DX認定

TSUZUKI
可能性に満ちた“余白”を、ともに。

Financial Results for the First Half of the Fiscal Year Ending March 31, 2027

～ Supplementary Materials for Financial Results ～

October 30, 2026

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

Summary

In the first year of the new medium-term management plan, 1H net sales rose significantly on strong demand. For the full year, we aim to achieve a second consecutive year of net sales growth, with operating profit and ordinary profit reaching record highs for the fifth consecutive fiscal year.

Results Overview

- **On track to meet full-year targets**
  - ✓ 1H net sales increased, but profits declined due to upfront investment. In Q2 (July–September), the impact of higher costs was offset, and **profitability improved significantly**
- **Seeing positive results from the shift toward a service-based revenue model centered on Engineering Services**
  - ✓ Orders in Engineering Services **grew by double digits YoY** in Q2 (July–September)
- **Order backlog continues to reach new record highs**
  - ✓ Order backlog reached **41.2 billion yen** at the end of September (up 25.9% YoY)
- **Recruitment progressing as planned**
  - ✓ Mid-career hiring at **82.5%** of full-year plan

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Consolidated Financial Highlights 1H FY03/27(Apr - Sep)

1H net sales increased significantly, although profits declined due in part to upfront investment. One-time fees associated with the consideration of potential M&A opportunities were recorded as non-operating expenses.

(Millions of yen)

	1H FY03/26		1H FY03/27		Change (amount)	Change (YoY)
	amount	Composition ratio	amount	Composition ratio		
Net sales	43,437		**47,181**		+3,743	108.6%
Gross profit	10,665	24.6%	**10,571**	**22.4%**	(94)	99.1%
SG&A expenses	8,175	18.8%	**8,531**	**18.1%**	+355	104.4%
Operating profit	2,489	5.7%	**2,039**	**4.3%**	(450)	81.9%
Ordinary profit	2,593	6.0%	**2,019**	**4.3%**	(573)	77.9%
Profit attributable to owners of parent	1,817	4.2%	**1,333**	**2.8%**	(483)	73.4%

Non-operating expenses: Fees related to the consideration of potential M&A opportunities (67 million yen)

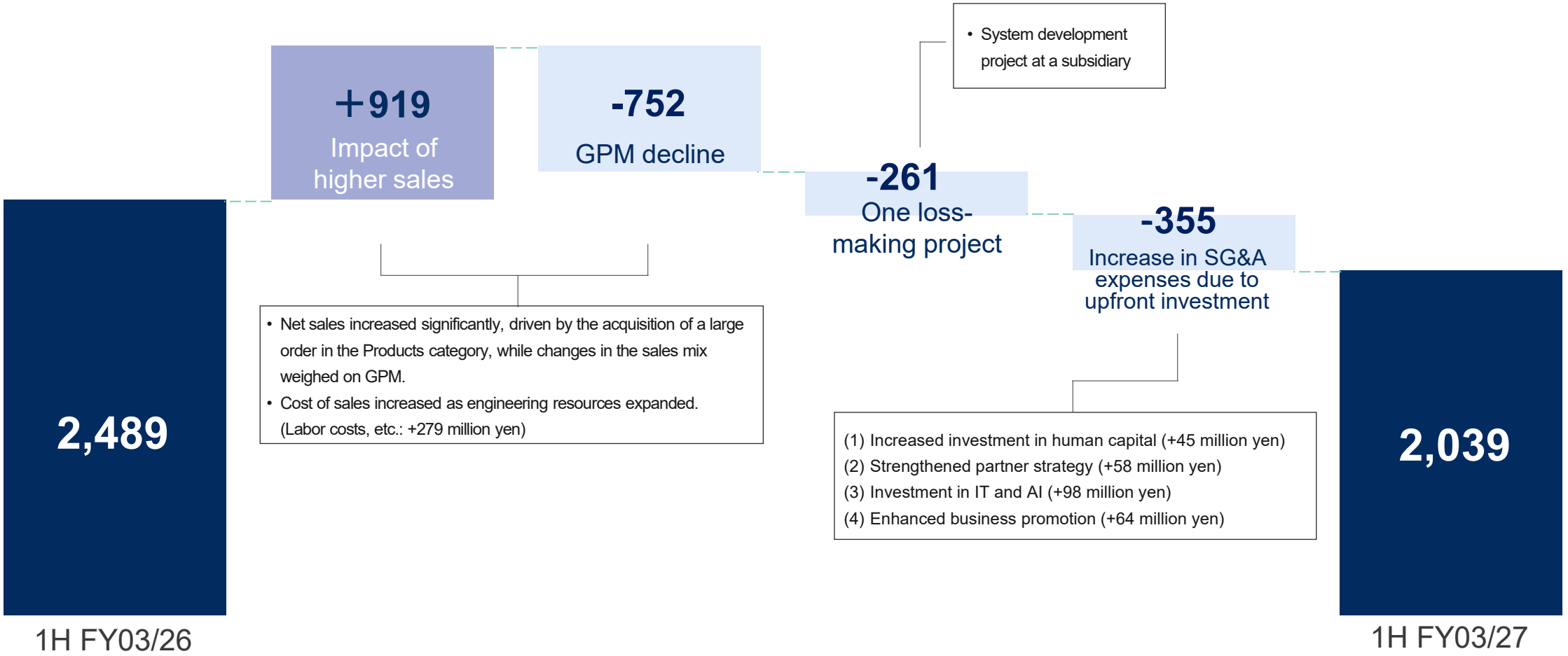
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Factors Affecting Operating Profit 1H FY03/27(Apr - Sep)

Made proactive investments in growth, with 324 million yen invested in human capital, including labor costs; strengthened project screening and progress monitoring at subsidiaries to the same level as at the parent company.

【Operating Profit】

(Millions of yen)



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Net Sales by Category 1H FY03/27(Apr - Sep)

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.

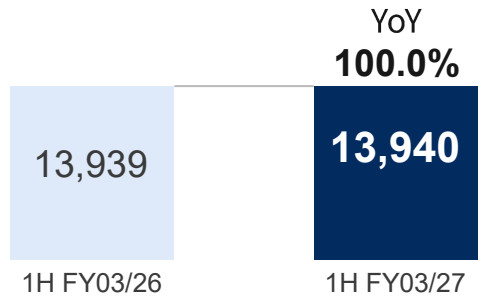
Engineering Services

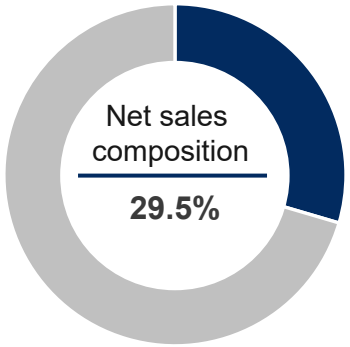
Overview of 1H FY03/27

Despite the absence of large projects that contributed to sales in 1H FY03/26, net sales remained at roughly the same level as a year earlier, supported by the accumulation of projects across a wide range of sectors, including manufacturing, logistics, and government.

(Millions of yen)

Net sales by category

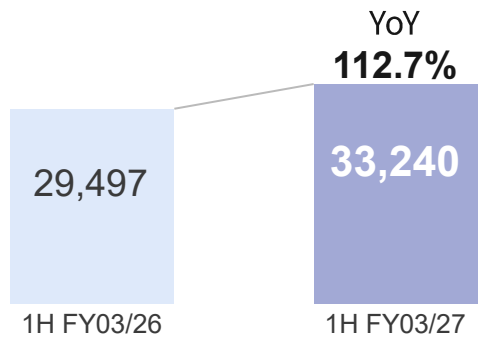


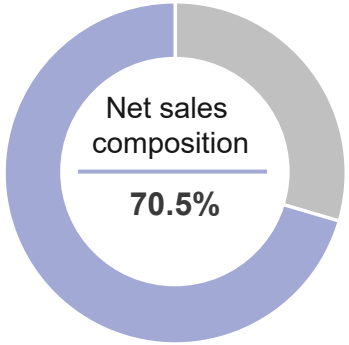


Products

Overview of 1H FY03/27

Net sales increased significantly YoY, driven by major product orders from government agencies and financial institutions.





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Orders 1H FY03/27(Apr - Sep)

Orders and order backlog increased YoY in both Engineering Services and Products, with continued order growth supported by strong capital investment demand.

(Millions of yen)

	1H FY03/26	1H FY03/27	YoY change	YoY
Orders	55,973	**61,546**	+5,572	110.0%
Order backlog	32,782	**41,267**	+8,484	125.9%

By category

Engineering Services

Secured several large-scale IT infrastructure upgrade and network implementation projects across a broad range of sectors, including manufacturing, healthcare, and telecommunications.

Orders	16,147	**17,509**	+1,361	108.4%
Order backlog	8,366	**9,970**	+1,604	119.2%

Products

Secured several large-scale replacement projects for government agencies, healthcare institutions, and retailers, among other customers.

Orders	39,825	**44,036**	+4,210	110.6%
Order backlog	24,416	**31,296**	+6,880	128.2%

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Net Sales Progress in Four core Engineering Domains 1H FY03/27(Apr - Sep)

Sales were strong across Networks & Security, IT Platforms, and Business Applications. The Group is also making progress securing CX Communication Platform orders ahead of 2H.

(Millions of yen)

	1H FY03/26	1H FY03/27	YoY change	YoY
(1)Network & Security	3,018	**3,255**	+236	107.8%
(2) IT Platforms	1,391	**1,552**	+161	111.6%
(3) Business Applications	4,217	**4,431**	+213	105.1%
(3)-1 Standard-compliant app	1,750	**1,799**	+49	102.8%
(3)-2 Customer-specific app	2,467	**2,631**	+164	106.7%
(4) CX Communication Platform	1,922	**1,607**	(315)	83.6%
(4)-1 Unified Communications	1,453	**1,203**	(250)	82.8%
(4)-2 Contact Centers	468	**404**	(64)	86.2%

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Breakdown of Net Sales 1H FY03/27(Apr - Sep)

(Billions of yen)

		1H FY03/26	1H FY03/27	YoY change	YoY
Engineering Services	SI	9.0	**9.1**	**+0.1**	**101.4%**
	NI	4.9	**4.7**	**(0.1)**	**97.5%**
	Engineering Services TOTAL	13.9	**13.9**	**+0.0**	**100.0%**
Products	SI	20.5	**21.5**	**+1.0**	**105.1%**
	NI	8.9	**11.6**	**+2.6**	**130.0%**
	Products TOTAL	29.4	**33.2**	**+3.7**	**112.7%**
Total		43.4	**47.1**	**+3.7**	**108.6%**

Breakdown of Engineering Services	1H FY03/26	1H FY03/27	YoY change	YoY
Network & Security	3.0	**3.2**	**+0.2**	**107.8%**
IT Platforms	1.3	**1.5**	**+0.1**	**111.6%**
Business Applications	4.2	**4.4**	**+0.2**	**105.1%**
Standard-compliant app	1.7	**1.7**	**+0.0**	**102.8%**
Customer-specific app	2.4	**2.6**	**+0.1**	**106.7%**
CX Communication Platform	1.9	**1.6**	**(0.3)**	**83.6%**
Unified Communications	1.4	**1.2**	**(0.2)**	**82.8%**
Contact Centers	0.4	**0.4**	**(0.0)**	**86.2%**
Four core engineering domains Total	10.5	**10.8**	**+0.2**	**102.8%**
Other business domains	3.3	**3.0**	**(0.2)**	**91.3%**
Engineering Services Total	13.9	**13.9**	**+0.0**	**100.0%**

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2Q FY03/27 Financial Overview (Jul – Sep)

Although upfront investment led to lower profit in Q1, profitability improved in Q2, with operating profit nearly unchanged YoY. Meanwhile, progress in executing the company's strategy is steadily driving earnings growth.

(Millions of yen)

	FY03/26				FY03/27	
	1Q	2Q	3Q	4Q	1Q	2Q
Orders	27,806	28,167	26,192	28,217	31,065	**30,480**
YoY	117.6%	109.9%	116.0%	98.2%	111.7%	**108.2%**
Net sales	18,833	24,603	23,889	36,401	22,014	**25,166**
YoY	100.3%	106.6%	101.8%	110.4%	116.9%	**102.3%**
Gross profit	4,354	6,311	5,480	8,819	4,175	**6,395**
GPM	23.1%	25.7%	22.9%	24.2%	19.0%	**25.4%**
SG&A expenses	4,053	4,122	3,965	4,646	4,299	**4,232**
Operating profit	301	2,188	1,515	4,173	(123)	**2,163**
YoY	–	157.1%	150.7%	102.2%	–	**98.9%**
OPM	1.6%	8.9%	6.3%	11.5%	–	**8.6%**

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2Q FY03/27 Financial Overview by Category (Jul – Sep)

Engineering Services orders grew by double digits YoY, a positive sign for the expansion of this core business under the new medium-term management plan.

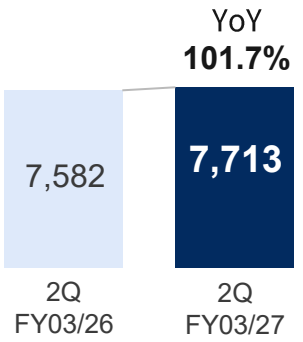
Engineering Services

(Millions of yen)

	2Q FY03/26	2Q FY03/27	Change (amount)	Change (YoY)
【Net sales】	7,582	**7,713**	+131	101.7%
【Orders】	7,587	**9,230**	+1,643	**121.7%**

- Sales increased YoY, supported by projects involving the development and operational support of logistics infrastructure systems for manufacturers, as well as projects for amusement facilities.
- Secured major orders for voice infrastructure upgrades and cloud migration, as well as hospital system projects.

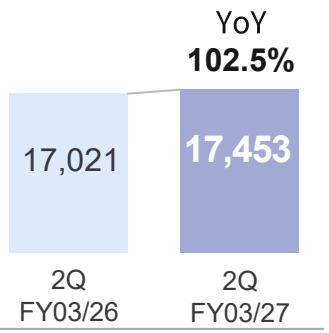
Net sales by category



Products

	2Q FY03/26	2Q FY03/27	Change (amount)	Change (YoY)
【Net sales】	17,021	**17,453**	+431	102.5%
【Orders】	20,580	**21,250**	+669	103.3%

- Sales increased significantly YoY, driven by major product orders from government agencies.
- Orders from government agencies, transportation infrastructure operators, and healthcare institutions offset the decline resulting from a major order booked in the same period of the previous fiscal year.



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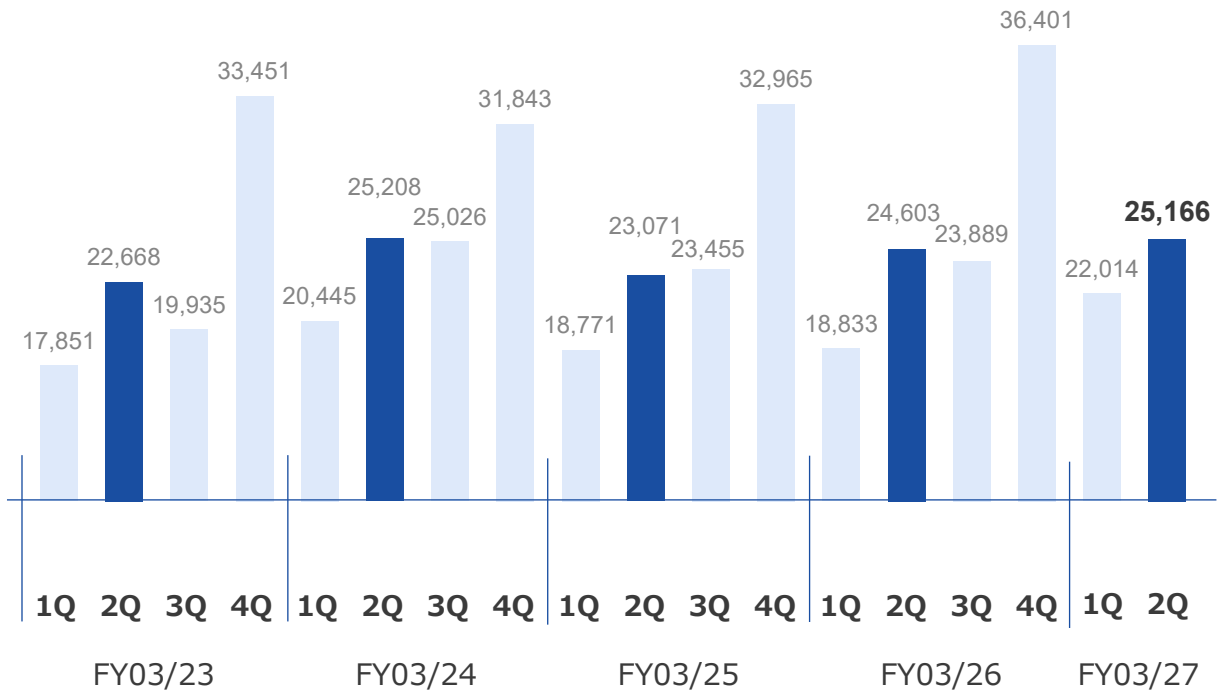
Quarterly Performance Trends

[Note regarding quarterly earnings for the Group]

Because many of the Group's customers have fiscal years from April to March, net sales and operating profit tend to be concentrated around the fiscal half-year and year-end periods in September and March.

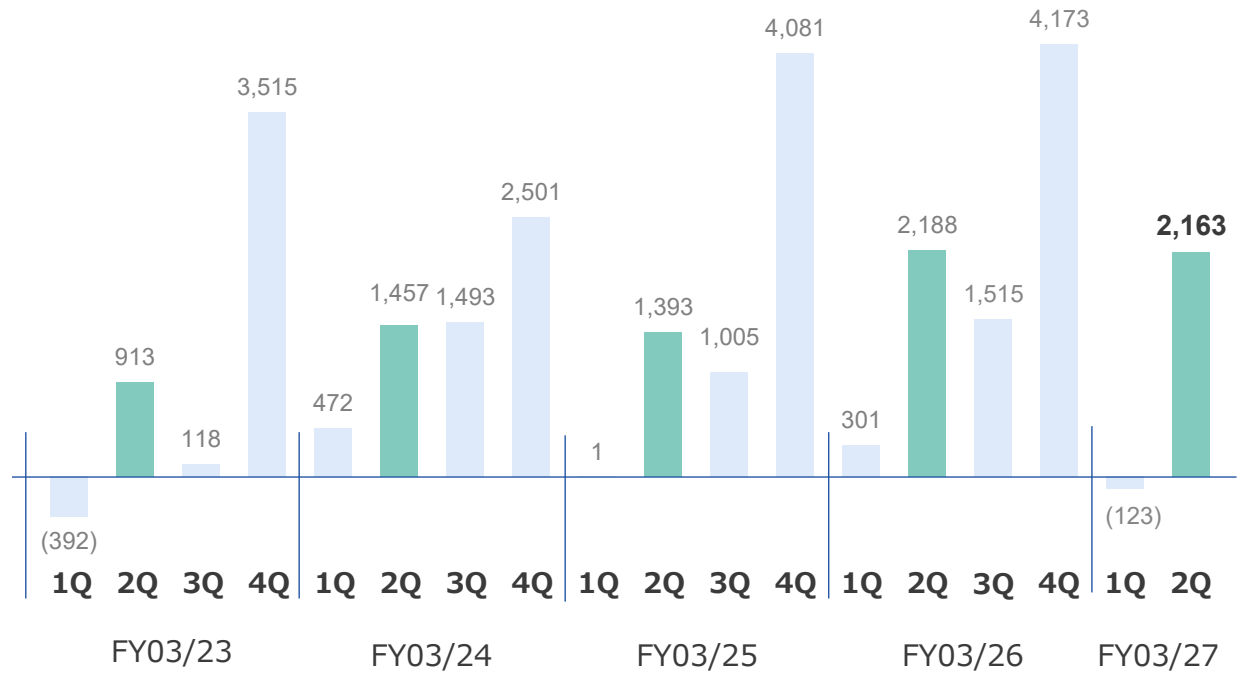
Net sales

(Millions of yen)



Operating profit(loss)

(Millions of yen)



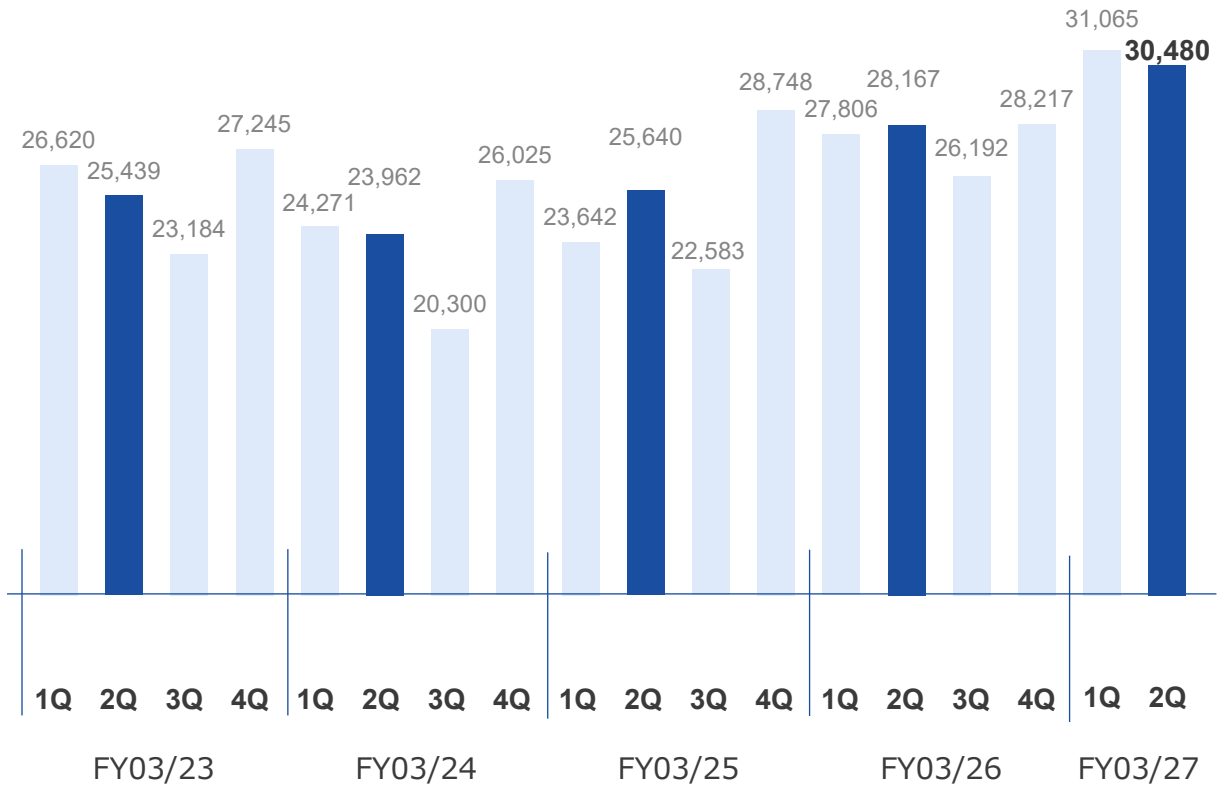
※Following the sale of a subsidiary on January 9, 2024, the Company transitioned to a single-segment structure. Figures prior to Q3 FY03/24 represent results for the Information Network Solutions Service segment.

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Orders and Order Backlog Trends

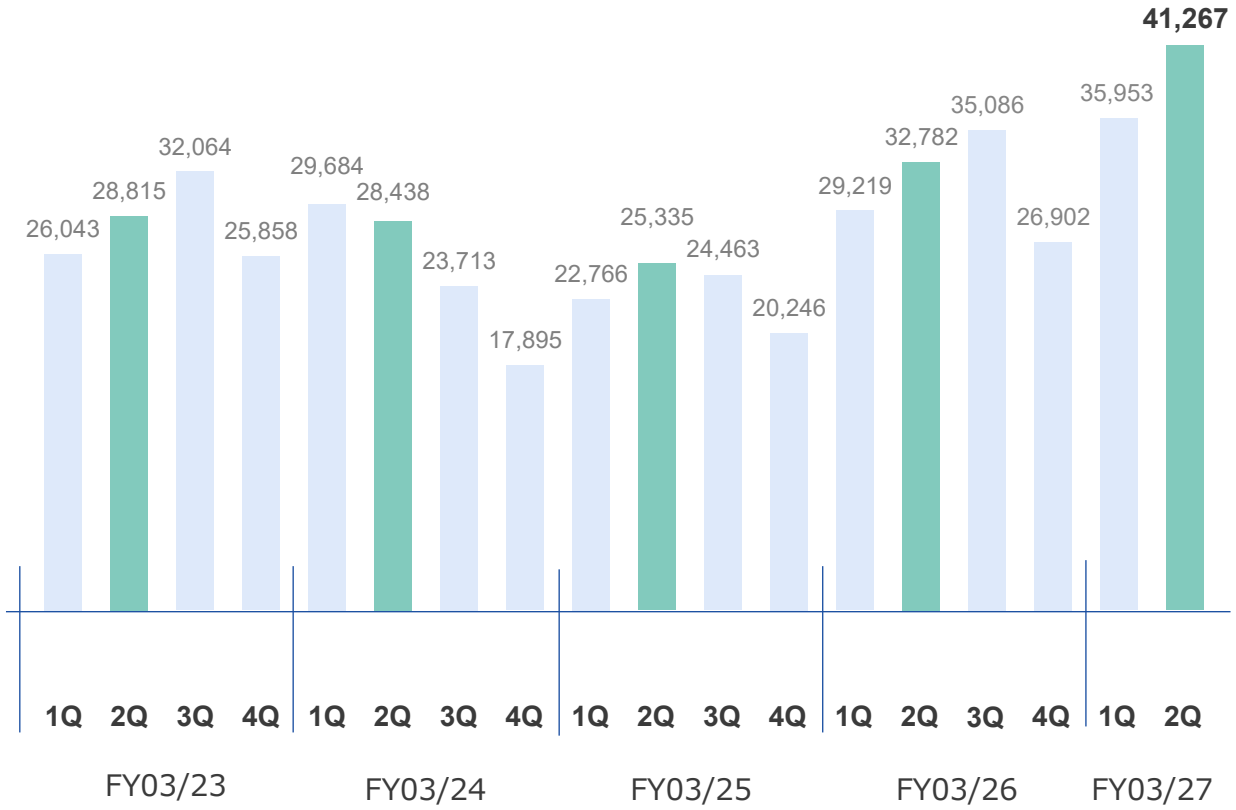
Orders

(Millions of yen)



Order backlog

(Millions of yen)



※Following the sale of a subsidiary on January 9, 2024, the Company transitioned to a single-segment structure. Figures prior to Q3 FY03/24 represent results for the Information Network Solutions Service segment.

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FY03/27 Consolidated Earnings Forecast

Steady execution of our strategy is yielding encouraging signs of profit growth driven by higher net sales. Orders have also increased significantly as we capitalize on strong demand. We remain on track to achieve a second consecutive year of net sales growth and a fifth consecutive year of record-high operating and ordinary profit.

(Millions of yen)

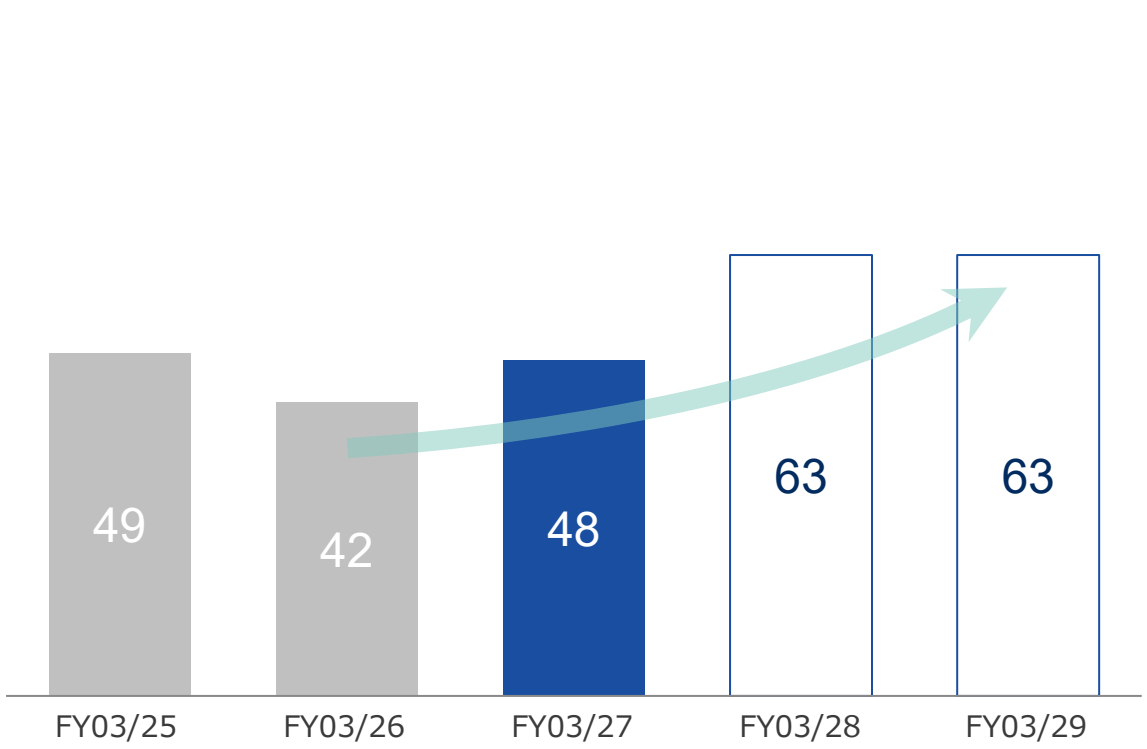
	FY03/26		FY03/27		YoY change	YoY
	amount	Composition ratio	amount	Composition ratio		
Net sales	103,728		**107,000**		+3,271	103.2%
Operating profit	8,178	7.9%	**8,700**	**8.1%**	+521	106.4%
Ordinary profit	8,320	8.0%	**8,700**	**8.1%**	+379	104.6%
Profit attributable to owners of parent	6,472	6.2%	**5,750**	**5.4%**	(722)	88.8%

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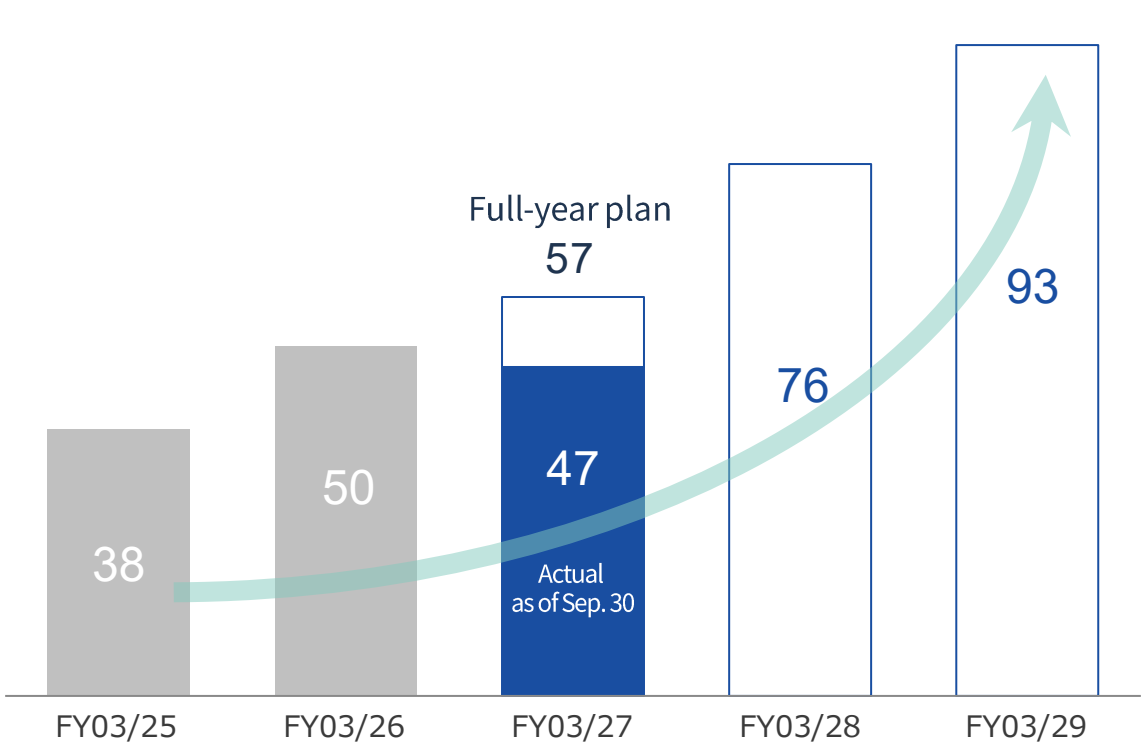
Recruitment Progress

Recruitment of both new graduates and mid-career professionals is progressing according to plan. We will continue to step up recruitment, particularly of mid-career professionals, as we aim to expand our engineering resources.

New graduates



Mid-career hires



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[Reference] Shareholder Return

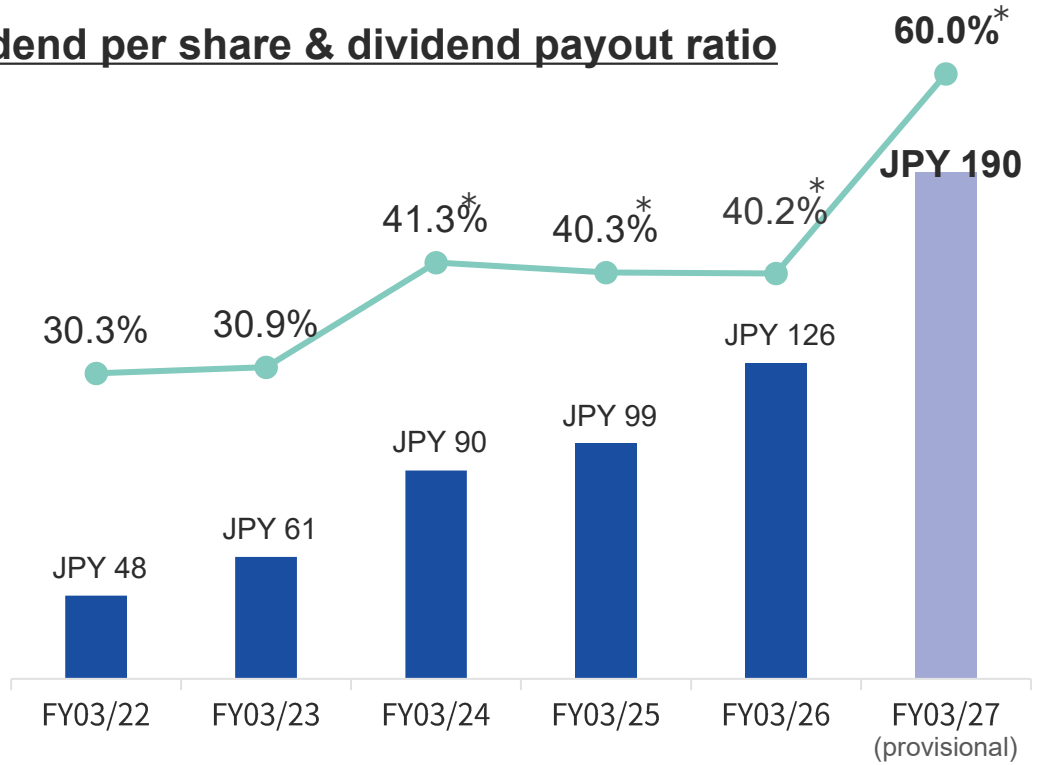
Beginning this fiscal year, we have increased our dividend payout ratio to further enhance shareholder returns

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.)

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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)

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Contact

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

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