

## Stock Information (as of September 30, 2023)

Authorized shares ..... 320,000,000 shares  
 Issued shares ..... 50,000,000 shares  
 Number of shareholders ..... 12,432

### Major shareholders (Top 10)

Shareholders	Investment in the Company	
	Number of shares held	Holding ratio
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	6,778	14.09
Custody Bank of Japan, Ltd. (Trust account)	2,386	4.96
Daishi Hokuetsu Bank, Ltd.	2,184	4.54
JP MORGAN CHASE BANK 385632	1,785	3.71
The Dai-ichi Life Insurance Company, Limited	1,627	3.38
Sumitomo Mitsui Banking Corporation	1,516	3.15
Tsugami Customers' Shareholding Association	1,146	2.38
THE BANK OF NEW YORK 133652	1,034	2.15
THE BANK OF NEW YORK MELLON 140042	742	1.54
Daikin Industries, Ltd.	717	1.49

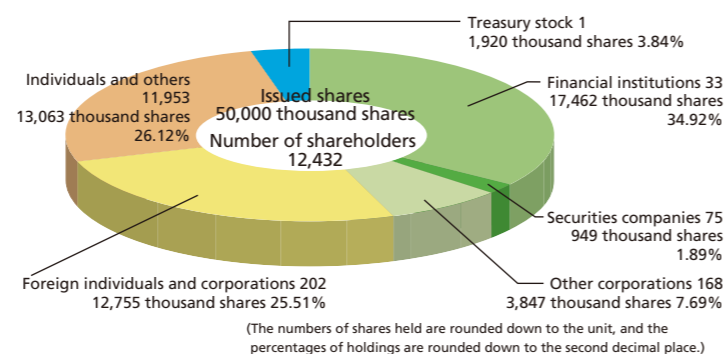
Notes: 1. In calculating the ratio of holdings, treasury stock was excluded. The ratio was rounded down to the second decimal place.  
 2. There are 1,920 thousand shares of treasury shares listed in the shareholders' register other than the shares listed in the table above.

## Corporate Data

(as of September 30, 2023)

Corporate Name	TSUGAMI CORPORATION
Established	March 15, 1937
Head Office	12-20, Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo
Share Capital	12,345 million yen
Number of Employees	3,120 (Consolidated)
Directors and Auditors (as of October 1, 2023)	
Director (Chairman)	Ken Kubo
Representative Director and President	Nobuhiro Watabe
Representative Director	Kenji Yoneyama
Director	Donglei Tang
Director	Takeshi Hirayama
Director (Audit & Supervisory Committee member)	Yutaka Kimura
Director (Audit & Supervisory Committee member)	Yoshimi Takeuchi
Director (Audit & Supervisory Committee member)	Kenyu Adachi
Director (Audit & Supervisory Committee member)	Kunio Shimada
Director (Audit & Supervisory Committee member)	Michiyo Yamamiya
Head Office and Factories	Head Office 12-20, Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo Nagaoka Factory 1-1, Higashizao 1-chome, Nagaoka-shi, Niigata
Sales Network	Overseas Division (Tokyo) East Japan Marketing Division (Saitama) Central Japan Marketing Division (Nagoya) West Japan Marketing Division (Osaka)
Group Companies	TSUGAMI GENERAL SERVICE CO., LTD. Precision Tsugami (China) Corporation Limited (British Cayman Islands) Precision Tsugami (Hong Kong) Limited PRECISION TSUGAMI (CHINA) CORPORATION Shinagawa Precision Machinery (Zhejiang) Co., Ltd. Precision Tsugami (Anhui) Corporation (CHINA) Precision Nakatsu (China) Corporation TSUGAMI (THAI) CO., LTD. TSUGAMI EUROPE GmbH (GERMANY) TSUGAMI KOREA CO., LTD. TSUGAMI PRECISION ENGINEERING INDIA PRIVATE LIMITED Tsugami Universal Pte. Ltd. (SINGAPORE)

## Shareholders composition by type



## 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	1-1, Nikko-cho, Fuchu-shi, Tokyo Telephone: 0120-232-711 (toll free number) (Postal address) New Tokyo P. O. Box No.29, Tokyo, 137-8081 Mitsubishi UFJ Trust Banking Corporation Stock Transfer Agency Department
Method of Public Notice	Public notices of the Company shall be published on its website ( <a href="https://www.tsugami.co.jp/">https://www.tsugami.co.jp/</a> ). 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 2023  
 (April 1, 2023 to September 30, 2023)

**TSUGAMI CORPORATION**

We are pleased to report our results for the first half of the fiscal year ending March 31, 2024.

In the first half of the fiscal year under review, the Group posted revenue of ¥40,294 million (down 16.0% year on year), operating profit of ¥5,941 million (down 31.0%) and profit attributable to owners of parent of ¥2,191 million (down 48.7%), mainly reflecting an overall adjustment phase that included the Chinese market, despite the unchanged profit structure.

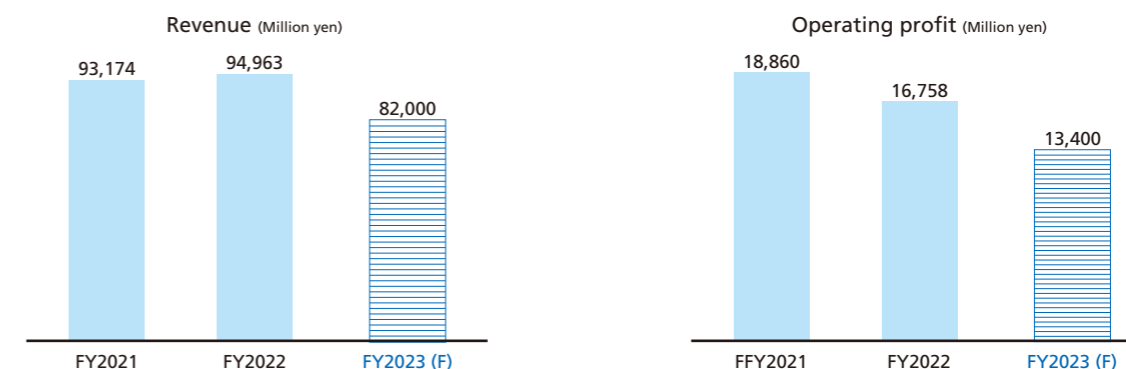
While continuing to work on expanding sales, improving production efficiency and reducing costs, the Group seeks to offer new products that fully meet customer requirements and enhance the services it provides. Through these efforts, it will consistently aim to raise customer satisfaction and work hard to maintain management structures trusted by customers.

The Company decided to pay an interim dividend for the consolidated fiscal year ending March 31, 2024 of 24 yen per share, an increase of 2 yen from a year ago as initially planned. The Company plans to pay a year-end dividend of 24 yen per share (which combined with the interim dividend brings the annual dividend to 48 yen).

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

November 2023  
 TSUGAMI CORPORATION

## Business Performance (Consolidated)



## Financial highlights

Item	FY2021		FY2022		FY2023
	First half	Full year	First half	Full year	First half
Revenue (Million yen)	49,176	93,174	47,965	94,963	40,294
Operating profit (Million yen)	10,808	18,860	8,604	16,758	5,941
Profit attributable to owners of parent (Million yen)	5,445	9,486	4,270	7,695	2,191
Basic earnings per share (Yen)	108.80	191.99	88.31	159.39	45.73
Total assets (Million yen)	90,548	103,761	111,587	112,364	111,443
Total equity (Million yen)	50,837	57,840	64,083	64,922	69,378

(Note) All fractions of monetary units have been rounded down.

# Consolidated Financial Statements

## Consolidated statement of financial position

(Million yen)

Item	FY2022 (March 31, 2023)	FY2023 First half (September 30, 2023)
<b>Assets</b>		
Total current assets	90,370	87,743
Cash and cash equivalents	25,779	29,284
Trade and other receivables	23,117	22,136
Other financial assets	30	30
Inventories	38,500	34,849
Other current assets	2,943	1,442
Total non-current assets	21,994	23,700
Property, plant and equipment	14,154	15,662
Right-of-use assets	1,957	2,070
Intangible assets	615	484
Retirement benefit assets	17	13
Other financial assets	4,569	4,696
Deferred tax assets	455	470
Other non-current assets	225	304
Total assets	112,364	111,443
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Total current liabilities	43,689	37,183
Trade and other payables	20,384	14,354
Borrowings	17,698	17,144
Other financial liabilities	196	199
Income taxes payable, etc.	1,447	1,518
Provisions	503	459
Contract liabilities	2,721	2,489
Other current liabilities	737	1,017
Total non-current liabilities	3,752	4,882
Other financial liabilities	145	159
Retirement benefit liability	918	921
Provisions	5	5
Deferred tax liabilities	2,123	3,196
Other non-current liabilities	559	599
Total liabilities	47,442	42,065
<b>Equity</b>		
Share capital	12,345	12,345
Capital surplus	3,022	2,986
Treasury shares	- 2,247	- 2,383
Other components of equity	6,887	9,187
Retained earnings	30,945	31,911
Total equity attributable to owners of parent	50,953	54,047
Non-controlling interests	13,968	15,330
Total equity	64,922	69,378
Total liabilities and equity	112,364	111,443

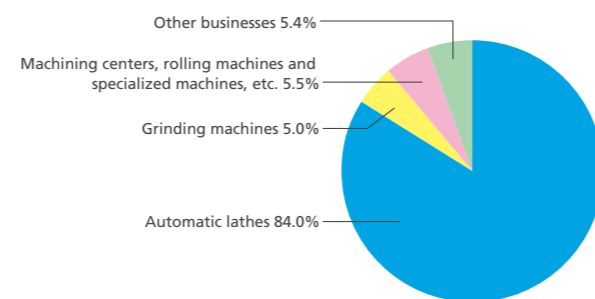
## Consolidated statement of profit or loss

(Million yen)

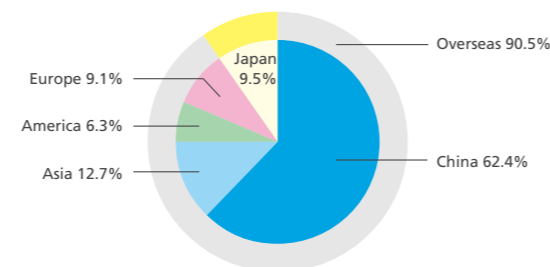
Item	FY2022 First half April 1, 2022 to September 30, 2022	FY2023 First half April 1, 2023 to September 30, 2023
Revenue	47,965	40,294
Cost of sales	- 34,479	- 29,267
Gross profit	13,485	11,026
Selling, general and administrative expenses	- 5,615	- 5,805
Other income	783	789
Other expenses	- 49	- 70
Operating profit	8,604	5,941
Finance income	301	664
Finance costs	- 120	- 148
Profit before tax	8,786	6,458
Income tax expense	- 2,936	- 2,983
Profit	5,850	3,474
<b>Profit for the year attributable to:</b>		
Owners of parent	4,270	2,191
Non-controlling interests	1,579	1,283
Profit	5,850	3,474
<b>Earnings per share</b>		
Basic earnings per share (yen)	88.31	45.73
Diluted earnings per share (yen)	86.95	45.13

## Revenue breakdown (Consolidated)

Revenue breakdown by product (FY2023 First half)



Revenue breakdown by region (FY2023 First half)



(The composition ratio is rounded to one decimal place.)

# Received the Machine Design Award IDEA

In July 2023, turning center SS20MH-III-5AX received the Review Committee Special Award of the 53rd Machine Design Award IDEA (sponsored by The Nikkan Kogyo Shimbun, Ltd.).

This product is a turning center with the machining diameter up to 20 mm bar that integrates the functions of a sliding headstock type automatic lathe and a machining center. A uniquely-structured compact machine overturns the conventional notion that turning centers are large. It integrates multiple processes and features a high level of processing stability to improve the yield. Equipped with software supporting energy and labor saving, it greatly contributes to the sustainable development goals (SDGs).



## Products

### CNC Lathe M10D

CNC lathe with 10-inch chuck

High-output, high-torque motor for live tools performs strong milling and enhances efficient machining.

- 18.5 kW high-output built-in motor on the spindle realizes powerful machining. It supports the heavy-duty cutting of large diameter workpieces.
- Live tools can be mounted on all positions. Efficient milling is realized by rigid live tools.
- Conversational programming function (iCAP T) automatically creates an NC program after the user enters the workpiece figures and machining conditions in an interactive format.
- Featuring a number of energy saving functions, including energy-saving mode in which standby power consumption is reduced, and ECO operation mode, in which power consumption is reduced when the machine is in operation.
- Equipped with AI thermal displacement compensation function, which predicts thermal displacements from the data on machine temperature to correct them with the use of artificial intelligence (AI) that has learned displacement data.



## Exhibition Held

We have actively developed new business partners.

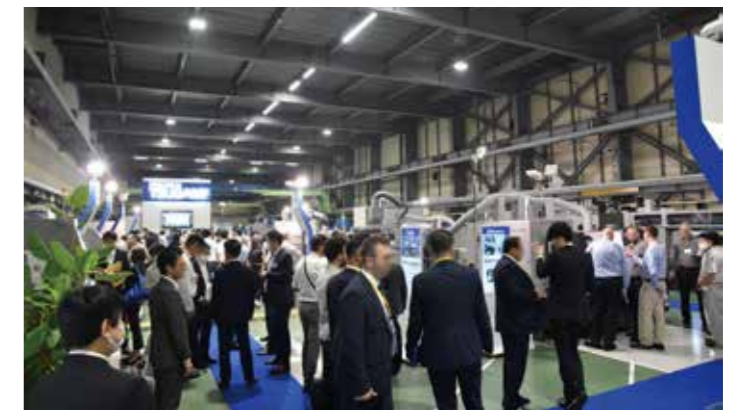
We held the TSUGAMI TECHNICAL FAIR 2023 at Nagaoka Factory for 2 days from June 22, 2023.

We participated as an exhibitor in EMO Hannover 2023, a six-day European machine tools exhibition in the Germany city of Hannover that commenced on September 18, 2023.

We invited many users and dealers and engaged in active business talks to further expand the market.



EMO Hannover 2023



TSUGAMI TECHNICAL FAIR 2023