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April 23, 2025

Company name: TOKYO ENERGY & SYSTEMS INC.
Name of representative: Toshiaki Majima, President and Chief Executive Officer
(Securities code: 1945; Tokyo Stock Exchange Prime)
Inquiries: Takahiko Kobayashi, Senior Executive Officer, General Manager of Accounting and Finance Division
(Telephone: +81-3-6371-1947)

Notice Concerning Revisions to Financial Results Forecast

TOKYO ENERGY & SYSTEMS INC. (the "Company") hereby announces that in light of the most recent operating trends, a decision was made to revise the financial results forecast announced on November 5, 2024, as described below.

Revisions to consolidated financial results forecasts for the current fiscal year (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previously announced forecasts (A)	68,000	1,000	1,500	1,500	44.78
Revised forecasts (B)	67,700	2,600	3,300	2,900	86.64
Change (B-A)	(300)	1,600	1,800	1,400	
Change (%)	(0.4)	160.0	120.0	93.3	
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2024)	88,467	3,959	5,212	2,960	86.70

Revisions to non-consolidated financial results forecasts for the current fiscal year (April 1, 2024 through March 31, 2025)

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share (Yen)
Previously announced forecasts (A)	63,000	700	1,200	1,300	38.81
Revised forecasts (B)	63,000	2,300	3,000	2,700	80.67
Change (B-A)	0	1,600	1,800	1,400	
Change (%)	0.0	228.6	150.0	107.7	
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2024)	84,756	3,759	5,115	2,832	82.96

Reason for revision

Net sales are expected to remain largely in line with the previous forecast. However, profits at various levels are projected to significantly exceed the previous forecast, due to a reduction in expenses, the recording of actuarial gains under retirement benefit accounting, and the recording of gain on valuation of derivatives.

The reduction in expenses is attributable to further rationalization of expenditures, including an in-depth review of the scope of in-house facility repairs. Regarding the actuarial gains under retirement benefit accounting, the Company records such gains in a lump sum in the fiscal year in which they occur. Due to the impact of rising market interest rates, the discount rate used to calculate retirement benefit obligations has increased substantially. As a result, actuarial gains of ¥1.4 billion are expected to be recorded as a reduction in cost of sales and selling, general and administrative expenses.

In addition, non-operating income is expected to include gain on valuation of derivatives resulting from exchange rate fluctuations.

Note: The above forecasted figures are based on currently available information as of April 23, 2025. Actual performance may differ materially from these forecasted figures due to various factors in the future.