

Stock Information (as of September 30, 2015)

Authorized shares 320,000,000 shares
 Issued shares 74,919,379 shares
 Number of shareholders 10,494

Major shareholders (Top 10)

Shareholders	Investment in the Company	
	Number of shares held	Ownership ratio
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	3,045	4.06
Mizuho Trust & Banking Co., Ltd. (Employee retirement benefit trust of Tokyo Seimitsu Co., Ltd., new trust custodian: Trust & Custody Services Bank, Ltd.)	2,592	3.45
The Dai-ichi Life Insurance Company, Limited	2,100	2.80
Japan Trustee Services Bank, Ltd. (Trust account)	2,030	2.70
DMG MORI SEIKI Co., Ltd.	2,000	2.66
Sumitomo Mitsui Banking Corporation	1,516	2.02
The Hokuetsu Bank, Ltd.	1,484	1.98
JP Morgan Chase Bank 385632	1,469	1.96
The Bank of New York - Jasdec Treaty Account	1,414	1.88
TSUGAMI Customers' Shareholding Association	1,260	1.68

Notes: 1. The figures for ownership ratio are rounded to the second decimal place.
 2. The 2,592 thousand shares held by Mizuho Trust & Banking Co., Ltd. (employee retirement benefit trust of Tokyo Seimitsu Co., Ltd., new trust custodian: Trust & Custody Services Bank, Ltd.) are held in a pension trust account for Tokyo Seimitsu, which reserves the right to give instructions on how to exercise voting rights for these shares.
 3. There are 8,050 thousand shares of treasury stock listed in the shareholders' register other than the shares listed in the table above.

Corporate Data (as of September 30, 2015)

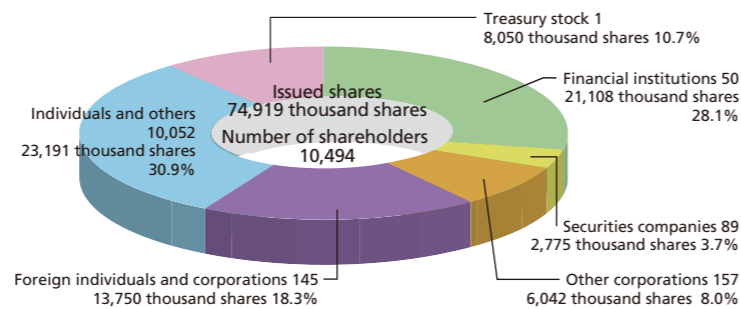
Corporate Name TSUGAMI CORPORATION
 Established March 15, 1937
 Head Office 12-20, Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo
 Paid-in Capital 12,345 million yen
 Number of Employees 445
 Directors and Auditors (as of October 1, 2015)
 Representative Director, Chairman and CEO Takao Nishijima
 Representative Director and COO Toshio Honma
 Representative Director and COO Toshiharu Niijima
 Director Byun Jae-Hyun
 Director Donglei TANG
 Outside Director Takeo Nakagawa
 Outside Director Shigeru Nishiyama
 Outside Director Kunio Shimada
 Standing Statutory Auditor Keiji Hayazaki
 Statutory Auditor Kenji Yamada
 Outside Statutory Auditor Morikuni Uchigasaki
 Outside Statutory Auditor Hitoshi Yoshida
 Outside Statutory Auditor Hideo Teramoto

Head Office and Factories
 Head Office 12-20, Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo
 Nagaoka Factory 1-1, Higashizao 1-chome, Nagaoka-shi, Niigata
 Takami Factory 1-2, Higashi-Takami 2-chome, Nagaoka-shi, Niigata
 Niigata Factory 132, Momoyama-cho 2-chome, Higashi-ku, Niigata-shi, Niigata

Sales Network
 East Japan Marketing Division and Overseas Division (Tokyo)
 Central Japan Marketing Division (Nagoya)
 West Japan Marketing Division (Osaka)

Group Companies
 TSUGAMI MACHINERY CO., LTD.
 TSUGAMI GENERAL SERVICE CO., LTD.
 PRECISION TSUGAMI (CHINA) CORPORATION
 Precision Tsugami (China) Corporation Limited (British Cayman Islands)
 Precision Tsugami (Hong Kong) Limited
 Shinagawa Precision Machinery (Zhejiang) Co., Ltd.
 TSUGAMI (THAI) CO., LTD.
 TSUGAMI EUROPE GmbH (GERMANY)
 TSUGAMI KOREA CO., LTD.
 TSUGAMI PRECISION ENGINEERING INDIA PVT., LTD.
 TSUGAMII TECH SOLUTIONS INDIA PVT., LTD.
 TSUGAMI Universal Pte. Ltd. (SINGAPORE)

Shareholders composition by type



(The percentages of investment are rounded down to the first decimal point.)

Shareholders Information

Business Year From April 1 each year to March 31 of the following year
 Annual Shareholders Meeting June each year
 Surplus Dividends The record date for the year end dividend shall be March 31 each year. When paying interim dividends, the record date shall be September 30 each year.
 Administrator of Shareholders' Register Mitsubishi UFJ Trust Banking Corporation 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo
 Business Handling Office Mitsubishi UFJ Trust Banking Corporation Stock Transfer Agency Department
 Contact Office 10-11, Higashisuna 7-chome, Koto-ku, Tokyo 137-8081 Mitsubishi UFJ Trust Banking Corporation Stock Transfer Agency Department Telephone: 0120-232-711 (toll free number)
 Method of Public Notice Public notices of the Company shall be published on its website (<http://www.tsugami.co.jp/>). However, if the Company is unable to publish notices electronically, public notices shall be published in the Kanpo ("official gazette").
 Listed Stock Exchange Tokyo

Notice

- In principle, the contact that receives customer requests for changes of addresses and name, purchasing shares constituting less than one unit, and transferring dividends to designated accounts shall be securities companies, etc. in which the customers have opened an account. Mitsubishi UFJ Trust Banking Corporation shall receive inquiries about the shipment and return of mail articles, etc. and dividends overdue and general questions as to administrative work involving shares.
- Mitsubishi UFJ Trust Banking Corporation shall undertake procedures for shares recorded in a special account, not an account at a securities company, etc.
- As shares recorded in a special account may not be sold directly from the special account when selling them on the market, it is necessary to transfer them to an account at a securities company, etc.

To Our Shareholders

Business Report for the First Half of Fiscal Year 2015
 (April 1, 2015 to September 30, 2015)

TSUGAMI CORPORATION

I am pleased to report our results for the first half of fiscal 2015, ending March 31, 2016.

During the first half under review, the Japanese economy remained on a modest recovery path, with corporate earnings and employment improving. However, uncertainty about the future of the economy is rising, given concern over the effects of a slowdown in Chinese economic growth and the prospect of an interest rate hike in the United States.

In the machine tool industry, the domestic market continued its moderate upward trend on the back of subsidies and tax breaks, with products for auto parts continuing to perform well. The U.S. and European markets were steady, while the Chinese market was weak as the economy slowed.

In this environment, TSUGAMI Corporation (the "Company") and its affiliates (the "Group") promoted sales in the IT industry and a wide range of other industries. However, both net sales and income declined from a year ago, reflecting a reactionary fall in demand for smartphones compared with the same period of the previous fiscal year and the effect of a slowdown in the Chinese market.

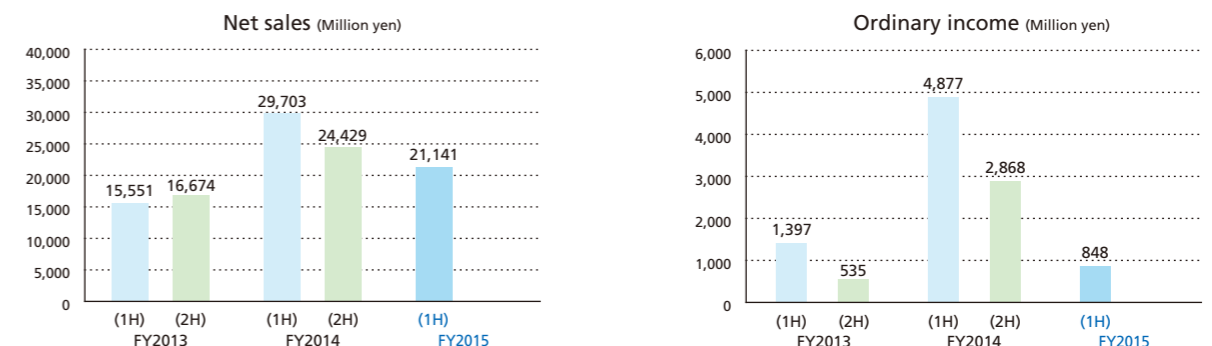
Consolidated net sales for the first half of the fiscal year under review stood at 21,141 million yen, down 28.8% year on year. Consolidated operating income declined 72.2% year on year, to 1,321 million yen, and consolidated ordinary income decreased 82.6% year on year, to 848 million yen. Net income attributable to owners of the parent fell 80.0% year on year, to 679 million yen.

The Company decided to pay an interim dividend of 8 yen per share according the initial plan and plans to pay a year-end dividend of 8 yen per share (for an annual dividend of 16 yen per share) in the fiscal year ending March 31, 2016.

We respectfully ask for the continued support and encouragement of our shareholders.

November 2015
 Takao Nishijima Chairman and CEO

Business Performance (Consolidated)



Financial highlights

Item	FY2013		FY2014		FY2015
	First half	Full year	First half	Full year	First half
Net sales (Million yen)	15,551	32,225	29,703	54,132	21,141
Ordinary income (Million yen)	1,397	1,932	4,877	7,745	848
Net income attributable to owners of the parent (Million yen)	883	344	3,405	5,297	679
Net income per share (Yen)	12.05	4.72	47.21	74.37	10.05
Total assets (Million yen)	45,976	52,250	60,942	56,829	56,682
Net assets (Million yen)	32,323	31,587	35,252	37,279	34,145
Net assets per share (Yen)	439.07	428.18	479.56	522.94	498.15

(Note) The figures are rounded to million yen.

Consolidated Financial Statements

Consolidated balance sheets

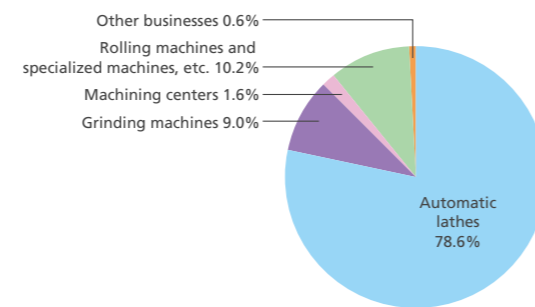
Item	(Million yen)	
	FY2015 First half (September 30, 2015)	FY2014 (March 31, 2015)
Assets		
Current assets	37,680	36,861
Cash and deposits	4,224	5,175
Trade notes and accounts receivable	6,216	7,054
Inventories	25,630	22,700
Other current assets	1,608	1,931
Fixed assets	19,002	19,967
Tangible fixed assets	11,107	11,451
Buildings, machinery, equipment and vehicles	10,244	10,596
Land	564	564
Other tangible fixed assets	298	290
Intangible fixed assets	736	756
Investments and other assets	7,158	7,759
Total assets	56,682	56,829
Liabilities		
Current liabilities	21,312	17,851
Trade notes and accounts payable	10,433	8,276
Short-term borrowings	8,377	6,855
Accrued income tax	145	616
Other current liabilities	2,356	2,104
Long-term liabilities	1,224	1,698
Net defined benefit liability	440	535
Other long-term liabilities	783	1,162
Total liabilities	22,537	19,550
Net assets		
Shareholders' equity	29,450	31,460
Common stock	12,345	12,345
Capital surplus	5,884	5,889
Retained earnings	16,074	15,963
Treasury stock	- 4,853	- 2,738
Accumulated other comprehensive income	3,860	4,953
Unrealized gains on marketable securities	1,943	2,798
Translation adjustments	1,881	2,123
Remeasurements of defined benefit plans	35	32
Subscription rights to shares	834	865
Total net assets	34,145	37,279
Total liabilities and net assets	56,682	56,829

Consolidated statements of income

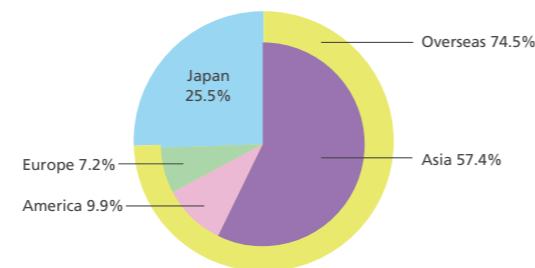
Item	(Million yen)	
	FY2015 First half April 1, 2015 to September 30, 2015	FY2014 First half April 1, 2014 to September 30, 2014
Net sales	21,141	29,703
Cost of sales	15,927	21,669
Gross profit	5,213	8,034
Selling, general and administrative expenses	3,892	3,278
Operating income	1,321	4,756
Non-operating income	138	653
Non-operating expenses	611	532
Ordinary income	848	4,877
Extraordinary income	61	2
Extraordinary expenses	21	53
Income before taxes and other adjustments	887	4,826
Corporate, inhabitant and enterprise taxes	342	1,257
Deferred taxes	- 134	162
Profit attributable to owners of parent	679	3,405

Sales breakdown (Consolidated)

Sales breakdown by product (FY2015 First half)



Sales breakdown by region (FY2015 First half)



Releasing New Products to the Market

CNC Precision Automatic Lathe BW207J/BW208J/BW208ZJ/BW209ZJ

We have developed the CNC Precision automatic lathe BW207J/BW208J/BW208ZJ/BW209ZJ in the BW series, the top-of-the-line lathe with independent opposed gang-tool posts. This lathe is ideal for the mass production processing of parts.



CNC Precision Automatic Lathe B0385C

We have developed the CNC Precision automatic lathe B0385C mounting ϕ 38 mm main spindle in a compact body. The large spindle enables it to be used in a wide range of business sectors.



CNC Lathe M06J-II/M08J-II

The M0 series (J-type), a line of best-selling machines, has been remodeled to the CNC Lathe M06J-II/M08J-II. The basic model offers better operability.



CNC Lathe M06SY-II/M08SY-II

The M0 series (SY-type), a line of best-selling machines, has been remodeled to the CNC Lathe M06SY-II/M08SY-II. It offers better operability with the state-of-the-art NC unit. Turning center with back spindle and Y axis.



Turning Center TMA8F

We have developed the 5-axis simultaneously controlled Turning Center TMA8F. The top-of-the-line of the TMA8 series, and an ideal machine for processing complicated parts.



Turning Center TMA8JC

We have developed the Turning Center TMA8JC, a lightweight and compact type of machine. The fastest and most space-efficient turning center in the TMA8 series, it shortens the cycle time of parts processing and improves productivity.



Held Exhibitions

We actively developed new business partners.

We held the TSUGAMI TECHNICAL FAIR 2015 at TSUGAMI Nagaoka Factory for three days from June 18, 2015.

We also held the TSUGAMI CHINA TECHNICAL FAIR 2015 at PRECISION TSUGAMI (CHINA) CORPORATION on September 11 and 12, 2015.

A large number of users and dealers from Japan and overseas visited the venues, where we conducted proactive talks for further market expansion.



TSUGAMI CHINA TECHNICAL FAIR 2015

TSUGAMI TECHNICAL FAIR 2015