



***“Tokyo Boeki Group
Federated Management”
Toward Greater Progress***

Active all over the world.



TOKYO BOEKI GROUP

TOKYO BOEKI GROUP

Annual Report

April 1, 2018 – March 31, 2019

Active all over the world.

Carrying on the “Three founding spirits (TOMAS spirit)” and “Management philosophy and Mission” of the Tokyo Boeki Group, we are promoting “Tokyo Boeki Group Federated Management” as an independent, business-creating corporate group.

Three founding spirits = TOMAS spirit

1. Mindset of management among all employees
2. Mindset of a pioneer
3. Mindset to overcome any obstacle and to never reduce our efforts

Management philosophy and Mission

Each company of the Tokyo Boeki Group aims to be a company that allows employees to realize their dreams through their work. Employees will take pride in themselves and contribute to the global company.

Generating synergistic effects “Tokyo Boeki Group Federated Management”

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HEADQUARTERS

Tokyo Boeki Holdings Corporation

ENERGY

Energy Machinery Industry Group

TOKYO BOEKI MACHINERY LTD.
TOKYO BOEKI ENGINEERING, LTD.
TOKYO BOEKI MECHANICS LTD.

TECHNOLOGY

Technology, Automobiles and Information Industry Group

TOKYO BOEKI TECHNO-SYSTEM LTD.
T.B. TECH CO., LTD.
TOKYO BOEKI NORTH AMERICA, INC.
TBTS (THAILAND) CO., LTD.
TTS (GUANGZHOU) CO., LTD.

SCIENCE

Medical, Life and Science Industry Group

TB-eye Ltd.
TOKYO BOEKI MEDISYS INC.
TOKYO BOEKI (RUS) LTD.

RESOURCE

Materials, Resource and Metal Industry Group

TOKYO BOEKI MATERIALS LTD.
TOKYO BOEKI (CHINA) LTD.

TO OUR SHAREHOLDERS

Net Sales **44,072** million yen
(Down 1.8% year-on-year)

Operating Income **4,169** million yen
(Up 5.0% year-on-year)

Ordinary Income **4,410** million yen
(Up 6.0% year-on-year)

Net Income Attributable to Owners of Parent **2,994** million yen
(Up 6.5% year-on-year)



Representative Director,
President
**Sanshiro
Katoh**

I hope that all of our shareholders are doing well and I would like to express my appreciation for your loyal support. I would like to take this opportunity to deliver our company's 99th term annual report (April 1, 2018 - March 31, 2019), as well as to give a brief message regarding the status of our company.

In fiscal year 2018, the global economy shifted from a gradual recovery trend to a slowdown, as a result of rising uncertainties including trade issues due to the influence of U.S. protectionist policies, as well as political risks such as deteriorating U.S.-China-relations and the issue of Brexit. In particular, the economic slowdown in China became apparent as exports decreased due to worsening trade issues with the U.S. and production activities in the manufacturing industry have contracted. In the European economy, the slowdown has also intensified due to the impact of the Brexit issue in addition to the downturn in the global economy. On the other hand, while the U.S. economy has shown a slowdown in growth, it remained strong due to its growth in domestic demand as a result of improvements in employment and income conditions.

The Japanese economy continued its gradual recovery, thanks to steady domestic demand supported by improvements in the employment environment. However, the sense of stagnation has further intensified, and uncertainty remains due to a downturn in external demand mainly from China as well as temporary downward pressure from natural disasters.

Amidst the business environment in Japan and overseas, Tokyo Boeki Group (TB-G) strove to maximize corporate value and realize sustainable growth and development through the provision of specialized proprietary businesses and services with consistently high standards in areas ranging from business planning and development to marketing, manufacturing, sales and maintenance for our four groups of "Energy Machinery Industry," "Technology, Automobiles and Information Industry," "Medical, Life and Science Industry," and "Materials, Resource and Metal Industry."

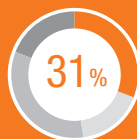
As a result of these efforts, although revenue decreased from the previous year, we ensured an increase in profits year on year for fiscal year 2018, and ordinary income reached our highest level ever for the second consecutive year. Net sales were 44,072 million yen (down 1.8% from the previous fiscal year), ordinary income was 4,410 million yen (up 6.0% from the previous fiscal year), and net income attributable to owners of parent amounted to 2,994 million yen (up 6.5% from the previous fiscal year).

We distributed a year-end dividend of 70 yen per stock, because while we retain an internal reserve for active investment in existing and new businesses, our basic stance is to distribute a continuous and stable dividend to our shareholders.

I would like to ask for your continued support and guidance.

June 2019

SEGMENT INFORMATION (Percentage represents ratio of sales)



Energy Machinery Industry Group



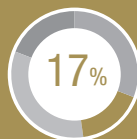
Sales **13,915** million yen 108% year-on-year
Operating Income **2,037** million yen 123% year-on-year

Business Description

The Energy Machinery Industry Group is engaged in development, manufacturing, and sales of fluid loading equipment and related devices, various kinds of gas-related machinery, power generation-related devices and equipment, environment-related devices and others for energy-related industries including electric power, gas, oil, and petrochemistry. For fluid loading machinery, the core product, superior products are offered to users around the world under the integrated system of manufacturing and sales of TOKYO BOEKI MACHINERY LTD. and TOKYO BOEKI ENGINEERING, LTD., which have gained a high reputation.

Business Condition

In the core loading arm business, revenue and income experienced steady growth as a result of exploiting demand for renewal in the domestic market through proposal-based sales of emergency release devices that contribute to strengthening of the national land. Furthermore, we are expecting greater revenue and profits as we receive orders for new large projects both in Japan and overseas. We are also continuously working on forward investments in new-business initiatives such as the hydrogen energy business, adsorption chillers, the Hydrocurrent™ Organic Rankine Cycle (ORC) 125 EJW ship-board heat recovery system, and transport support robots. As a result, revenues and profits of the Group increased.



Technology, Automobiles and Information Industry Group



Sales **7,396** million yen 107% year-on-year
Operating Income **584** million yen 109% year-on-year

Business Description

3D measurement instruments, the core product, provide integrated measurement and data processing for a series of processes, from development and modeling to manufacturing, testing and completion, for a variety of products, mainly contributing to automobile manufacturers in improvements of product development capabilities. 3D measurement instruments have evolved to become automated, refined and diversified, and have gained a global reputation.

Business Condition

The automobile industry, which comprises most of the Group's main customers, is undergoing a period of transformation including self-driving vehicles. Both revenues and income increased for the Group due to the launching of the latest models for our core products such as 3D measurement instruments and processing machines for design, as well as expansion of the market for products developed by the Group in recent years, such as delivering the "ATS" IoT software, which allows the visualization of quality on production lines.



Medical, Life and Science Industry Group



Sales **14,378** million yen 92% year-on-year
 Operating Income **2,186** million yen 81% year-on-year

Business Description

The Medical, Life and Science Industry Group is engaged in the development, manufacturing and sales of a wide range of products, including security devices, medical devices and scientific instruments. In particular, the security system business provides security equipment, mainly surveillance cameras from overseas, to the domestic market under rigorous quality control, along with a full line of services ranging from onsite surveys to system design, proposals and estimates, construction, and repairs and maintenance. In addition, compact automated analyzers for use in clinical examinations are sold in about 80 countries around the world and boast an outstanding track record in the medical device field.

Business Condition

In the core security-related business, we have worked to provide products and services to meet the needs of advanced and diversified markets, and have cultivated a full line of services ranging from system proposals to design, installation, and after-sales service. Furthermore, last fall we launched an image analysis system that employs AI, and strove to identify potential demand. In the medical-related field, sales of compact automated analyzers for clinical examinations, which are our core product, were sluggish in overseas markets. As a result, revenues and profits of the Group decreased.



Materials, Resource and Metal Industry Group



Sales **8,421** million yen 89% year-on-year
 Operating Income **431** million yen 227% year-on-year

Business Description

In the materials-related business, we stably supply refractory products developed and manufactured in our joint venture in China, primarily for the steel industry. In the resource-related business, we supply materials for steel making and nonferrous metals, as well as ingredients for fertilizers and feedstuff, to various companies in the steel industry, glass industry, and agriculture industry. In the steel-related business, we have built and expanded a unique business model by combining the diverse needs of customers and steel manufacturers with various steel products including high-grade steel.

Business Condition

There has been a decline in sales in the steel business due to stronger import restrictions in Indonesia and imports of phosphate rock in the resource business were sluggish. However, profitability was stable due to our efforts in our core material business to commercialize refractory products and make changes to our transaction mechanisms, such as the introduction of services employing 3D measurement instruments. As a result, the Group achieved an increase in profit despite a decline in revenue.

TB-eye Ltd.

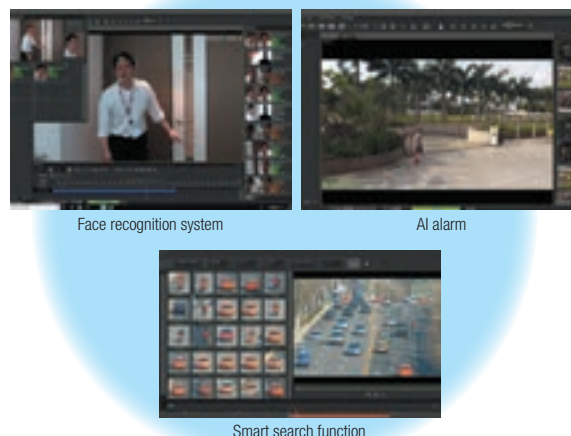
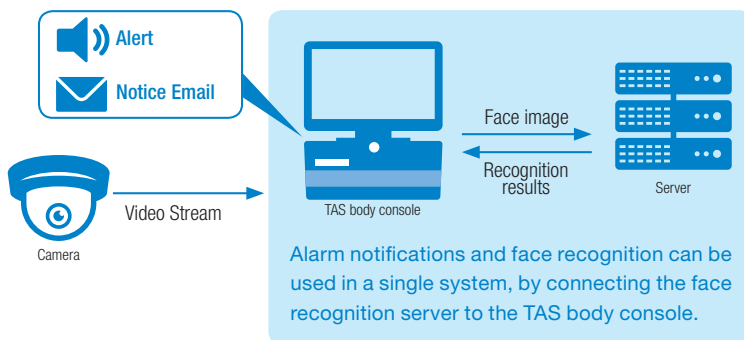


Release of the “TAS” Multi-image Analysis System

In September 2018, TB-eye Ltd. released an image analysis system called “TB-eye AI Solution” (abbreviated as “TAS”), which utilizes AI.

By combining AI with surveillance cameras, TAS has dramatically improved upon the analysis capabilities of earlier systems, and provides integrated operation and management of multiple functions using a single software package, including high-accuracy face recognition, AI alarms such as intrusion and abandonment detection, as well as people counting and collection of marketing information. We expect TAS to develop into a pillar for new business, as a solution that can be used for various applications beyond security.

Achieved high-accuracy image analysis with deep learning!



Potential for utilization in a wide range of fields

We have received inquiries and references from various industries, as TAS can be used not only in security, but also in a very wide range of other fields, including medical and nursing care, amusement, retail, factories and hotels. The advantage of introducing TAS is that it can realize more efficient business processes and improved services in various fields. The following are just a few possible examples.

Potential applications of TAS

- In the service industry, TAS can detect the arrival of a customer’s car at the store, and notify the business regarding their face, name, and history of use. Even new staff can respond appropriately, leading to improved customer satisfaction.
- In hospitals, TAS can detect which staff members have washed their hands before and after surgery, and improve the rate of hand washing.
- In retail, TAS can determine the number of customers visiting the store, determine each customer’s gender and age from their face, and use this information as statistical data.
- In factories, TAS can automate the sorting of items that humans must otherwise visually identify, and realize the prevention of human error and improve efficiency.

TOKYO BOEKI ENGINEERING, LTD.

Development of the World's First Marine Loading Arm for Liquefied Hydrogen

Tokyo Boeki Engineering, Ltd. ("TEN") has participated in the "Development of Cargo Loading/unloading System for Liquefied Hydrogen and the Relevant Rules for Operation," which is one of the project¹ themes promoted by the Cabinet Office, developing the world's first marine loading arm for liquefied hydrogen.

Loading arms are metal devices made for handling liquids, and although they are used worldwide to handle energy resources, this is the world's first loading arm that is specifically developed for handling liquefied hydrogen.

Like natural sources of energy such as sunlight, hydrogen has attracted attention as a fuel that does not emit carbon dioxide when used. However, the temperature of hydrogen that has been liquefied for mass transport is -253 °C, which is even lower than the liquefaction temperature of oxygen. When existing loading arms are used to handle liquefied hydrogen, liquefied oxygen is generated on the surface of piping, which can lead to the risk of fire hazards.

Therefore, in cooperation with project participant companies, TEN has developed a number of mechanisms to handle liquefied hydrogen safely, such as piping that realizes high thermal insulation, fittings that prevent leakage of liquid hydrogen, and emergency release devices, thus contributing to the completion of the world's first marine loading arm for liquefied hydrogen.

Going forward, TEN will participate in the marine transport demonstration project for liquefied hydrogen, which is part of the NEDO² project, "The Demonstration Project for Establishment of Mass Hydrogen Marine Transportation Supply Chain Derived from Unused Brown Coal" and demonstrate the emergency release device of this system. Demonstration tests are scheduled for fiscal year 2020.

In anticipation of future commercialization, TEN aims to realize a sustainable society by promoting the development of technology to make the marine loading arm for liquefied hydrogen larger and more lightweight.

1: Cross-ministerial Strategic Innovation Promotion Program (SIP)

2: The New Energy and Industrial Technology Development Organization (NEDO)

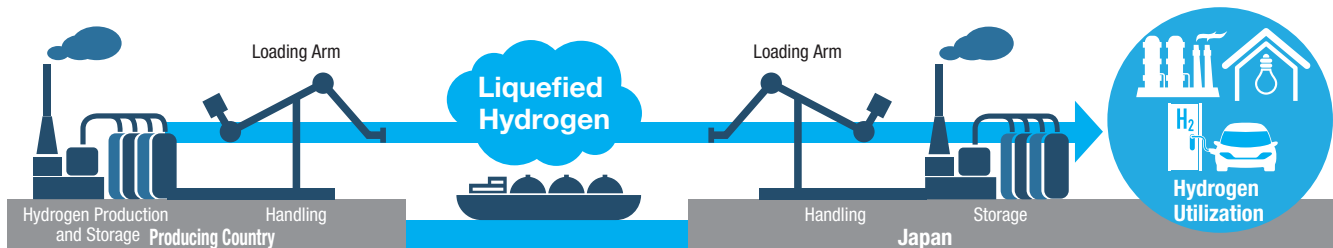


Marine loading arm for liquefied hydrogen



Emergency Release System (ERS)

● Loading arms and the hydrogen supply chain



Hydrogen supply chain

In the international hydrogen supply network, hydrogen is produced and liquefied overseas, then transported via specialized tankers, and finally used in Japan. The marine loading arm for liquefied hydrogen connects plants and ships, playing the role of loading and unloading liquefied hydrogen.

Domestic Group **TOKYO BOEKI MACHINERY LTD.**

Exhibit at LOGIS-TECH TOKYO 2018

In September 2018, at “LOGIS-TECH TOKYO 2018,” which is one of the largest logistics exhibitions in Asia, we exhibited our new product currently under development, the transportation support robot “CoRoCo” for the first time. “CoRoCo” is equipped with proprietary sensor technology, and is capable of following the operator in the same direction and speed, simply by walking it with an attached tether (leash) like a dog. Heavy loads of up to 100 kg can easily be transported, and mass transportation is also possible by connecting multiple units. “CoRoCo” supports the streamlining of work at understaffed factories and warehouses, reducing the workload on women and the elderly. At the exhibition, many customers participated in our demonstrations, convincing us of the size of customer needs and suggesting the potential for further development. In preparation for the start of business, we will continue to promote development with partner companies overseas and in Japan.



Our exhibit booth

Domestic Group **TOKYO BOEKI ENGINEERING, LTD.**

Nagaoka Factory General Office Building completed

In November 2018, we completed the construction of our new office at our Nagaoka Factory. The office is a three-story building with 840 square meters of floor space, which integrated the First Production Building, in which the Administrative Department and Engineering Department had been operating, with the Welfare Building, which housed a large conference room, cafeterias, and locker rooms. The floor structure prioritizes security, separating office space from public space available to customers and business partners. Conference rooms for guests are well equipped with audiovisual functions and working wear for tours. In parallel with the construction of the General Office Building, we also promoted a renewal of the infrastructure in the plant. With the completion of the General Office Building as a catalyst, we will continue to work on improving operational efficiency and performance throughout our entire factory.



Panoramic view of the Nagaoka Factory General Office Building

Domestic Group **TOKYO BOEKI MECHANICS LTD.**

First use of hydrogen compressors at commercial hydrogen stations, compatible with bus refueling

A hydrogen diaphragm compressor (manufactured by the U.S. company, PDC Machines Inc.) handled by Tokyo Boeki Mechanics Ltd. (“TMX”) has been adopted for the Toyosu Hydrogen Station (tentative name), which is being built by Tokyo Gas Co., Ltd. This fall, for the first time, we will deliver two units to be used for fueling fuel cell buses at a commercial hydrogen station that was publicly solicited by the Next Generation Vehicle Promotion Center (NeV), which was built for the purpose of promoting the spread of automobiles that excel in environmental and energy performance.

The U.S. company PDC Machines Inc. has already introduced these compressors at many hydrogen stations in Europe, as well as at nearly 30 stations in China, and TMX has developed a sales business as a distributor of the same compressor in Japan. Regarding domestic results to date, we have introduced our compressors at demonstration hydrogen stations in Sugunami Ward in Tokyo, Tosu City in Saga Prefecture, and Shikaoi Town in Hokkaido Prefecture. However, the diaphragm compressor was traditionally regarded as unsuitable for large-scale equipment at commercial hydrogen stations due to its initial cost. In this first order we received, the compressor was highly evaluated in terms of durability and total cost. Going forward, we will strive to enhance our backup system, for purposes of safety and high frequency use, with the aim of realizing operation this fall.



Hydrogen Compressor



Domestic Group

TOKYO BOEKI MECHANICS LTD.

Simple Fuel delivered to the Toyota Motor Corporation Motomachi Factory

Tokyo Boeki Mechanics Ltd. (“TMX”) delivered Simple Fuel, a water electrolysis-based machine for hydrogen generation that uses photovoltaic power generation as a renewable energy source, to Toyota Motor Corporation’s Motomachi Factory (Toyota City, Aichi Prefecture). Simple Fuel serves to refuel the hydrogen fuel cell (FC) forklifts used to transport cargo inside the factory. This is being implemented as part of an effort to counter global warming by developing a hydrogen infrastructure network that does not emit carbon dioxide (CO₂) even from the hydrogen production stage. Simple Fuel electrolyzes water to make hydrogen, and it is capable of refueling seven to eight FC forklifts per day. Last year, we delivered the first Simple Fuel unit to the Kesen Precut Business Cooperative Association in Iwate Prefecture, making the unit at Toyota the second such device to be delivered.

Toyota Motor Corporation’s Motomachi Factory has established the goal of achieving zero carbon dioxide (CO₂) emissions from the factory by 2050, and as part of such efforts, our Simple Fuel was delivered following two years of business negotiations. TMX will continue to contribute to the realization of a low carbon society through its environmentally friendly and clean “hydrogen energy business.”



Opening / Tape-cutting Ceremony



Simple Fuel Equipment



Domestic Group

TOKYO BOEKI TECHNO-SYSTEM LTD.

“Laymatic MILL-X” wins the Good Design Award

In October 2018, our new processing machine “Laymatic MILL-X” received the Good Design Award (Organized by the Japan Institute of Design Promotion). The new processing machine “Laymatic MILL-X,” which was launched in 2018, has a simple but sophisticated design that is suitable for design studios, and reduces processing time by 40% compared to conventional machines. When designing this machine, we pursued high speed, accuracy, usability, and safety, such as by incorporating IoT functions including tablets for remote monitoring, and remote maintenance features to predict malfunctions. We will take this award as an opportunity to further expand sales, and actively promote the use of design in manufacturing, while always striving to improve our brand image.

*Good Design Award: Awards given to evaluate and promote designs representing Japan, as a successor to the Good Design Product Selection System established in 1957. The Award Ceremony is held each year, as a global design award with participants including many companies and other organizations from Japan and abroad, for the purpose of improving the quality of life and using design to address social issues and themes.



“Laymatic MILL-X,” winner of the Good Design Award



Domestic Group

T.B. TECH CO., LTD.

Opening of “Data Scientist Training Courses” specialized for the manufacturing industry

As AI and IoT are becoming increasingly important in the manufacturing industry, in May 2019 we opened “Data Scientist Training Courses” to train data analytics specialists, in Toyota City and Nagoya City in Aichi Prefecture, which is the heart of the Japanese manufacturing industry.

The teaching material incorporates real data from equipment and sensors, and the curriculum is specialized for the manufacturing industry, aiming to provide a training course that not only teaches analysis, but also leads to real improvements, with the goal of supporting human resource development in the automobile industry, which is the core industry in Japan.

Because participants in the course are mainly employees of automobile manufacturers and their group companies, the course is also expected to play a role as a hub in the AI/IoT community in the manufacturing industry.

Train data scientists specialized for the manufacturing industry

The one and only program focusing on issues that must be addressed in the field



Anomaly Detection



Quality Prediction



Demand Prediction



Image Classification



Appearance Inspection



Inventory Management



Parameter Adjustment



Cost Reduction

Data Scientist Training Courses



Domestic Group

TB-eye Ltd.

Operating in 22 locations nationwide with the establishment of the West Tokyo Branch Capital increased to 450 million yen

On June 1, 2018, we established our West Tokyo Branch in Tachikawa City, Tokyo. This branch will serve a base for selling products such as surveillance camera systems to the West Tokyo area and Tama area, located on the west of Shinjuku. It is our 22nd location, nationwide.

In addition, on January 1, 2019, we increased our capital from 100 million yen to 450 million yen.

With 22 locations nationwide, we will work to strengthen our full line of services that are closely connected to the region, make additional improvements to our customer services, and with this capital increase, further strengthen our management base and work to further expand our business.



West Tokyo Branch, office building exterior



Domestic Group

TOKYO BOEKI MEDISYS INC.

Exhibition at “MEDICA 2018,” the world’s largest medical equipment expo

We exhibited our products at “MEDICA 2018,” the world’s largest medical equipment expo, which was held in Dusseldorf, Germany in November 2018. At this expo, participants exhibited medical equipment used for diagnosis and treatment, as well as a wide range of products and technologies for medicine and health, including hospital equipment, medical information communication technology, nursing care, and sports gear. In addition to presenting our products to customers from around the world, we were able to hold many business talks that could lead to future sales, such as by exchanging opinions with existing agencies and developing opportunities with new agencies. In addition, we also displayed prototypes of “BIOLIS 60i,” which is currently under development, for reference. Accordingly, it was an excellent opportunity to promote this product to many customers.



“MEDICA 2018” expo booth



Domestic Group

TOKYO BOEKI MATERIALS LTD.

Promoting the integration of materials businesses

Tokyo Boeki Materials Ltd. (“TML”) collaborated with the group company Tokyo Boeki Techno-System Ltd. to develop a system for measuring and analyzing the remaining thickness of refractory bricks using 3D measurement instruments.

This 3D measurement instrument makes it possible to quantify the residual thickness and wear volume of refractory bricks, which could not be quantitatively determined in the past by consumers of refractory bricks.

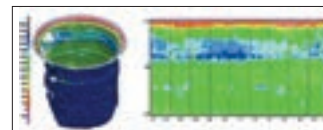
We aim to build an integrated business by providing after-sales service, such as developing residual thickness measurement services, mainly to TML’s major business partners in the steel industry.

In our materials business, we are also promoting the development of our proprietary products and construction of our own factories in addition to the abovementioned services.

Going forward, we will continue to make use of the strengths of TML and other group companies, in order to realize product development and services that are useful to our customers.



3D measurement instruments



Residual thickness analysis data

Restructuring of Group's China strategy and relocation of our Shanghai Office

The Tokyo Boeki Group has recognized the Chinese market as a key overseas market, and all group companies are working together to promote business expansion. As a result, Tokyo Boeki (China), Ltd., which was previously a subsidiary of Tokyo Boeki Materials Ltd., was reborn as the company to coordinate the Group's China strategy after the structural change in December 2018, and is now working as our flagship company in China to develop new businesses and strengthen our existing businesses within the country.

We relocated our Shanghai office in April 2019, and will continue to work on maximizing synergy with our group companies.



Shanghai Office, building exterior

President Katoh participates in a delegation of three major economic groups to China

A joint delegation representing three major economic organizations (the Japan-China Economic Association, Japan Business Federation, and Japan Chamber of Commerce and Industry) visited Beijing from September 9 to 13, 2018, with President Katoh from the Tokyo Boeki Group in attendance. This visit, which coincided with the 40th Anniversary of the conclusion of the Treaty of Peace and Friendship between Japan and China, included a record number of 240 representatives from various Japanese organizations and companies, who joined in exchanges of opinions between Japan and China regarding economic policy. Li Keqiang, Premier of the State Council of the People's Republic of China, joined in a meeting on the 12th and shook hands with President Katoh. This became a meaningful visit for the Group, as it strengthens its China strategy, with the hope of further developing political and economic relations between Japan and China in the future.



Meeting with the National Development and Reform Commission of the People's Republic of China

Launch of the "Tomas Innovation Project"

We launched projects relating to work style reforms in January 2019, under the name of the "Tomas Innovation Project." Rather than a typical work style reform, our purpose involves a "job satisfaction reform." In particular, we aim to create an environment in which all employees can achieve job satisfaction and work in a lively manner, and we are examining specific measures, such as promoting programs to go home early and the use of flextime. This means striving not to simply shorten working hours, but also to improve productivity and achieve sustainable growth, while fostering a work culture that will serve as the foundation of our group.



"Job satisfaction reform" poster

Introduction of Group Companies

Energy Machinery Industry Group

TOKYO BOEKI MACHINERY LTD.

Contributing to society through sales of loading arms, for which we hold the top share in Japan, and sales of energy related equipment, scientific equipment, and energy-saving environmental protection products

Tokyo Boeki Machinery Ltd. ("TBM") is a "business creation-specialized trading company" that provides integrated services from marketing to product development, sales, and after-sales service. In the clean energy field, we are contributing to a stable global supply of energy, especially with marine loading arms, for which we hold the top market share in Japan.

Loading arm business

Loading arms, which are TBM's core product, are devices that transport liquids such as oil and liquefied gas. TBM responds to customer requests by selling loading arms that can be applied to all types of liquids, from petroleum to chemicals, based on a manufacturing and sales system in cooperation with the group manufacturing company, Tokyo Boeki Engineering, Ltd. In particular, TBM has achieved overwhelming delivery results for the "marine loading arm for liquefied natural gas" in Japan, and TBM has also obtained many delivery results overseas, to countries world-wide.



Loading arms



Transports oil and gas mainly from tanker ships to tanks on shore

Russia/CIS business

TBM exports scientific instruments such as electron microscopes, as well as products related to resources and energy, electronics, and engineering to Russia and CIS countries.

Various new businesses

In recent years, TBM has been actively working on new businesses and new product development by tackling environmental problems through offering of products and services related to unused energy, as well as by actively promoting businesses that address problems in local communities through the development, manufacture, and sales of transport support robots.



Adsorption chiller



ORC shipboard heat recovery system



The "CoRoCo" transport support robot

Details for each product can be viewed on the TBM website. <http://www.tokyo-boeki-machinery.co.jp/>

CONSOLIDATED COMPANIES



Domestic Group Companies

TB-eye Ltd.

President: Wonyong Kim

Business Description: Business Description: Import and sales of CCTV system devices; Development, manufacture, and sales of CCTV system peripheral devices; Design, installation, and after-sales service of CCTV system

TOKYO BOEKI MACHINERY LTD.

President: Hideshige Tsubouchi

Business Description: Sales of fluid loading equipment and related devices, and various plant-related devices; Export trading of scientific instruments for educational and science and technology-related facilities mainly in the CIS nations

TOKYO BOEKI ENGINEERING, LTD.

President: Hideshige Tsubouchi

Business Description: Development, design, manufacture, sales, and after-sales service for fluid loading equipment

TOKYO BOEKI TECHNO-SYSTEM LTD.

President: Katsuhiko Masuda

Business Description: Development, design, and manufacture of 3D measurement instruments, various measurement devices, various testing devices, and related software; Sales, import/export, and maintenance of 3D measurement instruments and related software

TOKYO BOEKI MATERIALS LTD.

President: Hiroshi Shigezumi

Business Description: Business development and import/export related to materials, resources, and metals

TOKYO BOEKI MECHANICS LTD.

President: Shigeru Moriyama

Business Description: Sales and maintenance of gas-related devices

TOKYO BOEKI MEDISYS INC.

President: Keiji Okabe

Business Description: Development, manufacture, and sales of automated analyzers used in clinical examinations for hospitals and medical testing facilities

T.B. TECH CO., LTD.

President: Yasuhide Kanai

Business Description: Contract development of software and packaged software, building network systems, system outsourcing, consultancy services, temporary staffing



Overseas Group Companies

USA

TOKYO BOEKI NORTH AMERICA, INC. (KENTUCKY)

President: Yasunori Inoyama

Business Description: Sales and service of 3D measurement instruments and related software

CHINA

TOKYO BOEKI (CHINA) LTD. (SHANGHAI)

President: Masaaki Sugihara

Business Description: Materials, resources, steel business, and new business development in China

TTS (GUANGZHOU) CO., LTD. (GUANGZHOU)

President: Shikoku Nishioka

Business Description: Sales and service of 3D measurement instruments and related software

THAILAND

TBTS (THAILAND) CO., LTD. (BANGKOK)

President: Yasunori Inoyama

Business Description: Sales and service of 3D measurement instruments and related software

CIS

TOKYO BOEKI (RUS) LTD. (MOSCOW)

General Director: Keiji Takigawa

Business Description: Import/export and sales of scientific instruments for educational and science and technology-related facilities in CIS nations

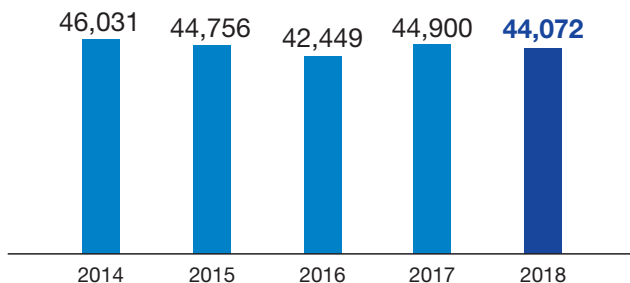
(As of June 27, 2019)

FINANCIAL REVIEW

Financial Highlights

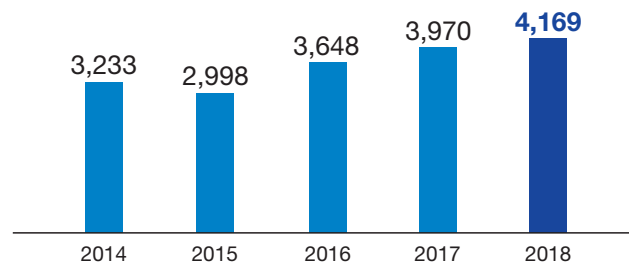
Net Sales

(Million yen)



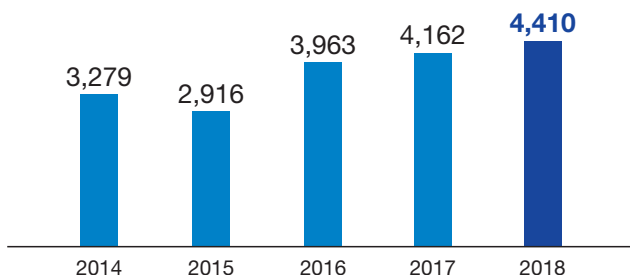
Operating Income

(Million yen)



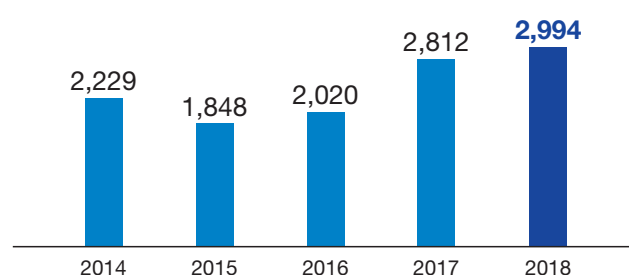
Ordinary Income

(Million yen)



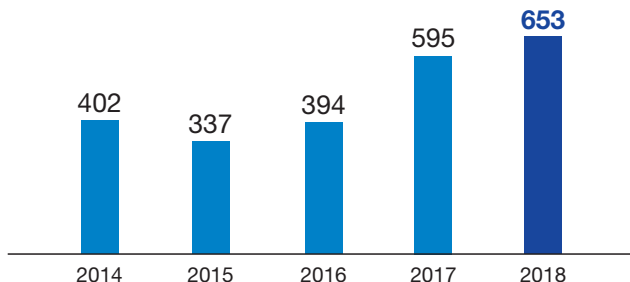
Net Income Attributable to Owners of Parent

(Million yen)



Earnings Per Share

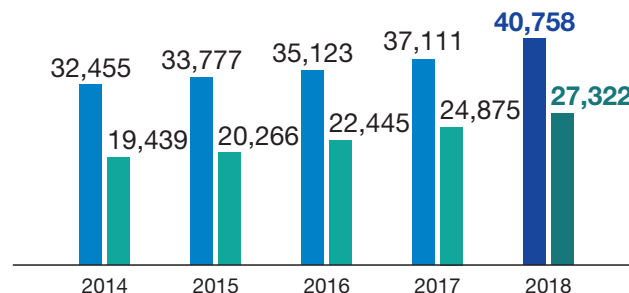
(Yen)



Total Assets / Net Assets

(Million yen)

■ Total Assets ■ Net Assets



Consolidated Financial Statements

■ Consolidated Balance Sheets

(Million yen)

Account Item	2018	2017
	As of March 31, 2019	As of March 31, 2018
Assets		
Current assets	32,308	28,993
Non-current assets	8,449	8,117
Property, plant and equipment	3,482	2,822
Intangible assets	400	476
Investments and other assets	4,566	4,818
Total assets	40,758	37,111
Liabilities		
Current liabilities	12,383	11,250
Non-current liabilities	1,051	985
Total liabilities	13,435	12,235
Net assets		
Shareholders' equity	26,550	23,889
Capital stock	5,000	5,000
Retained earnings	22,115	19,453
Treasury stock	(564)	(564)
Accumulated other comprehensive income	600	823
Non-controlling interests	171	162
Total net assets	27,322	24,875
Total liabilities and net assets	40,758	37,111

■ Consolidated Statements of Income

(Million yen)

Account Item	2018	2017
	April 1, 2018 – March 31, 2019	April 1, 2017 – March 31, 2018
Net sales	44,072	44,900
Cost of sales	28,765	30,304
Gross profit	15,307	14,596
Selling, general & administrative expenses	11,137	10,626
Operating income	4,169	3,970
Non-operating income	391	331
Non-operating expenses	150	139
Ordinary income	4,410	4,162
Income before income taxes	4,410	4,162
Income taxes	1,405	1,341
Net income	3,004	2,820
Net income attributable to non-controlling interests	10	8
Net income attributable to owners of parent	2,994	2,812

(Notes) 1. Amounts have been rounded down to the nearest whole unit.

2. In line with the application of "Partial Amendments to Accounting Standards for Tax Effect Accounting," 553 million yen of "current assets" in the previous fiscal year are included in "investments and other assets."

COMPANY OUTLINE / STOCK INFORMATION

Company Outline (As of March 31, 2019)

Tokyo Boeki Group	Tokyo Boeki Holdings Corporation and 14 group companies
Established	October 30, 1947
Capital Stock	5.0 billion yen (Shareholders' equity: 26.5 billion yen)
Employees	1,072
Head Office (Pure holding company)	Tokyo Boeki Holdings Corporation KYOBASHI EDOGRAND, 2-2-1 Kyobashi, Chuo-ku, Tokyo 104-0031 Japan

Executives of Tokyo Boeki Holdings Corporation (As of June 27, 2019)

Board of Directors / Operating Officers

Representative Director, Chairman & CEO	Hiroshi Machida
Representative Director, President	Sanshiro (Tomihiro) Katoh
Director, Executive Vice President	Hideshige Tsubouchi
Director	Tsunetoshi Sakai
Operating Officer	Shingo Nakagawa
Operating Officer	Hyunmin Go

Board of Corporate Auditors

Standing Audit & Supervisory Board Member	Mitsutaka Aoki
Audit & Supervisory Board Member	Yasuhiro Numata
Audit & Supervisory Board Member	Hideyuki Maeno

Stock Information (As of March 31, 2019)

Total Number of Authorized Shares	38,519,920 shares
Total Number of Stocks Issued	Common Stock 4,281,140 shares (Excludes treasury stock) Class A Preferred Stock 1,700,000 shares
Number of Shareholders	115

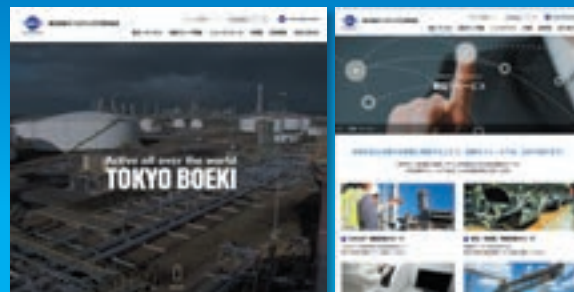
Name of Shareholder	Numbers of Stocks Held	Ratio of Shareholding
Tokyo Boeki Ltd.	1,700,000 shares	28.42%
Tokyo Boeki Employee Share Holding Commission	613,000 shares	10.27%
Tokyo Marine & Nichido Fire Insurance Co., Ltd.	498,000 shares	8.33%
The Toa Reinsurance Company, Limited	408,000 shares	6.82%
MUFG Bank, Ltd.	249,000 shares	4.16%
Nippon Life Insurance Company	120,000 shares	2.01%

* 1,700,000 shares of Tokyo Boeki Ltd. are Class A Preferred Stock.

Our Group Website

A variety of contents are available on the website, including the latest news of the Company and an introduction to our business.

<http://www.tokyo-boeki.co.jp/>



TOKYO BOEKI GROUP

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