

# Financial Results Briefing for 1Q of the Fiscal Year Ending March 31, 2025 (FY2024)

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August 9, 2024

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



## Key Takeaways

1

### FY2024 1Q

While net sales decreased, operating profit was on par year on year.

Net sales	<b>¥8,693 mn</b>	<b>Down ¥724 mn YoY</b>	
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Operating profit	<b>¥(479) mn</b>	<b>Up ¥4 mn YoY</b>	
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2

### Full-year forecasts for FY2024

FY2024 earnings forecasts announced on May 10, 2024 has been kept unchanged, expecting year-on-year increases in both net sales and operating profit.

Net sales	<b>¥57,300 mn</b>	<b>Up ¥10,134 mn YoY</b>	
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Operating profit	<b>¥3,560 mn</b>	<b>Up ¥792 mn YoY</b>	
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Operating profit margin	<b>6.2%</b>	<b>Up 0.3 %pts YoY</b>	
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3

Order backlog reached a record high mainly in Defense & Communications Equipment.

FY2023-end	<b>¥44,720 mn</b>	FY2024 1Q	<b>¥50,055 mn</b>	
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- Business Trends
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## Net Sales and P/L

(Million yen)	FY2023 1Q	FY2024 1Q	YoY Change	
			Amount	%
Net sales	9,417	8,693	(724)	-7.7%
Operating profit	(483)	(479)	+4	—
Ordinary profit	(404)	(407)	(3)	—
Profit attributable to owners of parent	(311)	(258)	+53	—
Exchange rate	FY2023 1Q	FY2024 1Q		
(JPY/USD)	137.50	155.00		

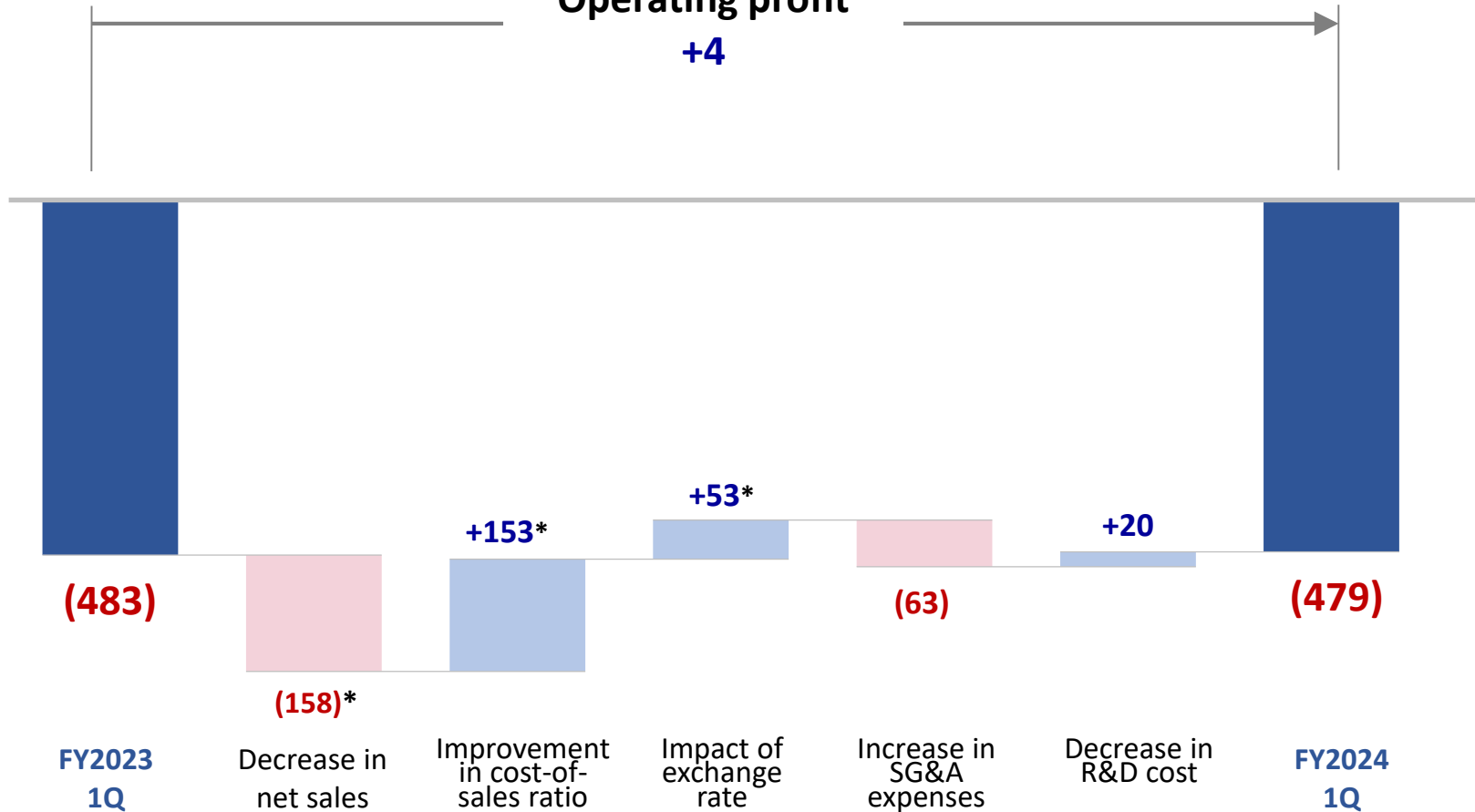
- While Marine Systems Business reported strong net sales, Defense & Communications Equipment Business recorded a year-on-year decrease in net sales because sales are weighted toward 2Q and beyond.
- Operating profit was on par with the same period of the previous fiscal year. This was primarily attributable to an upturn in cost-of-sales ratio driven by the changing product mix and the depreciating yen.
- Although deliveries are concentrated even more than usual in the second half in FY2024, our businesses progressed as planned.

## Analysis of YoY Changes in Operating Profit

(Million yen)

\*Estimated value

**Operating profit**  
**+4**



- *Improvement in cost-of-sales ratio:*  
Marine Systems Business showed strong performance in its maintenance services.
- *Impact of exchange rate:*  
Yen remained depreciated against the US dollar at ¥155.00, compared to ¥137.50 in the same period last fiscal year.

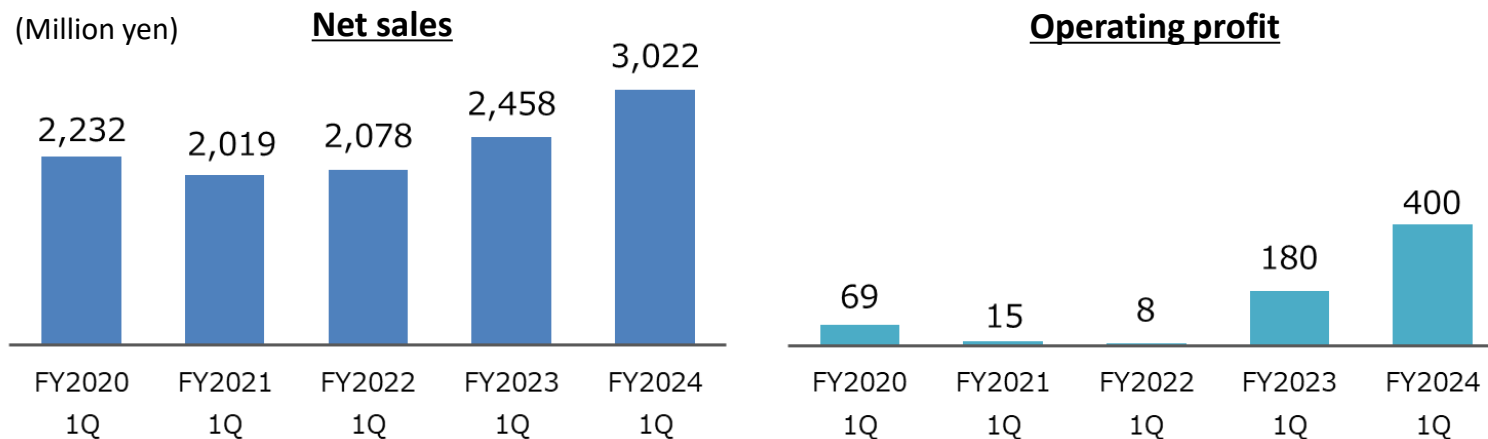
## Net Sales and Operating Profit (Loss) by Segment

		FY2023 1Q	FY2024 1Q	YoY Change	
				Amount	%
Marine Systems	Net Sales	2,458	3,022	+564	+22.9%
	Operating Profit	180	400	+220	+122.5%
Hydraulics and Pneumatics	Net Sales	2,644	2,515	(129)	-4.9%
	Operating Profit	(70)	(39)	+32	–
Fluid Measurement Equipment	Net Sales	597	618	+22	+3.7%
	Operating Profit	(132)	(174)	(42)	–
Defense & Communications Equipment	Net Sales	3,208	2,077	(1,131)	-35.3%
	Operating Profit	(329)	(472)	(143)	–
Others	Net Sales	510	460	(50)	-9.8%
	Operating Profit	(111)	(170)	(59)	–
<b>Total</b>	<b>Net Sales</b>	<b>9,417</b>	<b>8,693</b>	<b>(724)</b>	<b>-7.7%</b>
	<b>Operating Profit</b>	<b>(483)</b>	<b>(479)</b>	<b>+4</b>	<b>–</b>

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

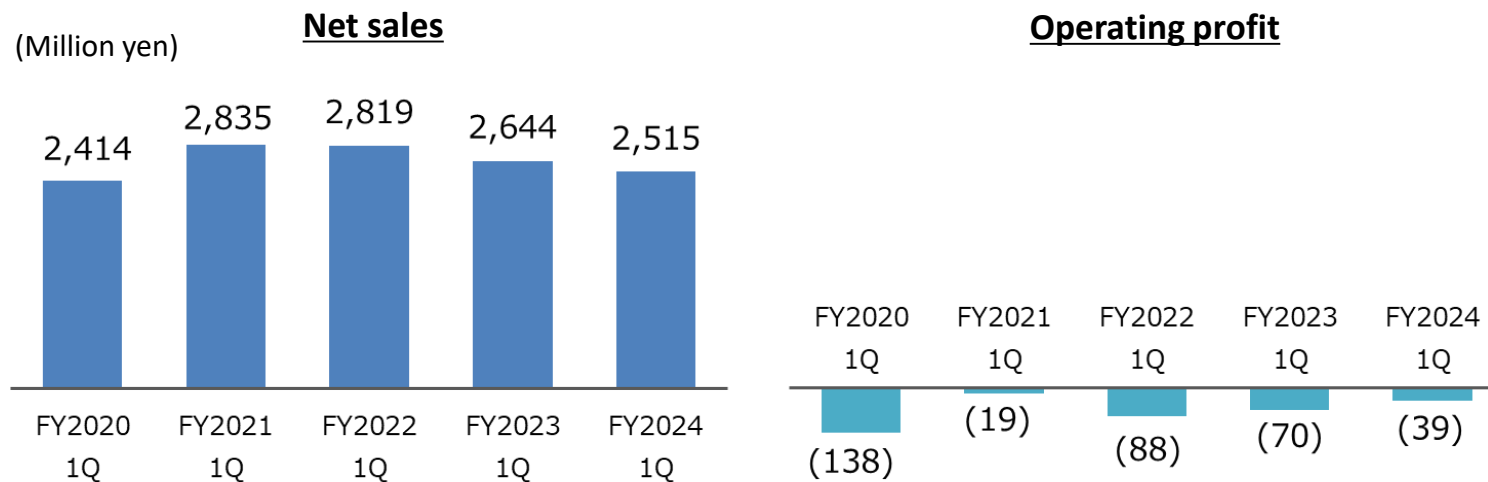
## Net Sales and Operating Profit (Loss) by Segment

### Marine Systems



- In addition to strong performance in the commercial vessels and overseas markets and maintenance services, the depreciation of the yen led to year-on-year increases in both net sales and operating profit.

### Hydraulics and Pneumatics



- Sluggish conditions in markets for plastic processing machinery, machine tools, and construction machinery resulted in a year-on-year decrease in net sales.
- Our efforts to secure profits through optimizing selling prices, among other measures, contributed to a smaller operating loss, despite being adversely affected by a decrease in net sales.

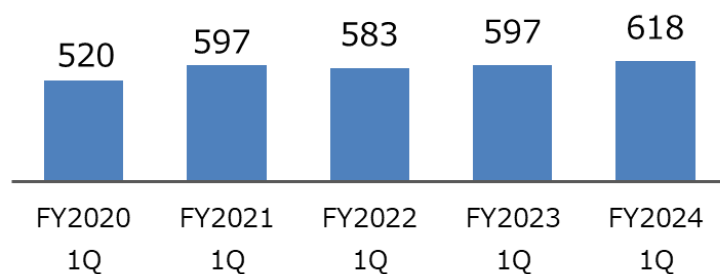
\*Segment sales and operating profit are presented on a pre-adjustment basis.

## Net Sales and Operating Profit (Loss) by Segment

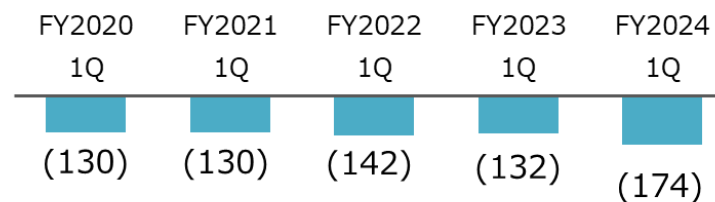
### Fluid Measurement Equipment

(Million yen)

#### Net sales



#### Operating profit

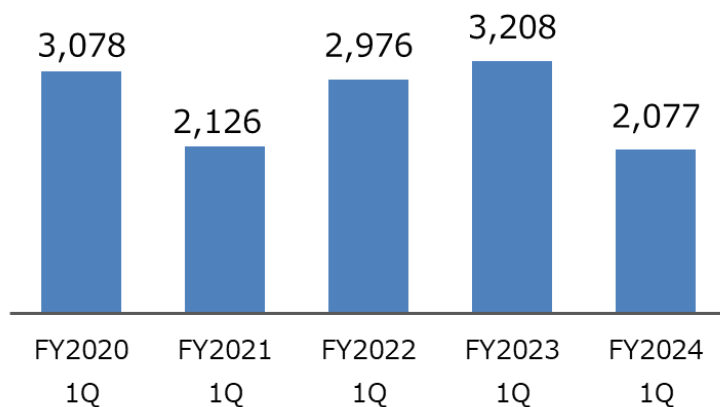


- Despite the absence of large-scale projects for agricultural water we had worked on in the same period last fiscal year in the public sector market, the segment enjoyed strong performance in multi-story parking garage projects in the fire extinguishing equipment market. As a result, the segment posted a year-on-year increase in net sales.
- Declining demand for gas-cylinder valve inspection in the fire extinguishing equipment market worsened the cost-of-sales ratio, resulting in a larger operating loss.
- The segment tends to post operating loss in 1Q as sales are usually concentrated in 4Q due to the nature of the measuring instruments business.

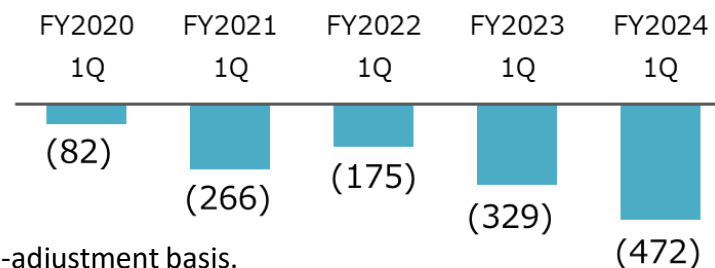
### Defense & Communications Equipment

(Million yen)

#### Net sales



#### Operating profit



- Sales decreased in the Defense Business mainly because the delivery of equipment for naval vessels is weighted toward 2Q and beyond.
- In the Communications Equipment Business, although sales of equipment for broadcasting stations remained firm, sales were weak in other types of equipment.
- As a result, the segment posted year-on-year decreases in both net sales and operating profit.
- The segment tends to post operating loss in 1Q as sales are usually concentrated in 4Q due to the nature of the Defense Business.

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

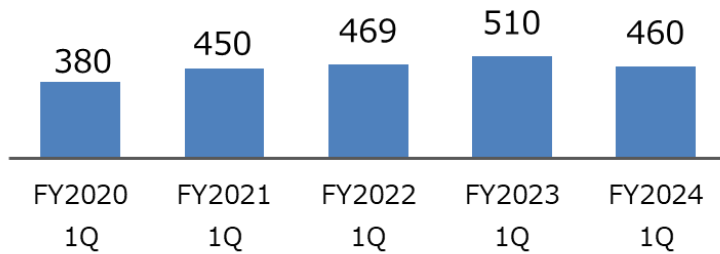


## Net Sales and Operating Profit (Loss) by Segment

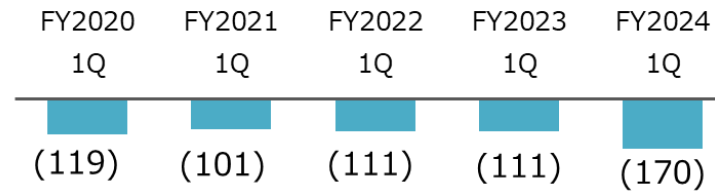
### Others (Inspection/Railroad)

(Million yen)

#### Net sales



#### Operating profit



- The segment posted year-on-year decreases in both net sales and operating profit due to being adversely affected by production cutbacks of packing materials by customers in the Printing Inspection Equipment Business, despite robust performance in the Railway Maintenance Business.

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

## Status of Orders Received

(Million yen)	Orders Received				Order Backlog				Overview
	FY2023 1Q	FY2024 1Q	YoY Change		FY2023 1Q	FY2024 1Q	YoY Change		
			Amount	%			Amount	%	
Marine Systems	2,540	3,271	+731	+28.8%	4,246	4,665	+419	+9.9%	Both orders received and order backlog increased due to strong demand for new shipbuilding in the overseas market and maintenance services.
Hydraulics and Pneumatics	2,918	2,848	(70)	-2.4%	3,713	3,732	+19	+0.5%	Both orders received and order backlog were on par with the same period of previous fiscal year due to sluggish orders in the machine tool and construction machinery markets, despite steady growth in the overseas market.
Fluid Measurement Equipment	1,243	1,413	+170	+13.7%	2,239	2,315	+76	+3.4%	Both orders received and order backlog increased thanks to strong orders in the public sector and fire extinguishing equipment markets.
Defense & Communications Equipment	4,449	5,522	+1,072	+24.1%	23,510	37,096	+13,585	+57.8%	Against a backdrop of increased national defense budgets, both orders received and order backlog for 1Q reached record highs.
Others	1,405	964	(441)	-31.4%	2,377	2,247	(129)	-5.4%	Orders received decreased as orders for rail inspection cars are planned to be received in the second half or later in the Railway Maintenance Business.
<b>Total</b>	<b>12,555</b>	<b>14,018</b>	<b>+1,462</b>	<b>+11.6%</b>	<b>36,085</b>	<b>50,055</b>	<b>+13,970</b>	<b>+38.7%</b>	<b>Order backlog reached a record high.</b>

## Condensed Balance Sheet

(Million yen)	As of March 31, 2024	As of June 30, 2024	YoY Change
<b>Assets</b>			
Current assets	50,863	53,036	+2,173
Non-current assets	16,115	16,684	+569
<b>Total assets</b>	<b>66,978</b>	<b>69,719</b>	<b>+2,742</b>
<b>Liabilities</b>			
Current liabilities	21,781	21,954	+173
Non-current liabilities	7,828	11,097	+3,268
<b>Total liabilities</b>	<b>29,609</b>	<b>33,050</b>	<b>+3,441</b>
<b>Net assets</b>			
Shareholders' equity	32,901	32,113	(789)
Accumulated other comprehensive income	3,948	4,066	+118
<b>Total net assets</b>	<b>37,369</b>	<b>36,669</b>	<b>(700)</b>
<b>Total liabilities and net assets</b>	<b>66,978</b>	<b>69,719</b>	<b>+2,742</b>

- *Current assets*  
Cash and deposits increased by ¥1,641 million whereas trade receivables decreased by ¥4,813 million.  
Inventories increased by ¥4,643 million mainly due to higher purchases, stemming from a higher volume of orders received in the Defense Business.
- *Non-current assets*  
Property, plant and equipment increased by ¥307 million due partly to investment for growth and replacement of aging facilities.  
Meanwhile, investments and other assets increased by ¥266 million due to the rise in the stock prices.
- *Non-current liabilities*  
Loans were taken on to accommodate the significant increase in orders received, resulting in an increase of ¥3,261 million in long-term borrowings.
- With the equity ratio at 51.9%, we continued to maintain financial soundness.

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## Status of External Environmental Risks

	Occurrences	Target Business	Response	Degree of Impact
<b>Rising prices of materials</b>	<ul style="list-style-type: none"> <li>• Increased domestic labor costs impacting material prices.</li> <li>• Price hikes for electronic components impacting material prices.</li> <li>• Global inflation impacting purchase prices.</li> </ul>	✓ All Businesses	<ul style="list-style-type: none"> <li>• Continue negotiations with customers to raise selling prices.</li> <li>• Reduce procurement costs.</li> </ul>	High
	<ul style="list-style-type: none"> <li>• Postponement of contracted projects due to pressure on client budgets.</li> </ul>	✓ Fluid Measurement Equipment	<ul style="list-style-type: none"> <li>• Enhance monitoring of contracted projects and compensate with other projects.</li> </ul>	Medium
<b>Exchange rate</b>	<ul style="list-style-type: none"> <li>• Exchange rate fluctuations being unpredictable.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Marine Systems (+)</li> <li>✓ Hydraulics and Pneumatics(-)</li> </ul> <p>*The case of a weakening yen.</p>	<ul style="list-style-type: none"> <li>• Planned at ¥140 to the US dollar.</li> <li>• Beware of potential price increases in purchased components.</li> </ul>	Medium
<b>Chinese economy</b>	<ul style="list-style-type: none"> <li>• Economic slowdown impacting sales.</li> <li>• Impact of import and export restrictions arising from U.S.-China frictions.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Marine Systems</li> <li>✓ Hydraulics and Pneumatics</li> </ul>	<ul style="list-style-type: none"> <li>• Plan to secure components in advance of orders received from customers and/or switch to alternative items as necessary.</li> <li>• Expand sales of high value-added products.</li> <li>• Expand sales in other regions.</li> </ul>	Medium

## FY 2024 Full-year Earnings Forecast

(Million yen)	FY2023 Results	FY2024 Forecast	YoY Change	
			Amount	%
Net sales	47,166	57,300	+10,134	+21.5%
Operating profit	2,768	3,560	+792	+28.6%
Ordinary profit	2,990	3,780	+790	+26.4%
Profit attributable to owners of parent	2,277	2,850	+573	+25.2%
Operating profit margin	5.9%	6.2%	+0.3%pts	
Exchange rate (against the US dollar)	¥144.32	¥140.00		

Sensitivity to the USD exchange rate (¥1 depreciation / from FY2024 Q2): Operating profit: approx. +¥8 million

- Since our businesses are well on track as planned, we maintain our earnings forecast announced on May 10, 2024 and expect an increase in sales and profit compared to the previous fiscal year.

## Earnings Forecast by Segment

(Million yen)		FY2023 Results	FY2024 Forecast	YoY Change		Outlook
				Amount	%	
Marine Systems	Net Sales	11,016	11,400	+384	+3.5%	<ul style="list-style-type: none"> <li>■ Demand for new shipbuilding and maintenance services in East Asia is expected to remain steady.</li> <li>■ R&amp;D to realize autonomous ships continues.</li> </ul>
	Operating Profit	1,006	810	(196)	-19.5%	
Hydraulics and Pneumatics	Net Sales	11,675	11,500	(175)	-1.5%	<ul style="list-style-type: none"> <li>■ Demand is expected to recover in the plastics processing machinery market, especially for large machinery related to automobile facilities. In the machine tool market, inventory adjustment will continue due to economic stagnation in China.</li> <li>■ The construction machinery market is expected to see a recovery in demand for specially-equipped vehicles.</li> <li>■ Efforts to optimize selling prices in Japan and overseas and to improve productivity will continue.</li> </ul>
	Operating Profit	273	360	+87	+31.9%	
Fluid Measurement Equipment	Net Sales	4,772	4,900	+128	+2.7%	<ul style="list-style-type: none"> <li>■ In the public sector market, demand is expected to remain firm.</li> <li>■ In the fire extinguishing equipment market, demand for gas-cylinder valve inspections is expected to peak out.</li> </ul>
	Operating Profit	733	610	(123)	-16.8%	
Defense & Communications Equipment	Net Sales	16,185	25,100	+8,915	+55.1%	<ul style="list-style-type: none"> <li>■ In the Defense Business, orders for defense equipment are expected to remain strong on the back of increased defense budget. Sales will be concentrated in the second half of the year as planned.</li> <li>■ Steady progress in planned capital investment and acquisition of human resources will turn the record-high order backlog into sales.</li> </ul>
	Operating Profit	362	1,350	+988	+272.9%	
Others	Net Sales	3,517	4,400	+883	+25.1%	<ul style="list-style-type: none"> <li>■ The Printing Inspection Equipment Business holds promise for updating aging equipment.</li> <li>■ In the Railway Maintenance Business, the mainstay ultrasonic rail inspection cars will be sold in 4Q as planned.</li> </ul>
	Operating Profit	502	540	+38	+7.6%	
Total	Net Sales	47,166	57,300	+10,134	+21.5%	<ul style="list-style-type: none"> <li>■ The forecasts for net sales and operating profit by segment are also in line with the initial forecasts.</li> </ul>
	Operating Profit	2,768	3,560	+792	+28.6%	





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## 1. TOKYO KEIKI Featured on TV Tokyo's *Unknown Gulliver*

The TV Tokyo's *Unknown Gulliver—Excellent Company File* featured our company in its broadcast episode on Saturday, July 13, 2024.

The program is an economic documentary that spotlights companies that are well-known to those in the know and have a strong presence in their respective industries.

The program featured our diverse businesses and products, focusing on our large-scale businesses of the Marine Systems and the Defense & Communications Equipment Businesses. It explained our proprietary gyro technology and microwave technology. In addition to the head office, the program also covered the Yaita and Nasu plants, which are the production bases for each of the above businesses, providing a look at the manufacturing sites we do not usually have the opportunity to introduce.



Head Office coverage



Yaita Plant: Performance testing of marine gyrocompasses



Nasu Plant: Manufacturing of microwave devices

Ocean Trans Co., Ltd. and the Japan Coast Guard 3rd Regional Coast Guard Headquarters cooperated in filming us as examples of how third parties appreciate our products. Actual scenes of them using our products were also shown on TV.



Maritime surveillance radar installed at the Umihotaru Parking Area in Tokyo Bay



TOKYO WAN Vessel Traffic Service Center of the Japan Coast Guard, where our Vessel Traffic Services system is installed



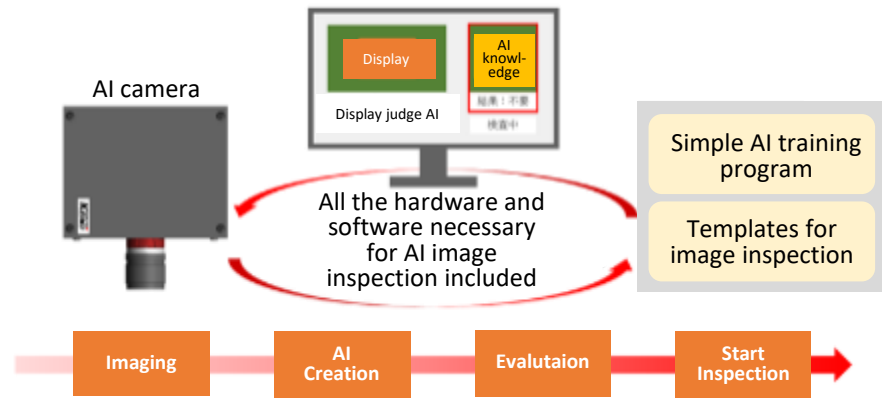
Our marine autopilot installed on the ferry *Bizan* of Ocean Trans

## 2. Showcased our Edge AI System for Image Inspection at *Manufacturing World Tokyo*

We exhibited the construction environment of our AI image inspection system and other products at *Manufacturing World Tokyo*, an exhibition of measuring instruments, inspection equipment, sensors, and other products held at Tokyo Big Sight from June 19 to 21, 2024. The exhibition will be additionally held in Osaka from October 2 to 4. By participating in these exhibitions, we aim to boost our visibility and attract more partner companies to accelerate the early commercialization of edge AI.

### AI image inspection system

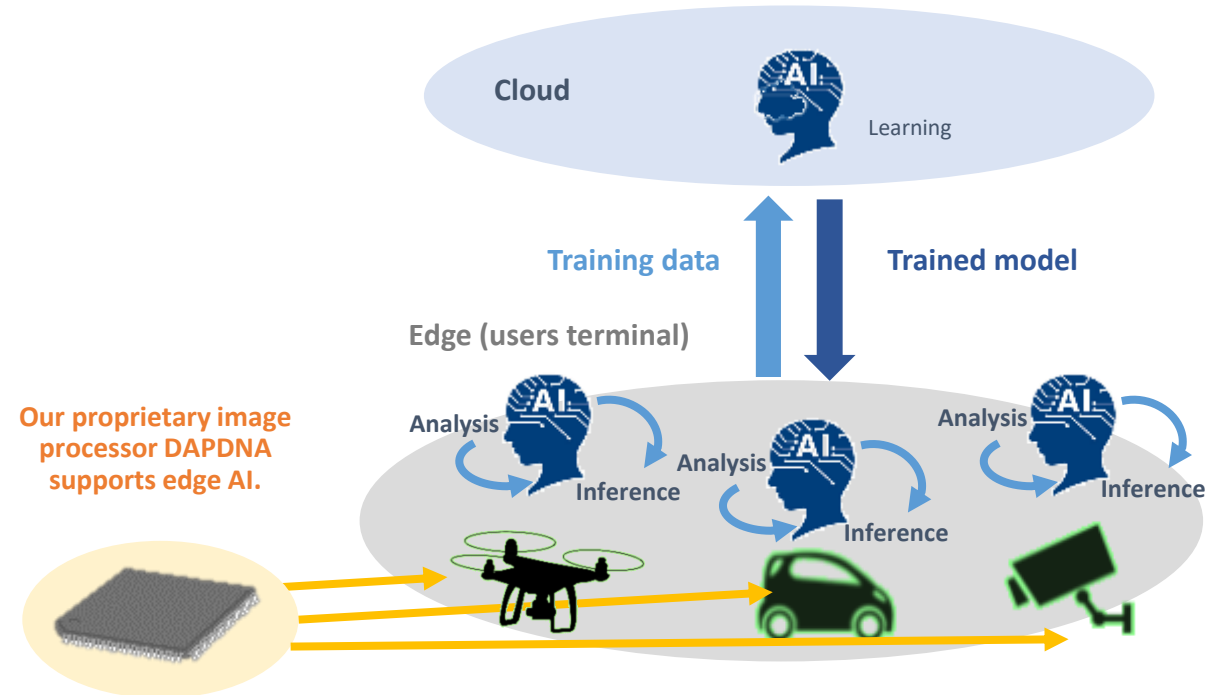
The system provides software for image collection tools necessary for AI training, training tools for easy AI model creation, and templates for AI image inspection applications. The edge AI image inspection system provides all the hardware and software necessary for AI image inspection.



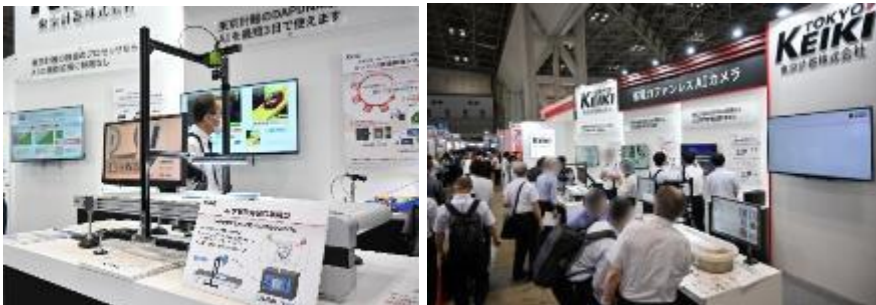
### Edge AI processing

While general AI processing requires large amounts of image data to be uploaded to the cloud, edge AI processes data individually at the edge, i.e., at the user's terminal, thus reducing the load on the network and guaranteeing real-time performance and data security until the inference results are obtained. Recently, AI processing is shifting from the cloud to the edge.

### Distributed processing between cloud and edge



### Exhibition scenes



### 3. Participated Space Industry Collaborative Event *Tsukuba x Utsunomiya*

Our Executive Officer, Mr. Miyachi, spoke at a collaborative space industry event, *Tsukuba x Utsunomiya—Challenges to Space from the Rural Areas*, held in Yurakucho, Tokyo on May 22. This event was organized by Utsunomiya City, Tochigi Prefecture, and Tsukuba Center Inc. to promote the development of the space industry in both Utsunomiya City and Tsukuba City, Ibaraki Prefecture. It introduced the latest initiatives and research by companies, universities, and research institutes in the space industry, which is expected to grow at an accelerating pace.

We participated in the event because we manufacture space-related products at our Nasu Plant in Tochigi Prefecture.

#### Summary of the Speech

In his speech, he mentioned that our space-related business started with developing hydraulic pumps for the H-I/H-II rockets launched in 1986 and our recent partnership with start-up companies. He also talked about our commitment to contributing creating a safe society as a manufacturer of precision equipment for aviation and space-related applications.



#### Recent Developments in Our Space Business

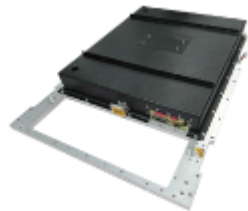
FY2020

#### Our microwave amplifiers installed in small SAR satellites

We supplied microwave amplifiers for the SAR satellites of Synspecive Inc., which develops and operates small SAR satellites and provides solutions by analyzing satellite data.



Synspecive's small SAR satellite StriX-α



Microwave amplifier

FY2021

In TOKYO KEIKI Vision 2030, we set the space business as one of our growth drivers.

FY2022

#### Collaboration with Synspecive Inc.

We were selected as a partner for a mass production plant for small SAR satellites and entered the business of assembling small satellites. In FY2023, a space building for satellite assembly was completed on the Nasu Plant site.



Space building, Nasu Plant

FY2023

#### Collaboration with Pale Blue Inc.

We started collaborating with Pale Blue Inc. in the mass production and assembly of propulsion systems for small satellites using water, a safe, non-toxic substance, as a propellant that Pale Blue is developing.



Water-based Propulsion System

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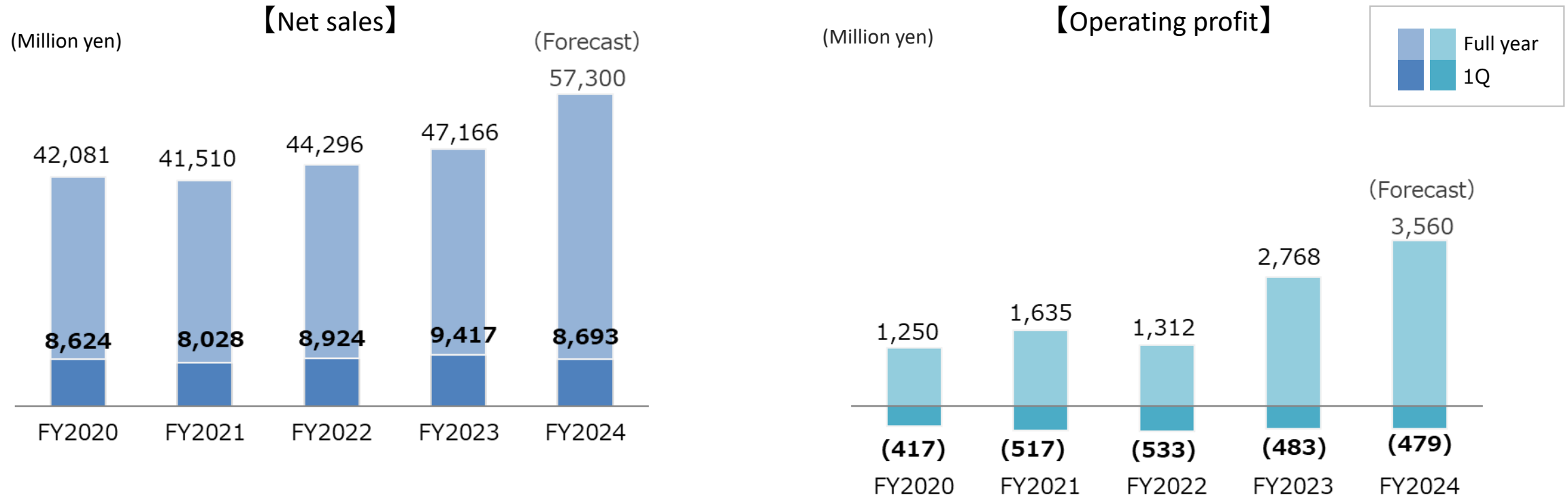
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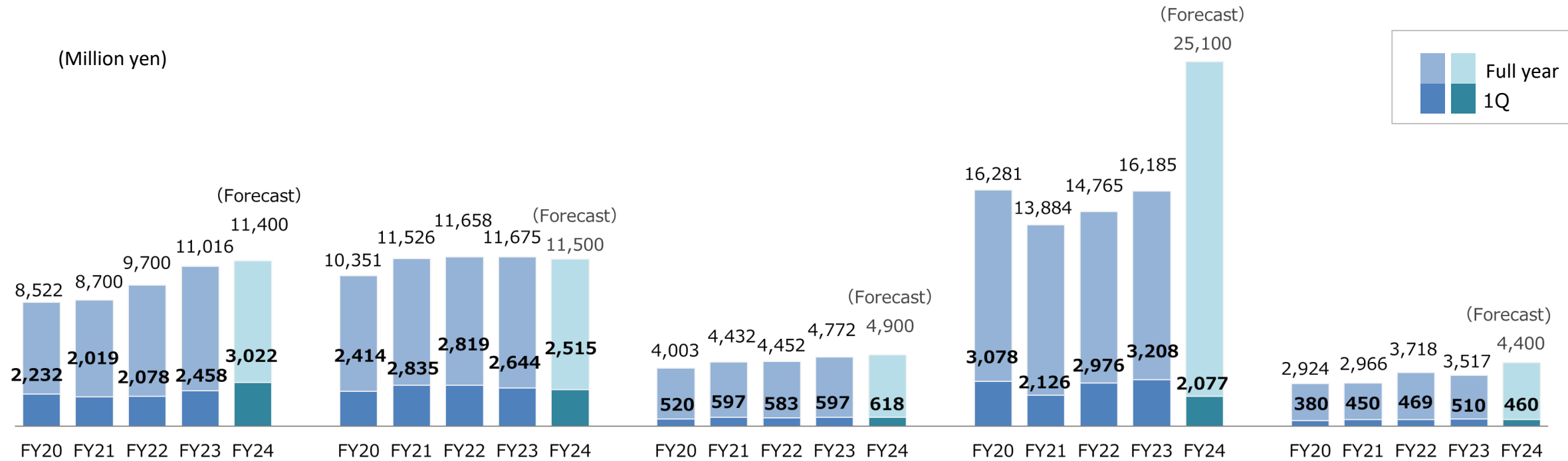
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## Changes in Net Sales and Operating Profit



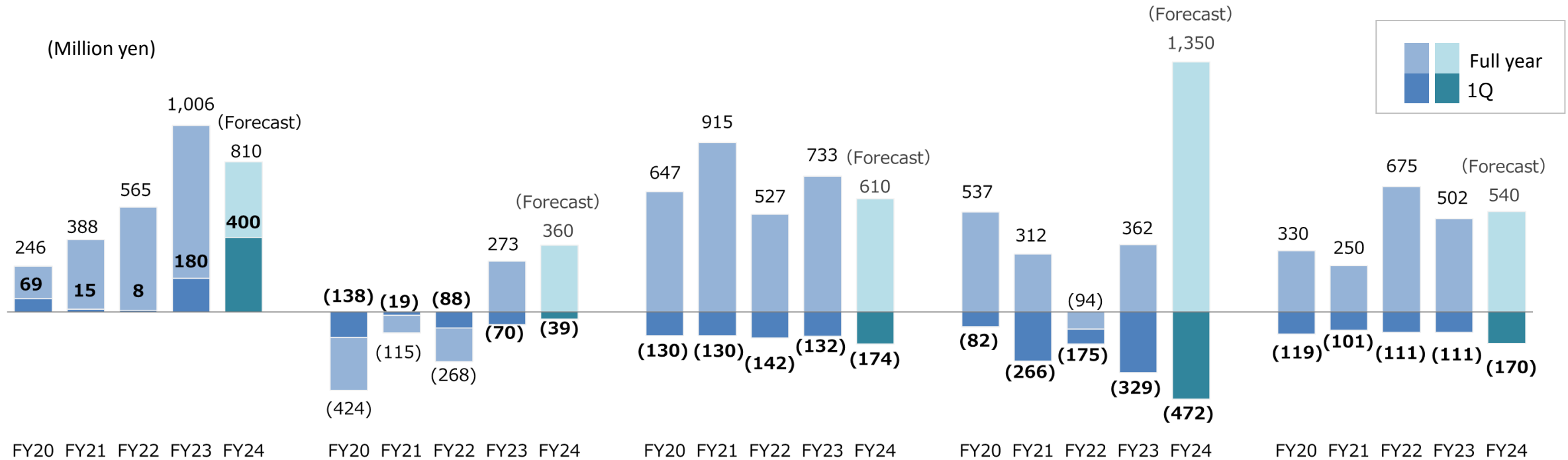
(Million yen)	FY2020-1Q	FY2021-1Q	FY2022-1Q	FY2023-1Q	FY2024-1Q	YoY Change	
						Amount	%
Net sales	8,624	8,028	8,924	9,417	8,693	(724)	-7.7%
Operating profit	(417)	(517)	(533)	(483)	(479)	+4	—
Ordinary profit	(338)	(404)	(372)	(404)	(407)	(3)	—
Profit attributable to owners of parent	(216)	(250)	(242)	(311)	(258)	+53	—

## Changes in Net Sales by Segment



(Million yen)	FY2020-1Q	FY2021-1Q	FY2022-1Q	FY2023-1Q	FY2024-1Q	YoY Change	
						Amount	%
Marine Systems	2,232	2,019	2,078	2,458	3,022	+564	+22.9%
Hydraulics & Pneumatics	2,414	2,835	2,819	2,644	2,515	(129)	-4.9%
Fluid Measurement Equipment	520	597	583	597	618	+22	+3.7%
Defense & Communications Equipment	3,078	2,126	2,976	3,208	2,077	(1,131)	-35.3%
Others	380	450	469	510	460	(50)	-9.8%

## Changes in Operating Profit by Segment

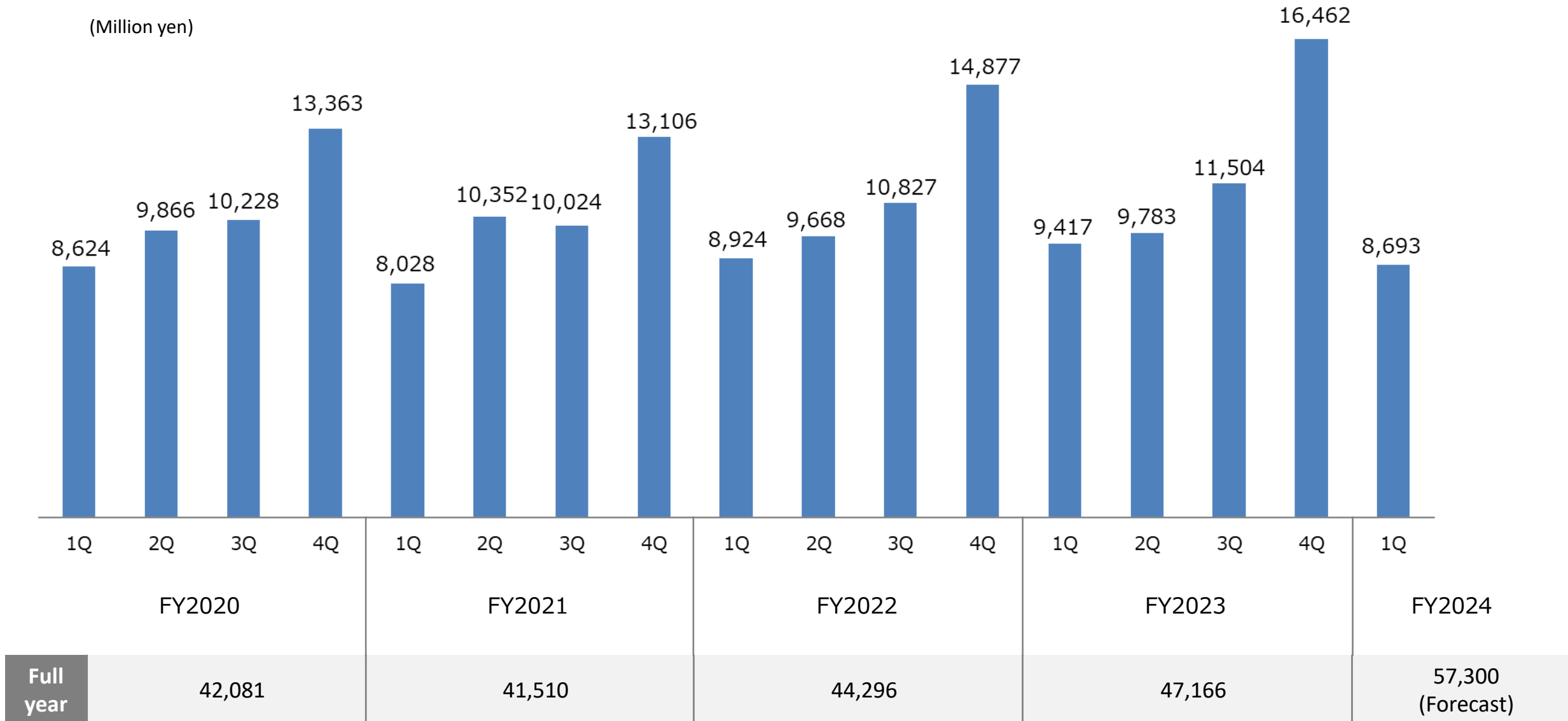


(Million yen)	FY2020-1Q	FY2021-1Q	FY2022-1Q	FY2023-1Q	FY2024-1Q	YoY Change	
						Amount	%
Marine Systems	69	15	8	180	400	+220	+122.5%
Hydraulics & Pneumatics	(138)	(19)	(88)	(70)	(39)	+32	—
Fluid Measurement Equipment	(130)	(130)	(142)	(132)	(174)	(42)	—
Defense & Communications Equipment	(82)	(266)	(175)	(329)	(472)	(143)	—
Others	(119)	(101)	(111)	(111)	(170)	(59)	—



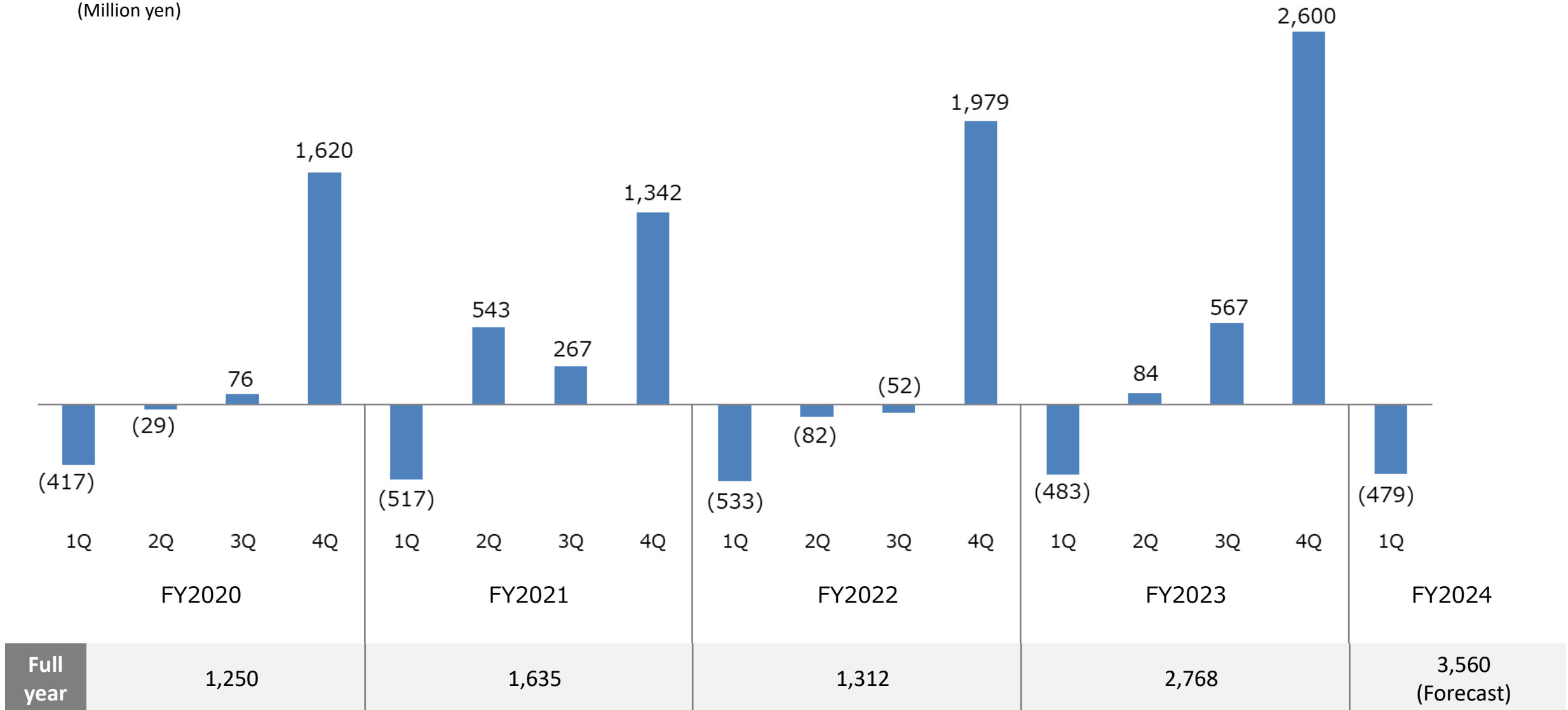
## Quarterly Changes in Net Sales

(Million yen)



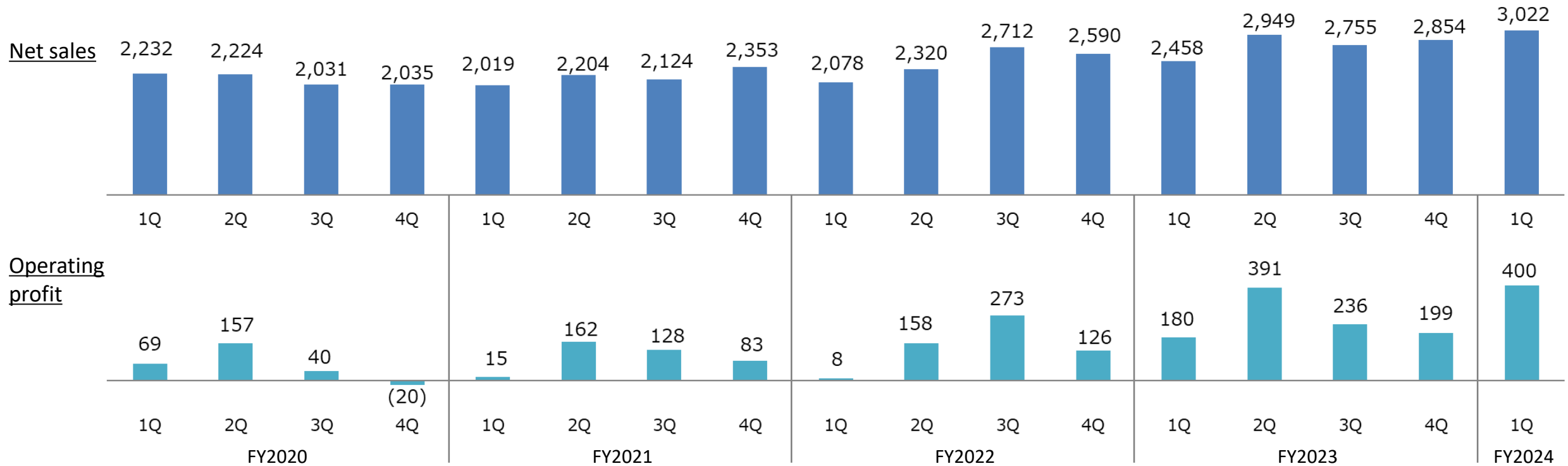
## Quarterly Changes in Operating Profit

(Million yen)



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

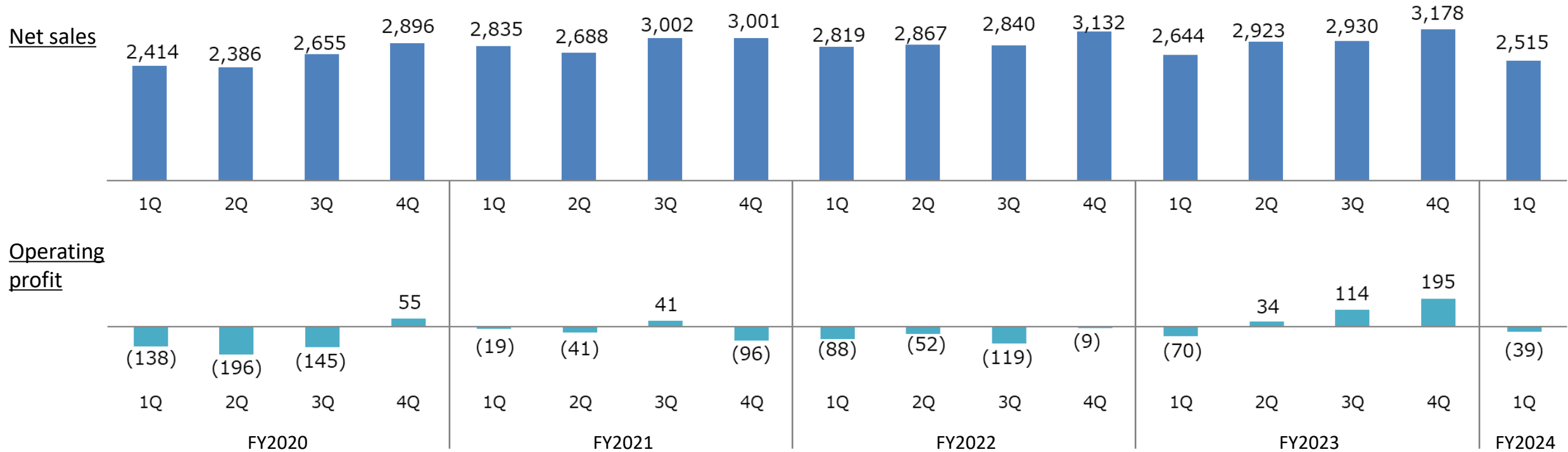
(Million yen)



	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	2,232	69	2,019	15	2,078	8	2,458	180	3,022	400
2Q	2,224	157	2,204	162	2,320	158	2,949	391		
3Q	2,031	40	2,124	128	2,712	273	2,755	236		
4Q	2,035	(20)	2,353	83	2,590	126	2,854	199		
Full year	8,522	246	8,700	388	9,700	565	11,016	1,006	(Forecast) 11,400	(Forecast) 810

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

(Million yen)

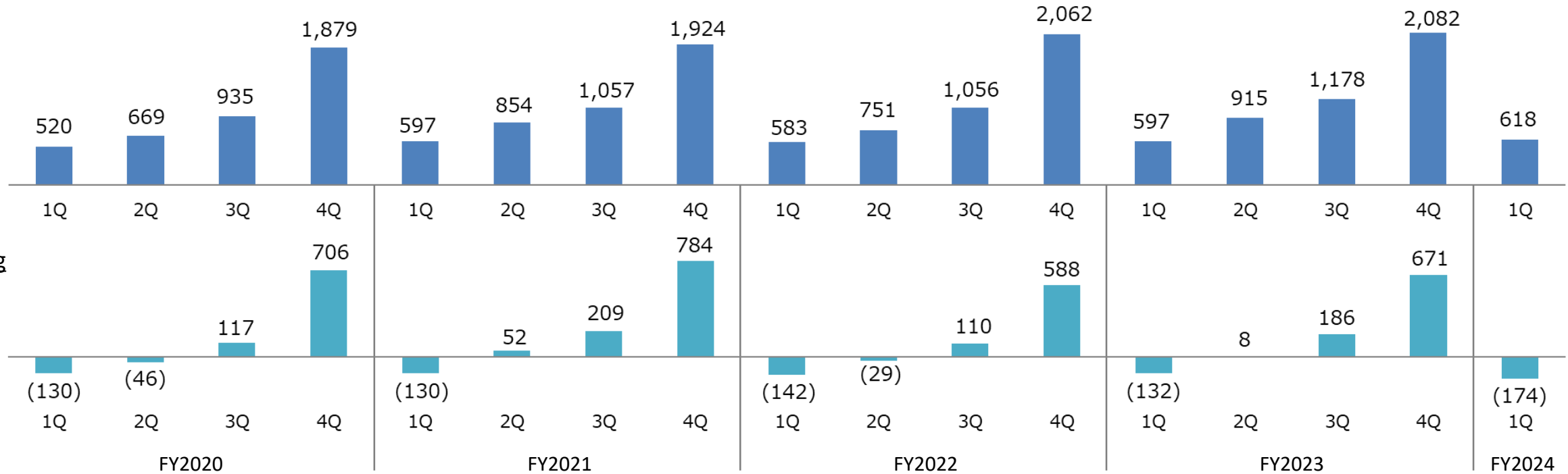


	FY2020		FY2021		FY2022		FY2023		FY2024	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
1Q	2,414	(138)	2,835	(19)	2,819	(88)	2,644	(70)	2,515	(39)
2Q	2,386	(196)	2,688	(41)	2,867	(52)	2,923	34		
3Q	2,655	(145)	3,002	41	2,840	(119)	2,930	114		
4Q	2,896	55	3,001	(96)	3,132	(9)	3,178	195		
Full year	10,351	(424)	11,526	(115)	11,658	(268)	11,675	273	(Forecast) 11,500	(Forecast) 360

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

(Million yen)

### Net sales

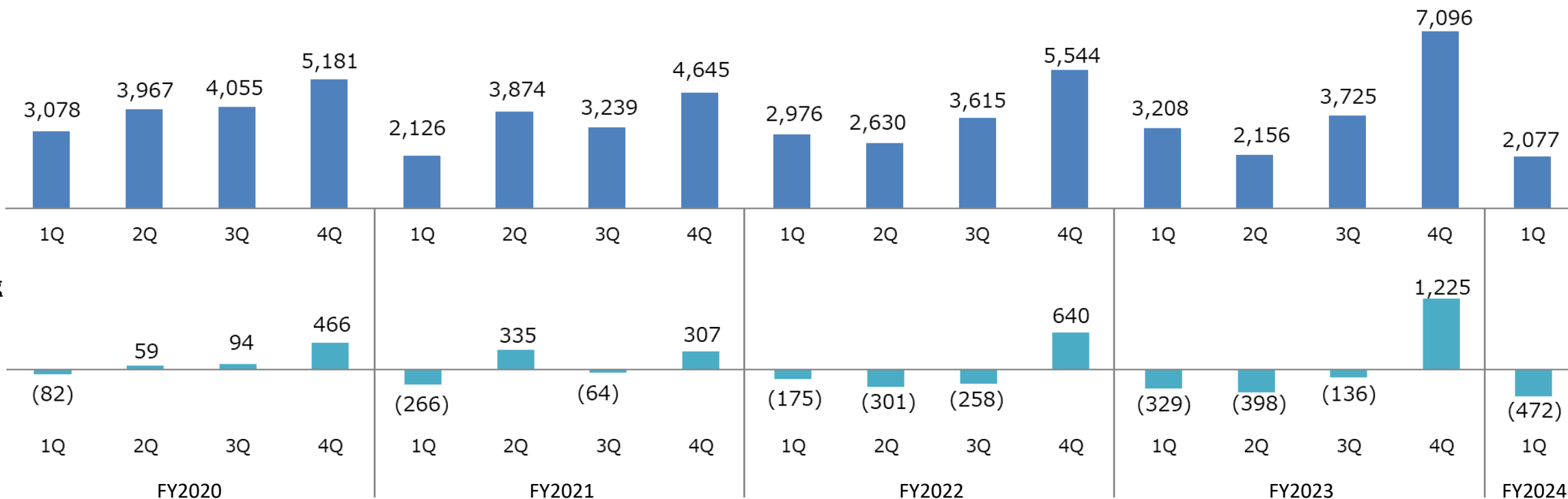


### Operating profit

	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	520	(130)	597	(130)	583	(142)	597	(132)	618	(174)
2Q	669	(46)	854	52	751	(29)	915	8		
3Q	935	117	1,057	209	1,056	110	1,178	186		
4Q	1,879	706	1,924	784	2,062	588	2,082	671		
Full year	4,003	647	4,432	915	4,452	527	4,772	733	(Forecast) 4,900	(Forecast) 610

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

(Million yen)

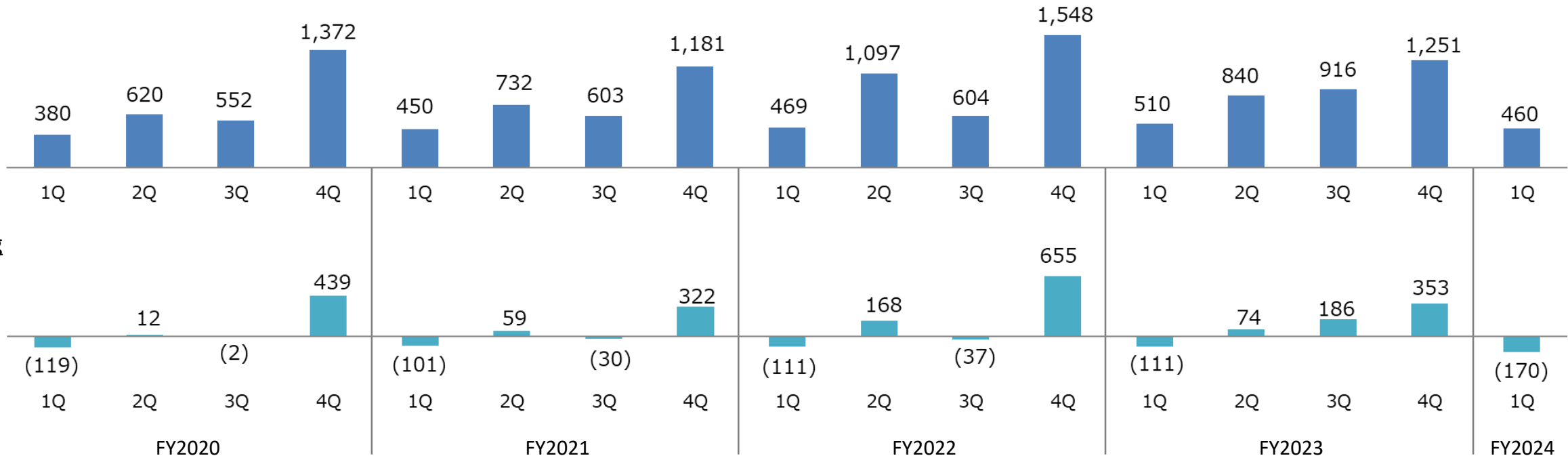
Net salesOperating profit

	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	3,078	(82)	2,126	(266)	2,976	(175)	3,208	(329)	2,077	(472)
2Q	3,967	59	3,874	335	2,630	(301)	2,156	(398)		
3Q	4,055	94	3,239	(64)	3,615	(258)	3,725	(136)		
4Q	5,181	466	4,645	307	5,544	640	7,096	1,225		
Full year	16,281	537	13,884	312	14,765	(94)	16,185	362	(Forecast) 25,100	(Forecast) 1,350

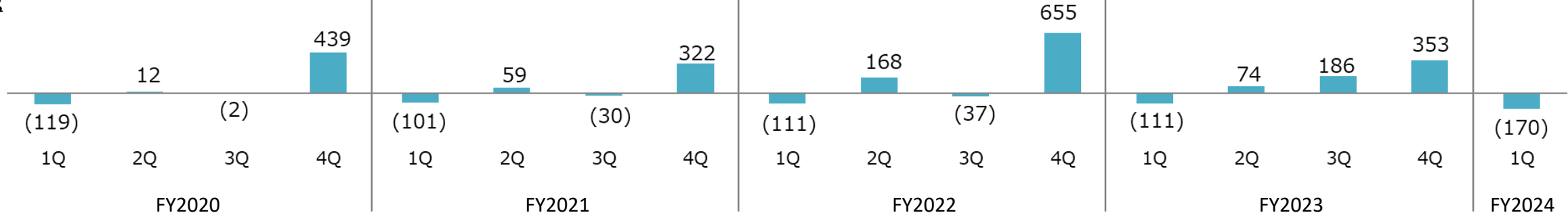
## Quarterly Changes in Net Sales and Operating Profit by Segment [Others]

(Million yen)

### Net sales

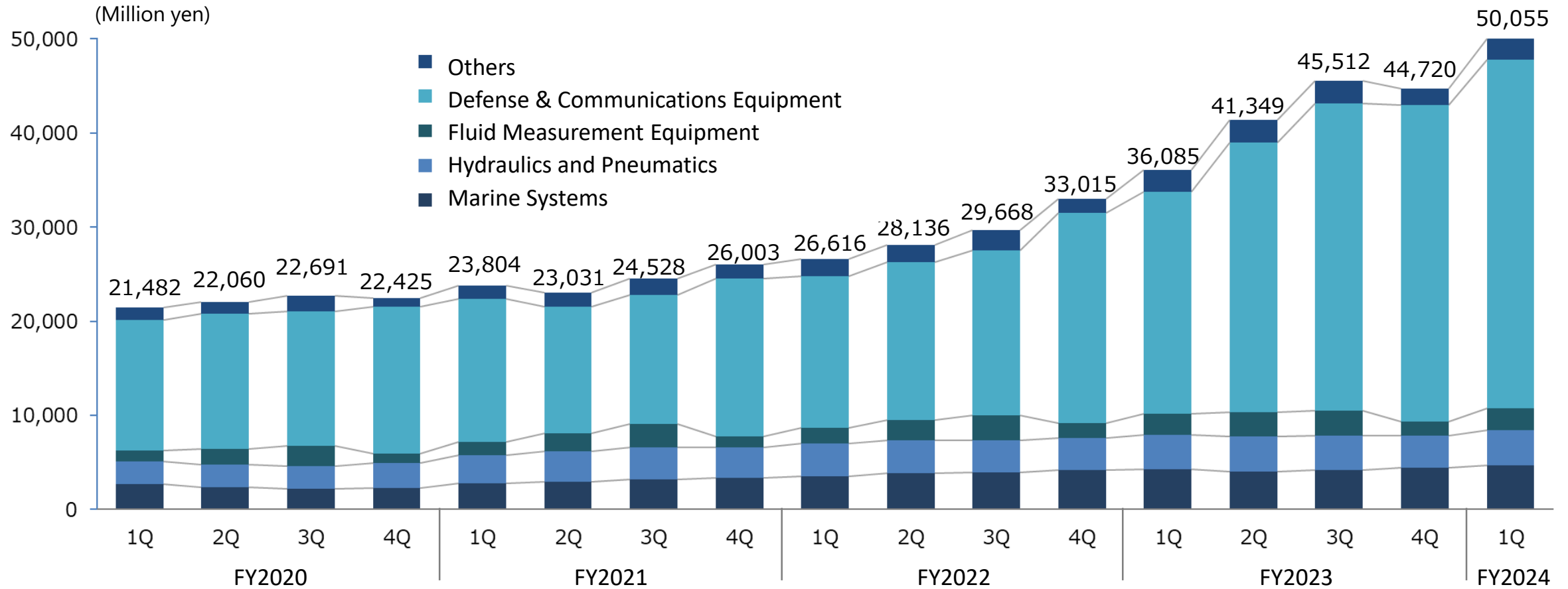


### Operating profit



	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	380	(119)	450	(101)	469	(111)	510	(111)	460	(170)
2Q	620	12	732	59	1,097	168	840	74		
3Q	552	(2)	603	(30)	604	(37)	916	186		
4Q	1,372	439	1,181	322	1,548	655	1,251	353		
Full year	2,924	330	2,966	250	3,718	675	3,517	502	(Forecast) 4,400	(Forecast) 540

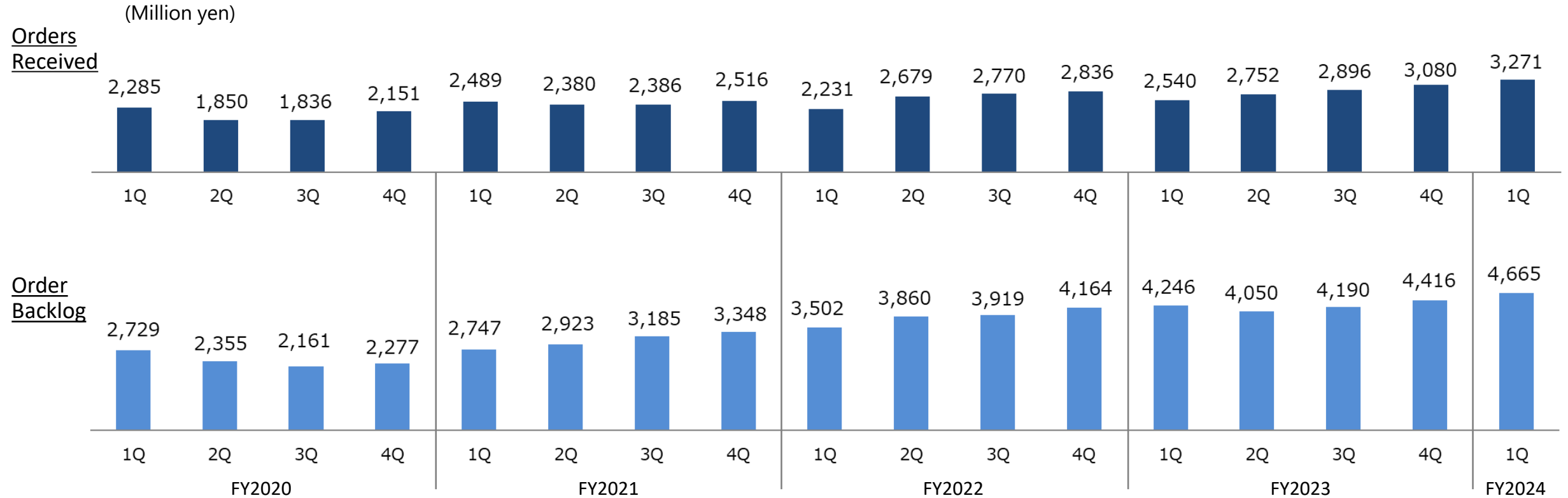
## Quarterly Changes in Order Backlog



	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	
3Q	22,691	24,528	29,668	45,512	
4Q	22,425	26,003	33,015	44,720	

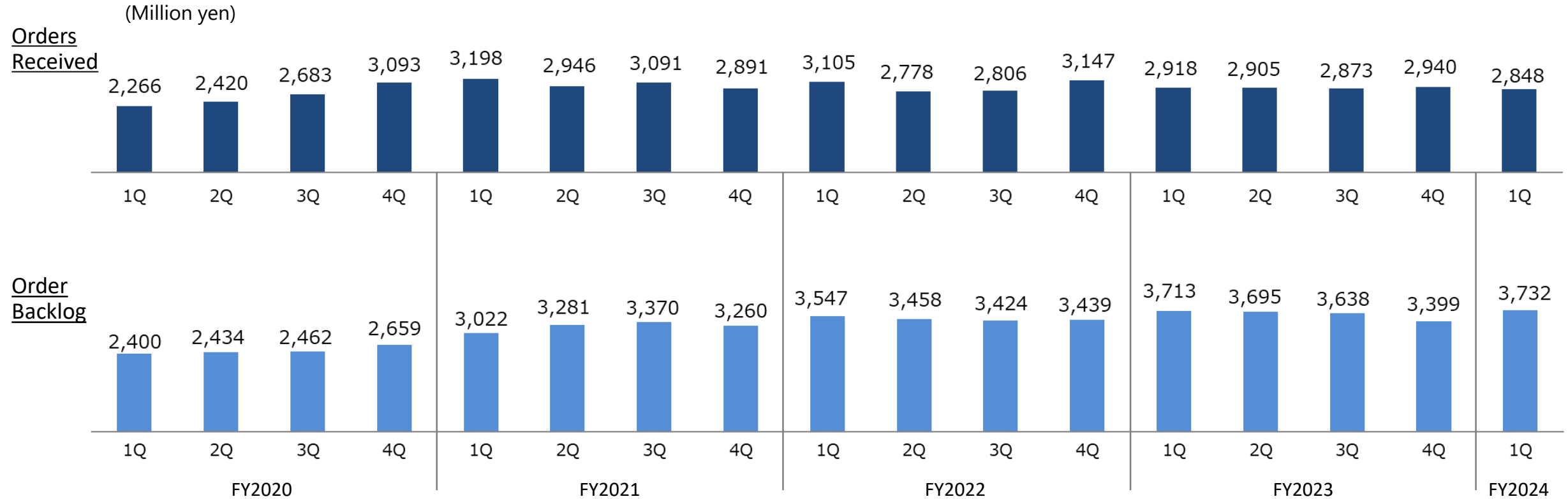


## Quarterly Changes in Order Backlog by Segment [Marine Systems]



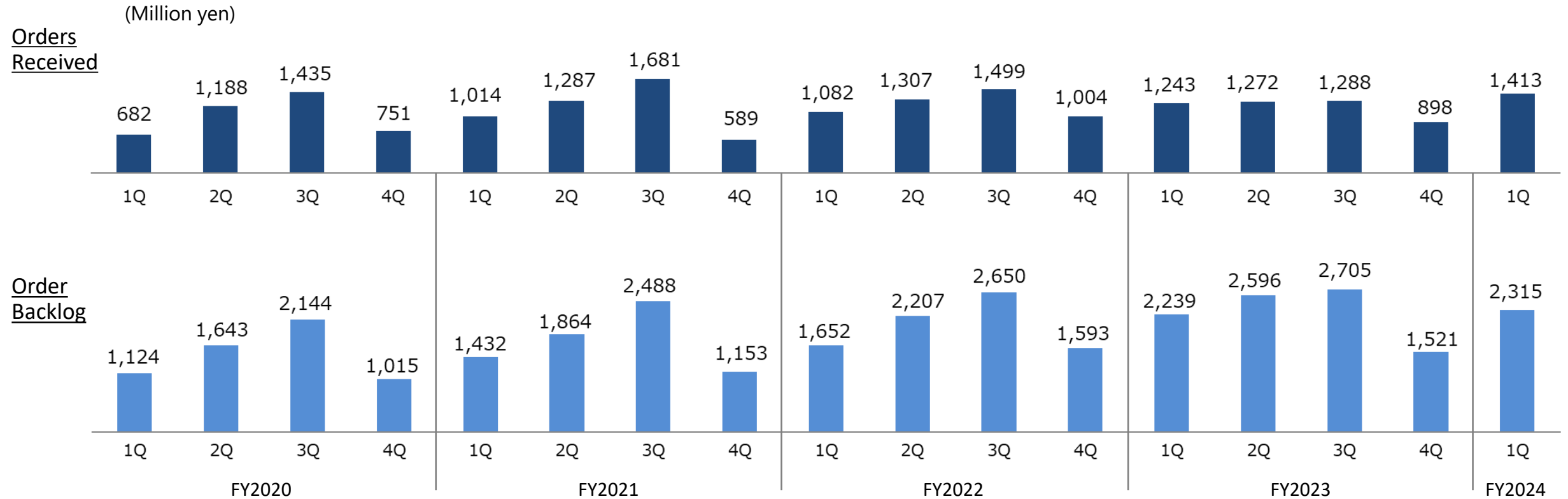
	FY2020		FY2021		FY2022		FY2023		FY2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog
1Q	2,285	2,729	2,489	2,747	2,231	3,502	2,540	4,246	3,271	4,665
2Q	1,850	2,355	2,380	2,923	2,679	3,860	2,752	4,050		
3Q	1,836	2,161	2,386	3,185	2,770	3,919	2,896	4,190		
4Q	2,151	2,277	2,516	3,348	2,836	4,164	3,080	4,416		
Full year	8,123	2,277	9,772	3,348	10,516	4,164	11,268	4,416		

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



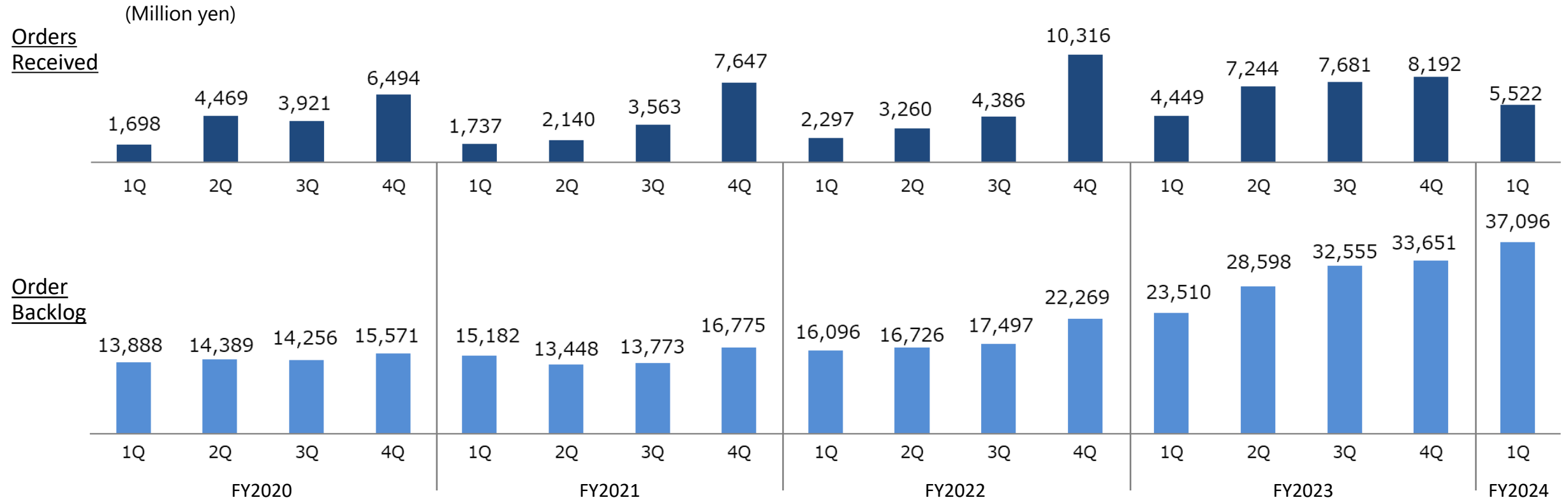
	FY2020		FY2021		FY2022		FY2023		FY2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog
1Q	2,266	2,400	3,198	3,022	3,105	3,547	2,918	3,713	2,848	3,732
2Q	2,420	2,434	2,946	3,281	2,778	3,458	2,905	3,695		
3Q	2,683	2,462	3,091	3,370	2,806	3,424	2,873	3,638		
4Q	3,093	2,659	2,891	3,260	3,147	3,439	2,940	3,399		
Full year	10,463	2,659	12,126	3,260	11,836	3,439	11,635	3,399		

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



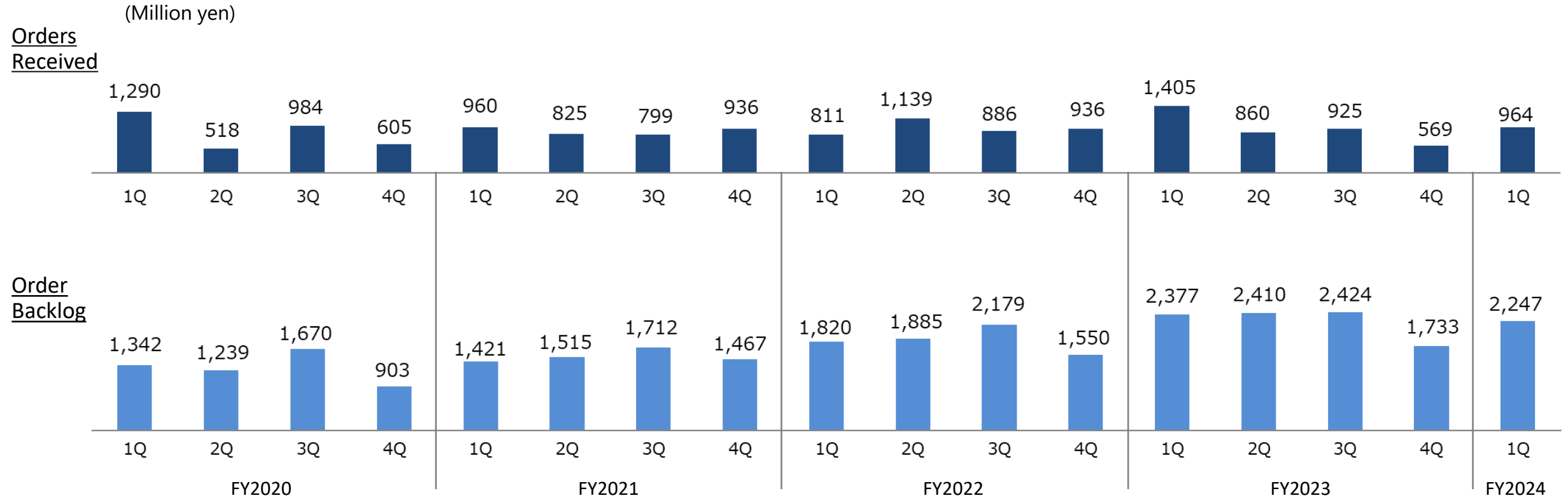
	FY2020		FY2021		FY2022		FY2023		FY2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog
1Q	682	1,124	1,014	1,432	1,082	1,652	1,243	2,239	1,413	2,315
2Q	1,188	1,643	1,287	1,864	1,307	2,207	1,272	2,596		
3Q	1,435	2,144	1,681	2,488	1,499	2,650	1,288	2,705		
4Q	751	1,015	589	1,153	1,004	1,593	898	1,521		
Full year	4,055	1,015	4,571	1,153	4,892	1,593	4,700	1,521		

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



	FY2020		FY2021		FY2022		FY2023		FY2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog
1Q	1,698	13,888	1,737	15,182	2,297	16,096	4,449	23,510	5,522	37,096
2Q	4,469	14,389	2,140	13,448	3,260	16,726	7,244	28,598		
3Q	3,921	14,256	3,563	13,773	4,386	17,497	7,681	32,555		
4Q	6,494	15,571	7,647	16,775	10,316	22,269	8,192	33,651		
Full year	16,582	15,571	15,088	16,775	20,259	22,269	27,566	33,651		

## Quarterly Changes in Order Backlog by Segment (Others)



	FY2020		FY2021		FY2022		FY2023		FY2024	
	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog	Orders Received	Order Backlog
1Q	1,290	1,342	960	1,421	811	1,820	1,405	2,377	964	2,247
2Q	518	1,239	825	1,515	1,139	1,885	860	2,410		
3Q	984	1,670	799	1,712	886	2,179	925	2,424		
4Q	605	903	936	1,467	936	1,550	569	1,733		
Full year	3,398	903	3,520	1,467	3,771	1,550	3,759	1,733		

## 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	
	3Q	2,161	3,185	3,919	4,190	
	4Q	2,277	3,348	4,164	4,416	
Hydraulics and Pneumatics	1Q	2,400	3,022	3,547	3,713	3,732
	2Q	2,434	3,281	3,458	3,695	
	3Q	2,462	3,370	3,424	3,638	
	4Q	2,659	3,260	3,439	3,399	
Fluid Measurement Equipment	1Q	1,124	1,432	1,652	2,239	2,315
	2Q	1,643	1,864	2,207	2,596	
	3Q	2,144	2,488	2,650	2,705	
	4Q	1,015	1,153	1,593	1,521	
Defense & Communications Equipment	1Q	13,888	15,182	16,096	23,510	37,096
	2Q	14,389	13,448	16,726	28,598	
	3Q	14,256	13,773	17,497	32,555	
	4Q	15,571	16,775	22,269	33,651	
Others	1Q	1,342	1,421	1,820	2,377	2,247
	2Q	1,239	1,515	1,885	2,410	
	3Q	1,670	1,712	2,179	2,424	
	4Q	903	1,467	1,550	1,733	

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2. Full-year forecasts for FY2024
3. Topics

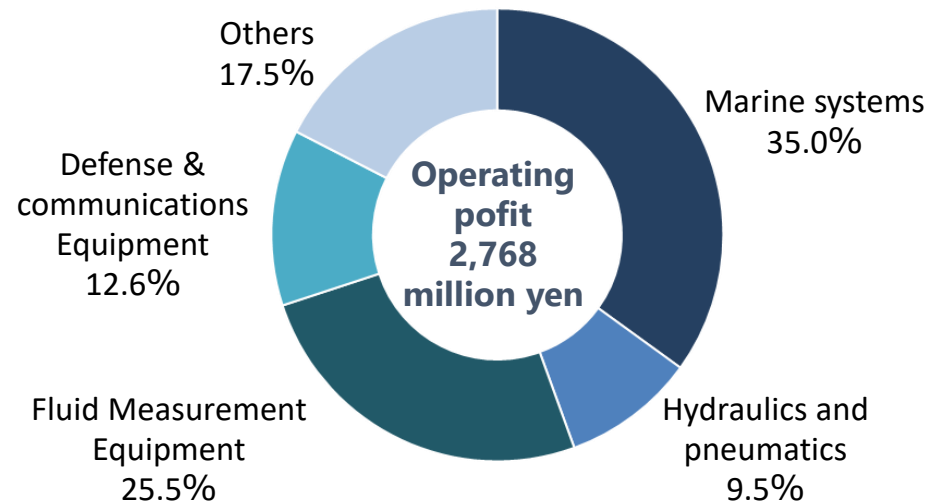
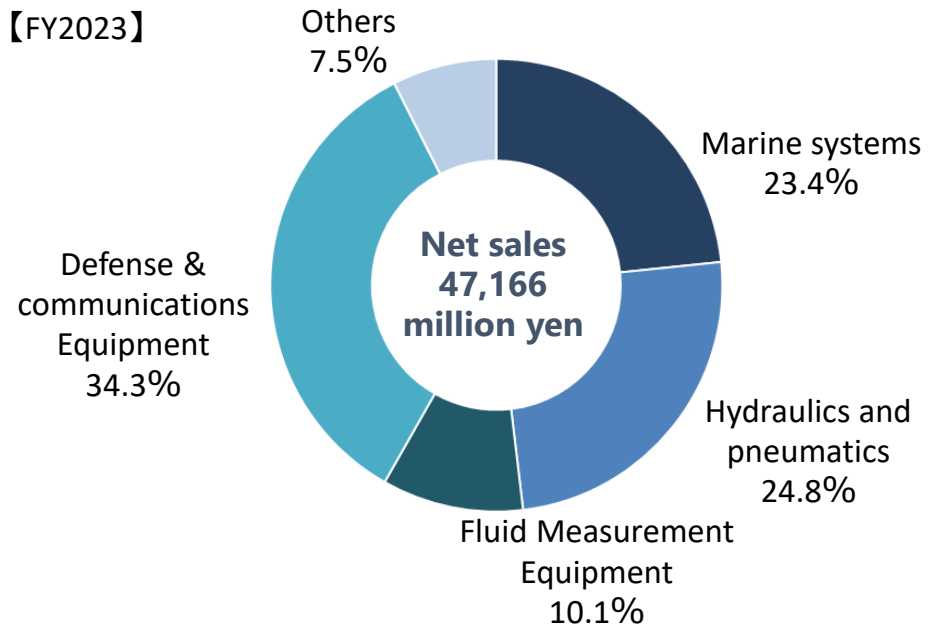
### References

- 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.

【FY2023】

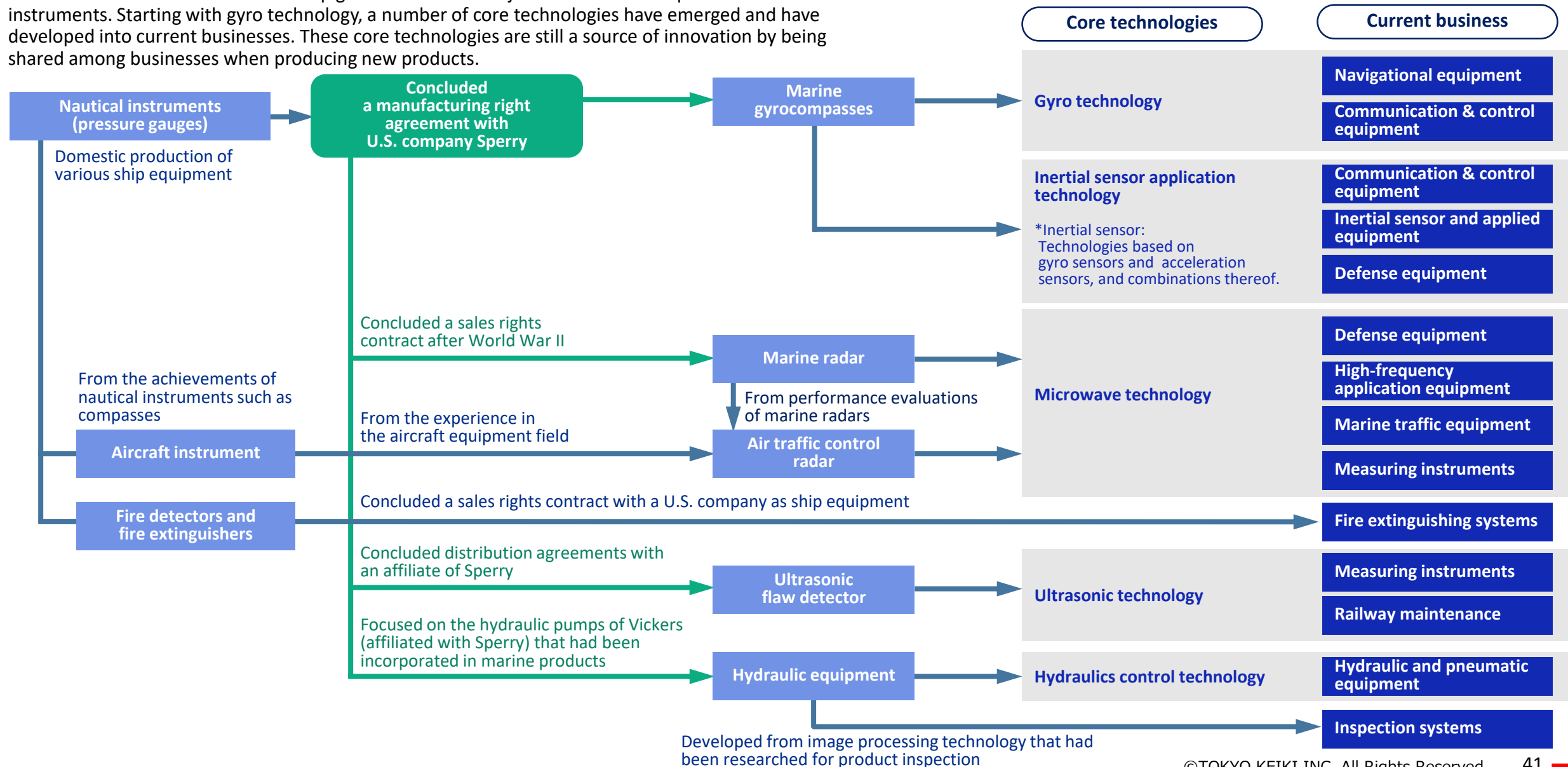


Segment (4+ Others)	Business (11)
Marine Systems Business	<ul style="list-style-type: none"> <li>■ Navigational equipment</li> </ul>
Hydraulics and Pneumatics Business	<ul style="list-style-type: none"> <li>■ Hydraulic and pneumatic equipment</li> </ul>
Fluid Measurement Equipment Business	<ul style="list-style-type: none"> <li>■ Measuring instruments</li> <li>■ Fire extinguishing systems</li> </ul>
Defense & Communications Equipment Business	<ul style="list-style-type: none"> <li>■ Defense equipment</li> <li>■ Marine traffic equipment</li> <li>■ Inertial sensor and applied equipment</li> <li>■ High-frequency application equipment (microwave applied equipment)</li> <li>■ Communication &amp; control equipment</li> </ul>
Others	<ul style="list-style-type: none"> <li>■ Inspection systems</li> <li>■ Railway maintenance</li> </ul>



# 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
<p>Navigational equipment</p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Marine autopilots for steering systems, such as automatic rudders, etc.</p> </div> <div style="text-align: center;">  <p>Marine gyrocompasses that indicate the direction of a ship's heading</p> </div> <div style="text-align: center;">  <p>Fiber Optic Gyrocompass (FOG) without moving parts for periodic replacement of the sensor</p> </div> <div style="text-align: center;">  <p>Electronic Chart Display and Information Systems (ECDIS) that display navigational charts in real time</p> </div> </div> <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>	<p>Marine gyrocompasses and autopilots</p> <p><b>More than 60%</b> of the global commercial vessels market</p> <p><b>More than 80%</b> of the domestic coastal vessels market.</p>
	<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  <p>                          "DFFAS Project for Realizing Fully Autonomous Ships"                 </p> </div> <div style="text-align: center;">  <p>                       "Wind Challenger Project"                 </p> </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
<p>For industrial machinery</p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Low-noise fixed displacement vane pump widely used in general industrial machinery</p> </div> <div style="text-align: center;">  <p>Solenoid directional valves controlling velocity and pressure proportionally</p> </div> <div style="text-align: center;">  <p>Compact power unit widely used as a hydraulic power source for machine tools and general industrial machinery</p> </div> </div> <p>■ 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.</p>	<p><b>Approx. 40%</b> of the domestic market for plastic injection molding machines</p>
<p>For construction machinery</p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>High-capacity and quick-response cartridge valves used in construction machinery</p> </div> <div style="text-align: center;">  <p>Electric direct control piston pumps for construction machinery</p> </div> <div style="text-align: center;">  <p>Displays for construction machinery</p> </div> </div> <p>■ Providing hydraulic products and electronic equipment that controls the drive primarily for specially-equipped vehicles such as cranes and aerial work platforms.</p>	
<p>Utilization of hydrogen energy</p>	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Hydrogen compressors for hydrogen filling stations</p> </div> <div style="text-align: center;">  <p>Split module hydrogen compression packages</p> </div> </div> <p>■ Providing hydraulic-drive hydrogen compressors for hydrogen filling stations as well as split-module hydrogen compression packages.</p>	







## Fluid Measurement Equipment Business

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 style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Ultrasonic flowmeters for monitoring water supply, agricultural water, and industrial water</p> </div> <div style="text-align: center;">  <p>High-precision ultrasonic flowmeters that more accurately monitor and control flow enabling effective use of water resources without waste.</p> </div> <div style="text-align: center;">  <p>Microwave level gauges widely used in food manufacturing plants and industrial plants in oil tanks, etc.</p> </div> </div> <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>	<p><b>Over 60%</b> of the market for domestic water and sewerage systems and agricultural water.</p>
Land disaster prevention	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Crisis management water gauges that provide early detection of rising river levels</p> </div> <div style="text-align: center;">  <p>Flood-control level gauges that indicate the risk of urban flood damage caused by sewage overflowing from manholes</p> </div> </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	<p style="text-align: center;"><b>Protecting against fires:</b> Gas-based fire extinguishing systems are widely used in facilities that are strictly prohibited from getting wet</p>	
	<div style="display: flex; align-items: flex-start;"> <div style="flex: 1;">  </div> <div style="flex: 2; padding-left: 10px;"> <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> </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 style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <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 style="text-align: center;">   <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 style="text-align: center;">  <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 style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;">  <p>Maritime surveillance radar installed at the Umihotaru Parking Area in Tokyo Bay</p> </div> <div style="text-align: center;">  <p>VTS systems responsible for monitoring operations at Vessel Traffic Service Centers deployed in seven ports across Japan</p> </div> <div style="text-align: left;"> <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
	 <p>Seismic accelerometer essential for measuring seismic magnitude</p>	 <p>Straight-line assistance for agricultural vehicles to reduce the burden of working on the farm</p>	<p>Our share of accelerometers used in seismometers for the Japan Meteorological Agency is <b>approx. 80%</b></p>
<p>High-frequency application equipment</p>	<p>Entering into advanced industries through contributing to semiconductor production equipment components and space business, making full use of microwave application technologies.</p>		
	 <p>Solid-state microwave power supply used for next-generation semiconductor production equipment</p>	 <p>Synthetic aperture radar (SAR) satellite with the microwave amplifier onboard</p>	
<p>Communication &amp; control equipment</p>	<p>Improving broadcasting quality by utilizing technologies such as gyro sensors, accelerometers, and magnetic azimuth sensors.</p>		
	 <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>	 <p>Camera stabilizer installed on relay vehicles for marathons and news helicopters used by broadcasting stations</p>	<p>Antenna directioning systems are mounted on <b>more than 90%</b> of news helicopters owned by domestic TV stations</p>

## Others (Inspection/Railroad)

Printing inspection equipment	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>■ Achieving high-speed and real-time image processing with in-house developed chips.</p> <p>■ Automatically detecting printing errors and foreign matter contamination at high speed to improve work efficiency and eliminate material waste.</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>
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>	<p>Ultrasonic rail inspection cars for JR and private domestic railways</p> <p><b>over 70%</b></p> <p>■ Supporting railway maintenance work with maintenance equipment and maintenance services such as ultrasonic rail flaw detectors and switch profile gauges.</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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