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November 5, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: TOKYO ENERGY & SYSTEMS INC.
 Listing: Tokyo Stock Exchange
 Securities code: 1945
 URL: <https://www.qtes.co.jp/en>
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 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 2, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit (loss)		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	34,283	12.3	1,180	-	1,391	470.7	1,489	136.3
September 30, 2024	30,541	(26.1)	(249)	-	243	(85.9)	630	(23.0)

Note: Comprehensive income For the six months ended September 30, 2025: ¥2,680 million [-%]
 For the six months ended September 30, 2024: ¥(229) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	44.69	-
September 30, 2024	18.82	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	102,686	70,272	68.4
March 31, 2025	108,081	68,427	63.3

Reference: Equity
 As of September 30, 2025: ¥70,272 million
 As of March 31, 2025: ¥68,427 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	26.00	-	26.00	52.00
Fiscal year ending March 31, 2026	-	28.00			
Fiscal year ending March 31, 2026 (Forecast)			-	29.00	57.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	82,000	21.1	3,900	46.3	4,100	22.7	3,400	17.2	102.07

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	34,973,752 shares
As of March 31, 2025	34,973,752 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,638,738 shares
As of March 31, 2025	1,664,412 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	33,320,332 shares
Six months ended September 30, 2024	33,493,929 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company considers reasonable, but they are not intended to be a commitment by the Company. Actual results may differ significantly due to various factors.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Six Months Ended September 30, 2025	2
(2) Overview of Financial Position for the Six Months Ended September 30, 2025	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	3
2. Semi-annual Consolidated Financial Statements and Principal Notes	4
(1) Semi-annual Consolidated Balance Sheets	4
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income	6
(3) Notes to Semi-annual Consolidated Financial Statements	8
(Notes in case of significant changes in shareholders' equity)	8
(Notes on going concern assumption)	8
3. Supplementary Information	9
(1) Orders Received, Construction Completed, and Amount Carried Forward to the Next Period by Segment and Division	9
(2) Orders Received, Construction Completed, and Amount Carried Forward to the Next Period by Market	10

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Six Months Ended September 30, 2025

The Japanese economy has maintained a gradual recovery trend and, with improved business sentiment, stock prices remain strong, and business confidence shows signs of rebounding. However, risks such as increasing interest rates exist, alongside rising demand for labor and price increases, and the outlook for the Japanese economy remains uncertain.

The business environment in which the Group operates remained challenging. This was due to the cost impact of rising prices of materials and equipment, and soaring labor costs, as well as chronic labor shortages, despite the expectations of brisk capital investment in decarbonized related markets amid the growing need for investment in decarbonization, and in power supply infrastructure to meet growing electricity demand, particularly from new data centers resulting from expanded use of generative AI.

In these circumstances, the Group drew up the FY2024 mid-term management plan (FY2024-FY2026) last year and is addressing key issues based on the basic policy of “creating a strong and flexible Q’d with people at the core.” In the six months ended September 30, 2025, a virtuous investment cycle with people at the core began to generate steady results, achieving a substantial increase in total orders received year-on-year. We will continue working to further expand the order flow and achieve our profit targets.

Especially, in the nuclear power market, as preparations for the implementation of safety measures have progressed toward the resumption of operations at various nuclear power plants, we will work to steadily expand the order flow centered on our specialized organization for wide-area safety measures, which was newly established in April this year. Furthermore, the Substation Construction Department, which was also newly set up, is driving an increase in our share in the market for the installation of new and additional facilities for substations in response to electricity demand at data centers. Moreover, in the general industry market, orders have steadily increased through sales development, leveraging our branches nationwide.

In addition, in order to launch a biogas power generation business in Koshi City, Kumamoto Prefecture, which was announced in June this year, we newly established its construction site office in September and commenced land development and other work. Through this business, we will make efforts to utilize industrial waste as renewable energy and contribute to the solution of regional issues.

As a result, total orders received were ¥51,543 million (up 36.3% year-on-year), owing mainly to the receiving of orders concerning implementation of safety measures at nuclear facilities, tasks related to the decommissioning of the Fukushima Daiichi Nuclear Power Plant, installation of new and additional facilities for substations, projects related to electric furnaces at steel plants toward decarbonization, electrical facility work at public utilities, solar power facilities for on-site power purchase agreements (PPA), and replacement work of public hydroelectric power plants.

Net sales were ¥34,283 million (up 12.3% year-on-year), owing mainly to progress of tasks related to the decommissioning of the Fukushima Daiichi Nuclear Power Plant, installation of new and additional facilities for substations, construction of storage battery-related plants, maintenance and repair work for oil refineries, and installation of new power generation facilities for chemical plants, among others.

The amount carried forward to the next period was ¥138,681 million (up 32.1% year-on-year).

As for profits, operating profit was ¥1,180 million (compared to operating loss of ¥249 million for the same period of the previous fiscal year), as a result of our continued initiative of selective order taking that emphasizes profitability—an effort we have been working on from the previous period—as well as improved profit margins due to a decline in nonconforming or unprofitable work, in addition to an increase in net sales. Ordinary profit was ¥1,391 million (up 470.7% year-on-year). Profit attributable to owners of parent amounted to ¥1,489 million (up 136.3% year-on-year), due to the recording of extraordinary income from the sale of real estate for rent aimed at improving asset efficiency and the sale of cross-shareholdings.

Business results by segment were as follows.

(Facilities Construction)

Total orders received were ¥48,519 million (up 40.2% year-on-year) due to increases in the Green Energy Business Division, Energy Division, and Nuclear Power Division.

Net sales were ¥31,327 million (up 14.3% year-on-year) due to increases in the Energy Division and the Nuclear Power Division.

(Other Businesses)

Total orders received were ¥3,024 million (down 5.3% year-on-year).

Net sales were ¥2,956 million (down 5.0% year-on-year).

Reference: Names of divisions, etc. corresponding to the segments

Segment name	Division, etc.
Facilities Construction	Green Energy Business Division, Energy Division, Nuclear Power Division, Welding and Inspection Engineering Center, Overseas Division
Other Businesses	Power generation business, real estate business, leasing and rental business, insurance agency, manufacture and sale, wholesale

(2) Overview of Financial Position for the Six Months Ended September 30, 2025

Total assets amounted to ¥102,686 million as of September 30, 2025, a decrease of ¥5,394 million from the end of the previous fiscal year. This was mainly due to a decrease in notes receivable, accounts receivable from completed construction contracts and contract assets.

Total liabilities amounted to ¥32,413 million as of September 30, 2025, a decrease of ¥7,240 million from the end of the previous fiscal year. This was mainly due to a decrease in short-term borrowings.

Net assets amounted to ¥70,272 million as of September 30, 2025, an increase of ¥1,845 million from the end of the previous fiscal year. This was mainly due to an increase in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The consolidated financial results forecast for the fiscal year ending March 31, 2026, announced on May 12, 2025, remains unchanged.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	7,648	9,547
Notes receivable, accounts receivable from completed construction contracts and contract assets	42,969	35,090
Electronically recorded monetary claims - operating	960	556
Securities	120	122
Costs on construction contracts in progress	1,038	1,370
Raw materials and supplies	1,090	1,160
Other	4,190	3,857
Total current assets	58,018	51,706
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,522	9,789
Machinery and vehicles, net	7,870	7,631
Land	8,620	8,488
Other, net	725	521
Total property, plant and equipment	27,739	26,431
Intangible assets		
Goodwill	89	53
Customer related assets	1,306	1,201
Other	676	661
Total intangible assets	2,072	1,917
Investments and other assets		
Investment securities	15,427	18,066
Retirement benefit asset	775	765
Other	4,066	3,779
Allowance for doubtful accounts	(17)	(17)
Total investments and other assets	20,252	22,593
Total non-current assets	50,063	50,942
Deferred assets		
Bond issuance costs	-	37
Total deferred assets	-	37
Total assets	108,081	102,686

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable for construction contracts	7,828	5,829
Electronically recorded obligations - operating	102	174
Short-term borrowings	14,468	2,174
Income taxes payable	243	838
Contract liabilities	2,235	2,942
Provision for warranties for completed construction	221	150
Provision for loss on construction contracts	345	312
Other	2,903	3,699
Total current liabilities	28,347	16,122
Non-current liabilities		
Bonds payable	-	5,000
Long-term borrowings	5,134	4,724
Retirement benefit liability	4,518	4,423
Other	1,653	2,143
Total non-current liabilities	11,306	16,291
Total liabilities	39,654	32,413
Net assets		
Shareholders' equity		
Share capital	2,881	2,881
Capital surplus	3,741	3,753
Retained earnings	60,406	61,029
Treasury shares	(1,287)	(1,267)
Total shareholders' equity	65,741	66,396
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,613	4,210
Foreign currency translation adjustment	72	(333)
Total accumulated other comprehensive income	2,685	3,876
Total net assets	68,427	70,272
Total liabilities and net assets	108,081	102,686

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales		
Net sales of completed construction contracts	30,541	34,283
Cost of sales		
Cost of sales of completed construction contracts	27,660	29,426
Gross profit		
Gross profit on completed construction contracts	2,880	4,856
Selling, general and administrative expenses	3,130	3,676
Operating profit (loss)	(249)	1,180
Non-operating income		
Interest income	21	36
Dividend income	158	176
Foreign exchange gains	343	270
Gain on investments in silent partnerships	250	-
Other	30	8
Total non-operating income	805	491
Non-operating expenses		
Interest expenses	94	113
Loss on valuation of derivatives	213	8
Loss on investments in silent partnerships	-	150
Other	4	9
Total non-operating expenses	312	281
Ordinary profit	243	1,391
Extraordinary income		
Gain on sale of non-current assets	39	814
Gain on sale of investment securities	949	248
Other	0	0
Total extraordinary income	989	1,063
Extraordinary losses		
Loss on retirement of non-current assets	2	1
Other	0	-
Total extraordinary losses	2	1
Profit before income taxes	1,229	2,453
Income taxes - current	71	727
Income taxes - deferred	527	236
Total income taxes	599	964
Profit	630	1,489
Profit attributable to owners of parent	630	1,489

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	630	1,489
Other comprehensive income		
Valuation difference on available-for-sale securities	(688)	1,596
Foreign currency translation adjustment	(171)	(405)
Total other comprehensive income	(859)	1,191
Comprehensive income	(229)	2,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(229)	2,680

(3) Notes to Semi-annual Consolidated Financial Statements
(Notes in case of significant changes in shareholders' equity)
Not applicable.

(Notes on going concern assumption)
Not applicable.

3. Supplementary Information

(1) Orders Received, Construction Completed, and Amount Carried Forward to the Next Period by Segment and Division

Segment / Division			Six months ended September 30, 2024		Six months ended September 30, 2025		Year-on-year increase (decrease)	
			Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Change (%)
Orders Received		Green Energy Business Division	3,201	8.4	9,908	19.3	6,706	209.5
		Energy Division	23,860	63.1	27,030	52.4	3,169	13.3
		Nuclear Power Division	7,478	19.8	11,524	22.4	4,046	54.1
		Other	74	0.2	56	0.1	(18)	(24.9)
		Facilities Construction	34,614	91.5	48,519	94.2	13,904	40.2
		Other Businesses	3,194	8.4	3,024	5.9	(170)	(5.3)
		Segment total	37,808	99.9	51,543	100.1	13,734	36.3
		Adjustments	18	0.1	(0)	(0.1)	(18)	-
		Total	37,827	100.0	51,543	100.0	13,716	36.3
Construction Completed		Green Energy Business Division	3,914	12.8	2,156	6.4	(1,757)	(44.9)
		Energy Division	17,801	58.3	21,776	63.5	3,975	22.3
		Nuclear Power Division	5,563	18.2	7,237	21.1	1,674	30.1
		Other	133	0.4	156	0.5	23	17.3
		Facilities Construction	27,412	89.7	31,327	91.5	3,914	14.3
		Other Businesses	3,111	10.2	2,956	8.6	(154)	(5.0)
		Segment total	30,523	99.9	34,283	100.1	3,760	12.3
		Adjustments	18	0.1	(0)	(0.1)	(18)	-
		Total	30,541	100.0	34,283	100.0	3,741	12.3
Amount Carried Forward to the Next Period		Green Energy Business Division	12,712	12.0	21,275	15.4	8,562	67.4
		Energy Division	74,511	71.0	95,055	68.5	20,543	27.6
		Nuclear Power Division	16,848	16.1	21,405	15.4	4,556	27.0
		Other	94	0.1	213	0.2	119	126.7
		Facilities Construction	104,167	99.2	137,949	99.5	33,781	32.4
		Other Businesses	795	0.8	732	0.5	(63)	(7.9)
		Segment total	104,962	100.0	138,681	100.0	33,718	32.1
		Adjustments	-	-	-	-	-	-
		Total	104,962	100.0	138,681	100.0	33,718	32.1

(2) Orders Received, Construction Completed, and Amount Carried Forward to the Next Period by Market

Market		Six months ended September 30, 2024		Six months ended September 30, 2025		Year-on-year increase (decrease)	
		Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Ratio (%)	Amount (Millions of yen)	Change (%)
Orders Received	Electric Power Market	20,199	53.3	19,415	37.8	(783)	(3.9)
	General Industry and Other Market	12,175	32.2	19,760	38.3	7,584	62.3
	Renewable Energy-Related Market	5,433	14.4	12,367	24.0	6,933	127.6
	Adjustments	18	0.1	(0)	(0.1)	(18)	-
	Total	37,827	100.0	51,543	100.0	13,716	36.3
Construction Completed	Electric Power Market	17,401	56.9	17,464	51.1	62	0.4
	General Industry and Other Market	6,934	22.7	11,707	34.1	4,772	68.8
	Renewable Energy-Related Market	6,187	20.3	5,112	14.9	(1,075)	(17.4)
	Adjustments	18	0.1	(0)	(0.1)	(18)	-
	Total	30,541	100.0	34,283	100.0	3,741	12.3
Amount Carried Forward to the Next Period	Electric Power Market	39,800	38.0	53,717	38.7	13,917	35.0
	General Industry and Other Market	15,149	14.4	27,610	19.9	12,461	82.3
	Renewable Energy-Related Market	50,012	47.6	57,353	41.4	7,340	14.7
	Adjustments	-	-	-	-	-	-
	Total	104,962	100.0	138,681	100.0	33,718	32.1