

**Tsugami Corporation Financial data. Briefing on Financial Statements for the Year Ended March 2016**

May 12, 2016

Million yen (Figures are rounded down to the nearest one million yen.)

	Full-year			FY2017/3 Initial forecasts (May 12, 2016)
	FY2015/3 Actual	FY2016/3 Actual	YoY (%)	
Net sales	54,132	40,132	-25.9%	43,000
Gross profit	14,241	8,968	-37.0%	-
Gross profit margin	26.3%	22.3%	-	-
Operating income	7,253	2,125	-70.7%	3,500
Operating income margin	13.4%	5.3%	-	8.1%
Ordinary income	7,745	1,095	-85.9%	3,200
Ordinary income margin	14.3%	2.7%	-	7.4%
Net income	5,297	877	-83.4%	2,300
Net income margin	9.8%	2.2%	-	5.3%
Net income per share	74.37	13.04	-82.5%	35.37

	Six-month					FY2017/3 Initial forecasts (May 13, 2015)		
	FY2015/3 Actual		FY2016/3 Actual			YoY (%)	1H	2H
	1H	2H	1H	2H				
Net sales	29,703	24,429	21,141	18,991	-22.3%	20,000	23,000	
Gross profit	8,034	6,207	5,213	3,755	-39.5%	-	-	
Gross profit margin	27.0%	25.4%	24.7%	19.8%	-	-	-	
Operating income	4,756	2,497	1,321	804	-67.8%	1,500	2,000	
Operating income margin	16.0%	10.2%	6.2%	4.2%	-	7.5%	8.7%	
Ordinary income	4,877	2,868	848	247	-91.4%	1,300	1,900	
Ordinary income margin	16.4%	11.7%	4.0%	1.3%	-	6.5%	8.3%	
Net income	3,405	1,892	679	198	-	900	1,400	
Net income margin	11.5%	7.7%	3.2%	1.0%	-	4.5%	6.1%	
Net income per share	47.21	27.16	10.05	2.99	-	13.81	21.56	

	FY2015/3 Actual				FY2016/3 Actual					YoY (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net sales	12,670	17,033	12,247	12,182	11,892	9,249	9,708	9,283	-23.8%	
Gross profit	3,409	4,625	3,302	2,905	3,020	2,193	2,009	1,746	-39.9%	
Gross profit margin	26.9%	27.2%	27.0%	23.8%	25.4%	23.7%	20.7%	18.8%	-	
Operating income	1,903	2,853	1,348	1,149	908	413	438	366	-68.1%	
Operating income margin	15.0%	16.7%	11.0%	9.4%	7.6%	4.5%	4.5%	3.9%	-	
Ordinary income	1,676	3,201	1,867	1,001	974	-126	210	37	-	
Ordinary income margin	13.2%	18.8%	15.2%	8.2%	8.2%	-1.4%	2.2%	0.4%	-	
Net income	1,094	2,311	1,191	701	721	-42	135	63	-	
Net income margin	8.6%	13.6%	9.7%	5.8%	6.1%	-0.5%	1.4%	0.7%	-	
Net income per share	15.17	32.04	16.88	10.28	10.58	-0.63	2.02	0.94	-	

CNY/JPY	19.36 yen	17.39 yen
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17.73 yen	19.36 yen	18.96 yen	17.39 yen
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16.32 yen	17.73 yen	19.35 yen	19.36 yen	19.73 yen	18.96 yen	18.36 yen	17.39 yen
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Reportable segment (which are the areas where Group companies are located.)

	FY2015/3	FY2016/3	YoY (%)
Net sales to external customers	54,132	40,132	-25.9%
Japan	23,758	24,965	+5.1%
China	29,249	13,612	-53.5%
South Korea	1,124	1,554	+38.3%
Segment income	7,253	2,125	-70.7%
Japan	1,485	-28	-101.9%
China	5,749	1,907	-66.8%
South Korea	24	128	+433.3%
Adjustment of unrealized income	-5	118	-

	FY2015/3	FY2016/3	YoY (%)
Net sales	29,703	24,429	-22.3%
1H	11,451	12,307	+2.7%
2H	17,736	11,513	-51.5%
Operating income	4,756	2,497	-67.8%
1H	775	710	-356
2H	4,064	1,685	994
Net income	20	4	61
1H	-104	99	-63
2H			181

	FY2015/3	FY2016/3	YoY (%)
Net sales	12,670	17,033	-23.8%
1Q	5,468	5,983	5,760
2Q	6,906	10,830	6,089
3Q	294	221	398
4Q	1,903	2,853	1,348
Operating income	334	441	170
1Q	1,682	2,382	1,192
2Q	25	-5	9
3Q	-138	34	-22
4Q			121

Net sales by Geographic category

	FY2015/3	FY2016/3	YoY (%)
Asia	37,451	21,659	-42.2%
America	3,172	3,649	+15.0%
Europe	3,794	3,526	-7.1%
Overseas net sales	44,419	28,834	-35.1%
Japan	9,712	11,298	+16.3%

	FY2015/3	FY2016/3	YoY (%)
Net sales	22,300	15,151	-31.1%
1H	1,445	1,727	2,089
2H	1,844	1,950	1,533
Operating income	25,590	18,829	15,755
1H	4,113	5,599	5,386
2H			5,912

	FY2015/3	FY2016/3	YoY (%)
Net sales	9,446	12,854	8,218
1Q	719	726	709
2Q	887	957	815
3Q	11,054	14,536	9,742
4Q	1,615	2,498	2,505

Net sales, of total

	FY2015/3	FY2016/3
Asia	69.2%	54.0%
America	5.9%	9.1%
Europe	7.0%	8.8%
Overseas net sales	82.1%	71.8%
Japan	17.9%	28.2%

	FY2015/3	FY2016/3
Net sales	75.1%	62.0%
1H	4.9%	7.1%
2H	6.2%	8.0%
Operating income	86.2%	77.1%
1H	13.8%	22.9%
2H		25.5%

	FY2015/3	FY2016/3
Net sales	74.5%	75.5%
1Q	5.7%	4.3%
2Q	7.0%	5.6%
3Q	87.2%	85.3%
4Q	12.8%	14.7%

Net sales by machinery category

	FY2015/3	FY2016/3	YoY (%)
Automatic lathes	44,150	31,579	-28.5%
Grinding machines	3,222	4,399	+36.5%
Machining centers	1,536	570	-62.9%
Rolling machines and specialized machines	4,914	3,326	-32.3%
Other	307	257	-16.3%

	FY2015/3	FY2016/3	YoY (%)
Net sales	26,606	17,544	-34.1%
1H	1,433	1,789	1,910
2H	712	824	344
Operating income	781	4,133	2,143
1H	170	137	132
2H			125

	FY2015/3	FY2016/3	YoY (%)
Net sales	11,468	15,138	9,366
1Q	486	947	898
2Q	427	285	722
3Q	215	566	1,195
4Q	72	98	65

Net sales, of total

	FY2015/3	FY2016/3
Automatic lathes	81.6%	78.7%
Grinding machines	5.9%	11.0%
Machining centers	2.8%	1.4%
Rolling machines and specialized machines	9.1%	8.3%
Other	0.6%	0.6%

	FY2015/3	FY2016/3
Net sales	89.6%	71.8%
1H	4.8%	7.3%
2H	2.4%	3.4%
Operating income	2.6%	16.9%
1H	0.6%	0.6%
2H		0.6%

	FY2015/3	FY2016/3
Net sales	90.5%	88.9%
1Q	3.8%	5.6%
2Q	3.4%	1.7%
3Q	1.7%	3.3%
4Q	0.6%	0.6%