12,609	+ 737	106.2%
Order backlog	5,256	5,730	+ 474	109.0%
Service : Secured large-scale DX service contract opportunities in the logistics sector, a key focus area				
Orders	31,642	31,794	+ 151	100.5%
Order backlog	4,204	5,232	+ 1,027	124.4%

Progress in Six Growth Areas

Sales in the six growth areas amounted to 11.7 billion yen, up 36% year on year, and are on track to meet the full-year target of 16.3 billion yen. Progress was especially strong in **security**, driven by robust demand for zero-trust security implementation and network security measures, and in **DX services for logistics operations**, where the Company secured large-scale contract opportunities.

(Millions of yen)

Areas	Q1–Q3 FY03/26 sales (YoY)	FY03/26 targets	Progress rates	Progress
Total sales for six growth areas	Year-earlier level 136% (11,770)	16,300	72%	
(1) Contact Center Systems	119% (4,440)	6,200	72%	• Adoption of Genesys Cloud and Ct-e1/SaaS increased • Ct-e1/SaaS saw an increase in deals due to the effects of its integration with Salesforce and OpenAI
(2) Cloud Communications	101% (1,020)	2,700	38%	• Sales of T-Cloud for Voice accelerated starting Q3 • Aim to strengthen functions through collaboration with PHONE APPLI
(3) Managed Services	107% (2,940)	4,100	71%	• PC-LCM services, which handle everything from PC installation to operation on a contracted basis, expanded
(4) Security *	267% (2,380)	2,000	119%	• Zero-trust security implementation increased in response to heightened risk, and network security measures backed by high technical capabilities grew as well
(5) DX Consulting	303% (680)	1,000	68%	• Monetization progressed steadily through the acquisition of follow-on deals
(6) Market-specific DX Services	393% (290)	390	74%	
(6)-1 (for logistics operations)	440% (280)	240	117%	• As in FY03/25, secured large deals, and the subscription-based businesses expanded in tandem with an increase in the number of contract IDs
(6)-2 (for fruit and vegetable market)	120% (10)	150	7%	• Progress was sluggish as priority was given to functional enhancements; will focus on replacing existing systems for current customers and acquiring new customers

* From FY03/26, the “security” area newly includes OT security as part of its scope.

Revisions to Consolidated Earnings and Dividend Forecasts for FY03/26 (Upward Revisions)

A shift in resource allocation to growth areas and profitability improvement initiatives, such as pricing management, delivered solid results. Profits exceeded expectations as the transition to a high-profitability business structure progressed, leading to upward revisions to the initial full-year earnings and dividend forecasts.

Net sales increased, with operating profit and ordinary profit expected to reach record highs for the fourth consecutive fiscal year.

	FY03/26 Initial forecast	FY03/26 Revised forecast	Vs. initial forecast (amount)	Vs. initial forecast (%)	FY03/25 results	YoY change (amount)	YoY change (%)
Net sales	102,500	102,500	—	—	98,263	+4,236	104.3%
Operating profit	6,700	8,000	+1,300	119.4%	6,481	+1,518	123.4%
Operating margin	6.5%	7.8%	+1.3pt		6.6%	+1.2pt	
Ordinary profit	6,750	8,150	+1,400	120.7%	6,596	+1,553	123.6%
Profit attributable to owners of parent	4,500	6,000	+1,500	133.3%*	4,764	+1,235	125.9%
Dividend per share	100 yen	121 yen	+21 yen	—	99 yen	+22 yen	—

* Including the recognition of extraordinary gains from the partial sale of investment securities

Shareholder Return (Revision of Dividend Forecast)

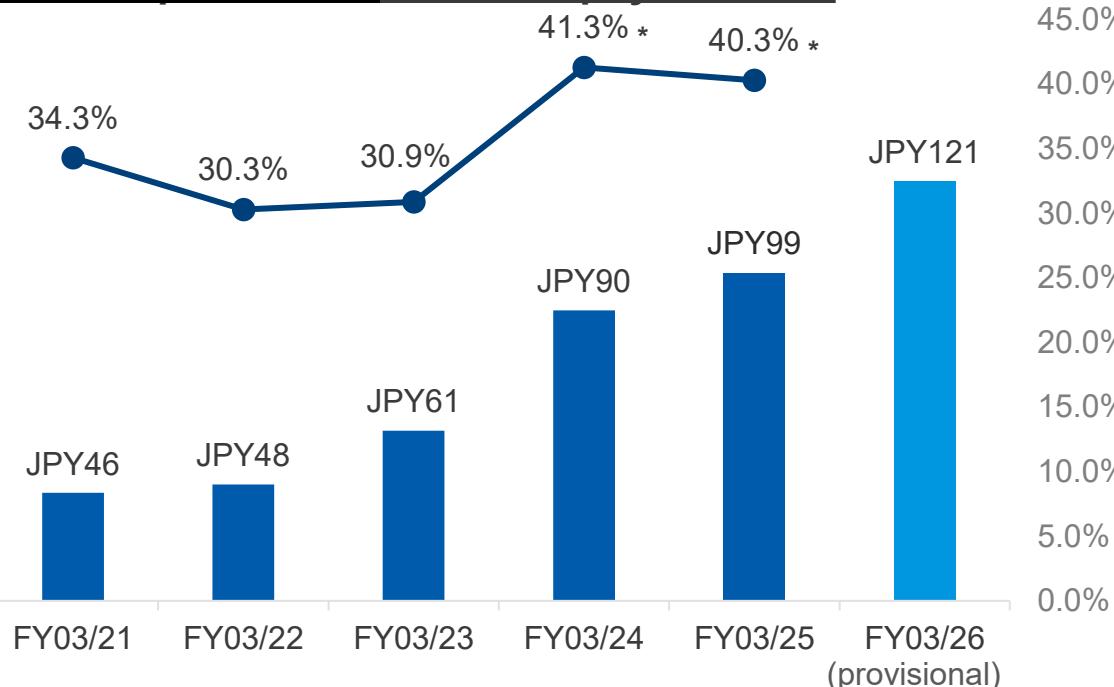
Following the revision of the full-year forecast, the forecast for annual dividend per share was raised from 100 yen to 121 yen

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

Annual dividend: 121 yen (provisional)
(Interim dividend: 50 yen; Year-end dividend: 71 yen)

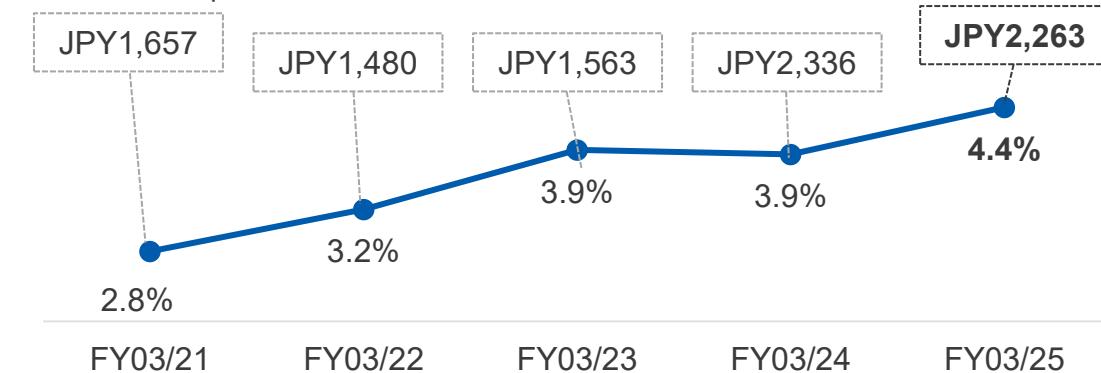
* Profit attributable to owners of parent used for dividend calculation is based on profit from business activities, excluding extraordinary gains/losses, etc.)

Dividend per share & dividend payout ratio



Dividend yield

Year-end share price



*Dividend yield = Dividend per share / Share price at the end of the period (final record date)

Shareholder benefits

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	100 shares to less than 300 shares	JPY1,000 worth	JPY2,000 worth
300 shares to less than 1,000 shares	300 shares to less than 1,000 shares	JPY2,000 worth	JPY4,000 worth
1,000 shares or more	1,000 shares or more	JPY3,000 worth	JPY6,000 worth

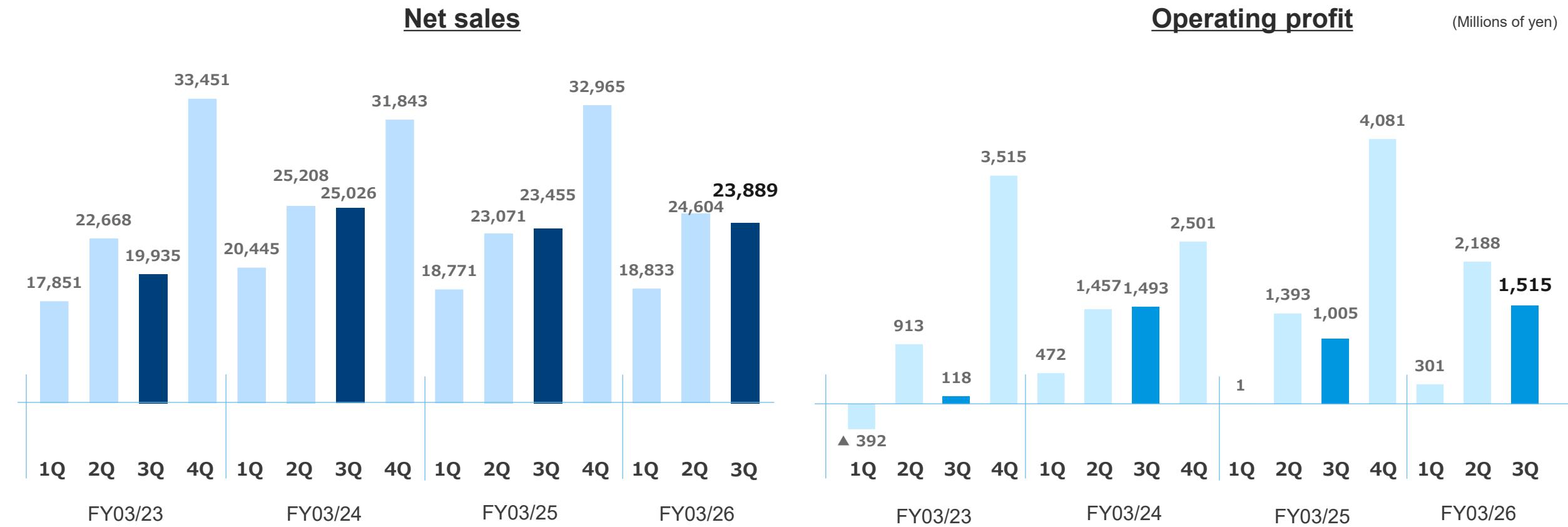
*If 1,000 shares or more but less than 3 years (worth 3,000 yen) and 300 shares to less than 1,000 shares for more than 3 years (worth 4,000 yen) both apply, it will be treated as 300 shares to less than 1,000 shares for more than 3 years (worth 4,000 yen).

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

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

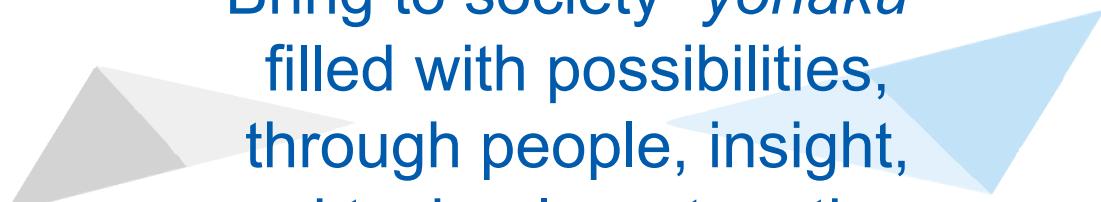
Corporate Name	TSUZUKI DENKI CO.,LTD.
Head Office	Tokyo Art Club Building, 6-19-15 Shinbashi, Minato-ku, Tokyo 105-8665, JAPAN
Founded	Founded May 1st, 1932 as Tsuzuki Shohten
Establishment of the Corporation	Established on March 26th, 1941 as Tsuzuki Telephone Business, Co., Ltd.
Industry	Information and Communication Industry
Stock Information	TSUZUKI DENKI shares are listed on the Prime Market of the Tokyo Stock Exchange (Code:8157)
Capital Fund	JPY 9,812,930,540-
Volume of Sales	JPY 98,263 million (as of March 2025 Consolidated)
Number of Employees	2,061(as of March 2025 Consolidated)

Contact

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