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## Summary of Financial Results for the Fiscal Year Ended March 31, 2024

May 14, 2024

TSUGAMI CORPORATION

Stock code: 6101

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Contact: Tomohiro Yamaguchi, Executive Officer, Accounting

Scheduled date of annual shareholders meeting: June 19, 2024

Scheduled date of commencement of dividend payments: May 28, 2024

Scheduled date of submission of securities report: June 19, 2024

Supplementary briefing materials to be created: Yes

Investors meeting to be held: Yes (for securities analysts)

Listings: Tokyo Stock Exchange Prime Market

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### 1. Consolidated business performance for the Fiscal year ended March 31, 2024

(From April 1, 2023 to March 31, 2024)

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

#### (1) Consolidated operating results

(Figures in percentages denote the year-on-year change.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	83,928	-11.6	13,095	-21.9	13,795	-16.2	8,180	-24.6	5,376	-30.1	12,831	10.6
Fiscal year ended March 31, 2023	94,963	1.9	16,758	-11.1	16,467	-12.3	10,845	-14.1	7,695	-18.9	11,606	-35.0

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit on revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	112.57	111.04	10.0	12.0	15.6
Fiscal year ended March 31, 2023	159.39	157.33	15.9	15.2	17.6

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Percentage of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
As of March 31, 2024	117,714	72,361	56,605	48.1(61.5)	1,190.52
As of March 31, 2023	112,364	64,922	50,953	45.3(57.8)	1,057.67

(Reference) The figures in parentheses are the ratios of total equity (sum of equity attributable to owners of parent and non-controlling interests).

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	11,883	-2,605	-6,687	30,495
Fiscal year ended March 31, 2023	8,300	-1,278	-379	25,779

## 2. State of dividends

(Base date)	Dividends per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends on equity attributable to owners of parent (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	--	22.00	--	24.00	46.00	2,222	28.9	4.6
Fiscal year ended March 31, 2024	--	24.00	--	24.00	48.00	2,295	42.6	4.3
Fiscal year ending March 31, 2025 (forecast)	--	24.00	--	24.00	48.00		34.9	

## 3. Consolidated business performance forecasts for the fiscal year ending March 31, 2025

(From April 1, 2024 to March 31, 2025)

(Figures in percentages denote the year-on-year change.)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	46,500	15.4	8,000	34.6	3,500	59.7	74.00
Full-year	90,000	7.2	15,000	14.5	6,500	20.9	137.43

\* Notes

(1) Important changes in subsidiaries during the quarter under review (changes in specified subsidiaries that caused the scope of consolidation to change): No

(2) Changes in accounting policy and in accounting estimates, and restatements

- (i) Changes in accounting policies required by IFRS: No
- (ii) Changes in accounting policy other than those stated in item (i) above: No
- (iii) Changes in accounting estimates: No

(3) Numbers of outstanding shares (common shares)

(i) Numbers of outstanding shares at the end of the terms (including treasury stock):

As of March 31, 2024 50,000,000 share As of March 31, 2023 50,000,000 shares

(ii) Numbers of treasury shares at the end of the terms:

As of March 31, 2024 2,453,628 shares As of March 31, 2023 1,824,788 shares

(iii) Average numbers of shares outstanding during the periods:

Fiscal year ended March 31, 2024 47,760,164 shares Fiscal year ended March 31, 2023 48,279,155 shares

(Reference) Summary of non-consolidated business performance

Non-consolidated business performance for the Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	28,647	-12.3	-718	--	3,609	-10.8	3,364	-6.6
Fiscal year ended March 31, 2023	32,676	6.5	303	-86.1	4,045	-15.6	3,600	-15.9

	Net income per share	Net income per share after residual equity adjustment
	Yen	Yen
Fiscal year ended March 31, 2024	70.17	69.49
Fiscal year ended March 31, 2023	74.58	73.61

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	38,813	19,779	50.2	410.18
As of March 31, 2023	43,916	19,198	43.0	392.00

(Reference): Shareholders' equity: Fiscal year ended March 31, 2024: ¥19,502 million

Fiscal year ended March 31, 2023: ¥18,884 million

\* The summary of financial results falls outside the scope of audits by certified public accountants or an auditing corporation.

\* Explanations for the appropriate use of business forecasts and other items warranting special mention

The forward-looking statements, including business forecasts, included in this document are based on information available on the date of announcement and certain assumptions we consider reasonable. Actual performance may differ materially from the statements due to a range of factors. For assumptions for business forecasts and notes on the use of business forecasts, please refer to [1. Overview of Operating Results (1) Overview of Operating Results in Fiscal Year Under Review (ii) Forecasts for the next fiscal year] on page 2 of the accompanying documents of this summary of financial results for the Fiscal year Ended March 31, 2024.

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## 1. Overview of Operating Results

### (1) Overview of Operating Results in Fiscal Year Under Review

#### (i) Operating results in fiscal year under review

Looking at the Group's business environment during the fiscal year under review, its profit structure did not change, and the adjustment phase continued in both the domestic and overseas markets. As a result, revenue stood at ¥83,928 million (down 11.6% year on year), operating profit at ¥13,095 million (down 21.9% year on year) and profit attributable to owners of parent at ¥5,376 million (down 30.1% year on year).

With respect to revenue by machinery category, revenue from automatic lathes, the main product line, came to ¥70,681 million (down 11.4% year on year), revenue from grinding machines to ¥3,954 million (down 7.5% year on year), and revenue from machining centers, rolling machines and specialized machines to ¥4,740 million (down 19.6% year on year).

Segment performance is as follows.

- a. In Japan, revenue decreased 15.4%, to ¥31,004 million, and segment loss amounted to ¥968 million compared to segment profit of ¥380 million in the previous fiscal year.
- b. In China, revenue decreased 21.1% year on year to ¥63.395 million and segment profit decreased 18.1% year on year to ¥12,606 million.
- c. In India, revenue increased 13.8% year on year to ¥5,338 million yen and segment loss came to ¥50 million (whereas, for the previous fiscal year, a segment profit of ¥130 million was recorded).
- d. In South Korea, revenue increased 6.8% year on year to ¥1,773 million yen and segment profit decreased 47.2% year on year to ¥47 million.
- e. Revenue in "Other" decreased 38.9% year on year to ¥674 million yen. A segment loss was recorded at ¥42 million (whereas, for the previous fiscal year, segment profit of ¥125 million was recorded).

Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.

#### (ii) Forecasts for the next fiscal year

Considering trends in domestic and overseas markets and orders received, the Company forecasts performance in the fiscal year ending March 31, 2025 as shown below.

Consolidated business performance forecasts for the fiscal year ending March 31, 2025 (From April 1, 2024 to March 31, 2025)

(Million yen, except per share data)

	First half	Full year
Revenue	46,500	90,000
Operating profit	8,000	15,000
Profit attributable to owners of parent	3,500	6,500
Basic earnings per share	74.00 yen	137.43 yen

## (2) Overview of Financial Position in Fiscal Year Under Review

### (i) State of assets, liabilities and equity

Total assets amounted to ¥117,714 million at the end of the fiscal year under review, increasing ¥5,349 million from the end of the previous fiscal year.

The increase resulted mainly from increases of ¥4,716 million in cash and cash equivalents and ¥4,863 million in trade and other receivables, despite a fall of ¥5,770 million in inventories.

Total liabilities amounted to ¥45,352 million at the end of the fiscal year under review, decreasing ¥2,089 million yen from the end of the previous fiscal year.

The result was mainly attributable to a fall of ¥2,837 million in trade and other payables, and ¥881 million in borrowings, which more than offset an increase of ¥1,432 million in deferred tax assets.

Total equity amounted to ¥72,361 million at the end of the fiscal year under review, increasing ¥7,439 million from the end of the previous fiscal year.

This was mainly due to increases of ¥5,376 million in retained earnings from profit attributable to owners of parent, and ¥1,787 million in non-controlling interests, partly offset by decreases in cash of ¥2,310 million due to dividend payment and ¥823 million due to the acquisition of treasury shares, etc.

Reflecting the results above, the percentage of equity attributable to owners of parent reached 48.1%, increasing 2.8 percentage points from the end of the previous fiscal year.

### (ii) State of cash flows

Cash and cash equivalents amounted to ¥30,495 million at the end of the fiscal year under review, increasing ¥4,716 million from the end of the previous fiscal year. Changes in cash flows for each activity and the reasons for those changes are as follows.

#### (Cash flows from operating activities)

Cash provided through operating activities was ¥11,883 million (cash provided of ¥8,300 million in the previous fiscal year).

The result principally reflected an increase in cash due to profit before tax of ¥13,795 million, a decrease in inventories of ¥7,302 million and a depreciation and amortization of ¥2,049 million, offsetting a decrease in cash attributable to income taxes paid of ¥4,883 million, a decrease in trade and other payables of ¥3,762 million, and an increase in trade and other receivables of ¥2,370 million.

#### (Cash flows from investing activities)

Cash used for investing activities was ¥2,605 million (cash used of ¥1,278 million in the previous fiscal year).

The cash outflow was primarily attributable to decrease in cash for the purchase of property, plant and equipment of ¥2,419 million.

#### (Cash flows from financing activities)

Cash used for financing activities was ¥6,687 million (cash used of ¥379 million in the previous fiscal year).

The decrease in cash was primarily attributable to dividends paid of ¥2,310 million and dividends paid to non-controlling shareholders of ¥1,684 million.

### (3) Basic policy relating to profit distribution, and dividends for the fiscal year under review and the following fiscal year

The Group adopts a basic policy of increasing its collective capabilities and returning profits to shareholders by sustaining aggressive investment in development projects in response to changing social demands and continuing its efforts to enhance competitiveness and streamline management. Based on this policy, the Group is united in its commitment to strengthening its business structure and achieving stable dividends.

The Group will also deal appropriately with the acquisition of treasury stock for the flexible enforcement of capital policies and other purposes as part of its measures for returning profits to shareholders, based on a comprehensive assessment of factors, including need, financial conditions and share price trends.

For the consolidated fiscal year ended March 31, 2024, the Company has decided to pay annual dividends of 48 yen per share, including interim dividends of 24 yen per share and year-end dividends of 24 yen per share.

For the consolidated fiscal year ending March 31, 2025, the Company plans to pay annual dividends of 48 yen per share, including interim dividends of 24 yen per share and year-end dividends of 24 yen per share.

## 2. Basic Policy on Selection of Accounting Standards

The Group has been applying the International Accounting Standards since the Fiscal year ended March 31, 2019, to enhance convenience and the international comparability of financial information in the capital market.

## 3. Consolidated Financial Statements and Significant Notes

## (1) Consolidated Statement of Financial Position

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2023)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2024)
Assets		
Current assets		
Cash and cash equivalents	25,779	30,495
Trade and other receivables	23,117	27,980
Other financial assets	30	142
Inventories	38,500	32,730
Other current assets	2,943	1,586
Total current assets	90,370	92,935
Non-current assets		
Property, plant and equipment	14,154	16,308
Right-of-use assets	1,957	2,094
Intangible assets	615	359
Retirement benefit asset	17	110
Other financial assets	4,569	5,104
Deferred tax assets	455	461
Other non-current assets	225	340
Total non-current assets	21,994	24,779
Total assets	112,364	117,714

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2023)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2024)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,384	17,546
Borrowings	17,698	16,816
Other financial liabilities	196	205
Income taxes payable	1,447	1,670
Provisions	503	428
Contract liabilities	2,721	2,481
Other current liabilities	737	898
Total current liabilities	43,689	40,047
Non-current liabilities		
Other financial liabilities	145	183
Retirement benefit liability	918	903
Provisions	5	5
Deferred tax liabilities	2,123	3,555
Other non-current liabilities	559	655
Total non-current liabilities	3,752	5,304
Total liabilities	47,442	45,352
Equity		
Share capital	12,345	12,345
Capital surplus	3,022	2,885
Treasury shares	-2,247	-3,008
Other components of equity	6,887	10,316
Retained earnings	30,945	34,065
Total equity attributable to owners of parent	50,953	56,605
Non-controlling interests	13,968	15,756
Total equity	64,922	72,361
Total liabilities and net equity	112,364	117,714



(2) Consolidated Statements of Profit or Loss and Comprehensive Income  
(Consolidated Statement of Profit or Loss)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Revenue	94,963	83,928
Cost of sales	-68,204	-60,258
Gross profit	26,758	23,669
Selling, general and administrative expenses	-11,044	-11,775
Other income	1,314	1,346
Other expenses	-271	-145
Operating profit	16,758	13,095
Finance income	394	1,071
Finance costs	-683	-370
Share of profit (loss) of investments accounted for using equity method	-1	--
Profit before tax	16,467	13,795
Income tax expense	-5,622	-5,615
Profit	10,845	8,180
Profit for the year attributable to:		
Owners of parent	7,695	5,376
Non-controlling interests	3,149	2,803
Profit	10,845	8,180
Earnings per share		
Basic earnings per share (yen)	159.39	112.57
Diluted earnings per share (yen)	157.33	111.04

## (Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Profit	10,845	8,180
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	288	384
Remeasurement of defined benefit pension plans	-8	80
Total items that will not be reclassified to profit or loss	280	464
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	480	4,186
Share of other comprehensive income of investments accounted for using equity method	0	--
Total items that may be reclassified to profit or loss	481	4,186
Total other comprehensive income	761	4,651
Comprehensive income	11,606	12,831
Total comprehensive income for the year attributable to:		
Owners of parent	8,318	8,822
Non-controlling interests	3,288	4,009
Comprehensive income	11,606	12,831

## (3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2022	12,345	3,222	-2,040	4,383	1,872
Profit					
Other comprehensive income				342	288
Total comprehensive income	--	--	--	342	288
Purchase of treasury shares			-918		
Disposal of treasury shares		-200	711		
Dividends					
Transfer to retained earnings					
Changes from exclusion from application of equity method					
Share-based payment transactions	--	-200	-207	--	--
Balance As of March 31, 2023	12,345	3,022	-2,247	4,726	2,161

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity		Retained earnings	Total	Total		
	Remeasurements of defined benefit plans	Total					
Balance as of April 1, 2022	--	6,256	25,795	45,580	12,260	57,840	
Profit		--	7,695	7,695	3,149	10,845	
Other comprehensive income	-8	622		622	138	761	
Total comprehensive income	-8	622	7,695	8,318	3,288	11,606	
Purchase of treasury shares		--		-918		-918	
Disposal of treasury shares		--	-408	103		103	
Dividends		--	-2,130	-2,130	-1,580	-3,711	
Transfer to retained earnings	8	8	-8	--		--	
Changes from exclusion from application of equity method		--	1	1		1	
Share-based payment transactions	8	8	-2,545	-2,944	-1,580	-4,525	
Balance As of March 31, 2023	--	6,887	30,945	50,953	13,968	64,922	

Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2023	12,345	3,022	-2,247	4,726	2,161
Profit					
Other comprehensive income				2,980	384
Total comprehensive income	--	--	--	2,980	384
Purchase of treasury shares			-934		
Disposal of treasury shares		-35	172		
Dividends					
Transfer to retained earnings					
Capital transactions with non-controlling shareholders		-100		63	
Share-based payment transactions	--	-136	-761	63	--
Balance As of March 31, 2024	12,345	2,885	-3,008	7,771	2,545

	Equity attributable to owners of parent					
	Other components of equity		Retained earnings	Total	Non-controlling interests	Total
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2023	--	6,887	30,945	50,953	13,968	64,922
Profit		--	5,376	5,376	2,803	8,180
Other comprehensive income	80	3,445		3,445	1,206	4,651
Total comprehensive income	80	3,445	5,376	8,822	4,009	12,831
Purchase of treasury shares		--		-934		-934
Disposal of treasury shares		--	-26	110		110
Dividends		--	-2,310	-2,310	-1,684	-3,994
Transfer to retained earnings	-80	-80	80	--		--
Capital transactions with non-controlling shareholders		63		-36	-537	-573
Share-based payment transactions	-80	-16	-2,256	-3,170	-2,221	-5,392
Balance As of March 31, 2024	--	10,316	34,065	56,605	15,756	72,361

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit before tax	16,467	13,795
Depreciation and amortization	2,038	2,049
Impairment losses and reversal of impairment losses (gain)	-85	-93
Finance income	-394	-830
Finance costs	151	232
Share of loss (profit) of investments accounted for using equity method	1	--
Loss on retirement of fixed assets	207	9
Loss (gain) on sale of fixed assets	1	18
Government grant income	-1,082	-1,101
Insurance claim income	-48	-32
Decrease (increase) in inventories	-5,882	7,302
Decrease (increase) in trade and other receivables	4,811	-2,370
Increase (decrease) in trade and other payables	-2,109	-3,762
Increase (decrease) in contract liabilities	-1,769	-394
Increase or decrease in retirement benefit asset or liability	32	-27
Increase (decrease) in provisions	-81	-100
Other	56	-247
Subtotal	12,317	14,446
Interest and dividends received	376	806
Interest paid	-151	-232
Government grant income	1,082	1,101
Insurance received	48	32
Income taxes paid	-5,810	-4,883
Income taxes refund	437	612
Net cash provided by (used in) operating activities	8,300	11,883
Cash flows from investing activities		
Payments into time deposits	-50	-160
Proceeds from withdrawal of time deposits	50	50
Purchase of property, plant and equipment	-1,141	-2,419
Proceeds from sale of property, plant and equipment	7	8
Payments for retirement of property, plant and equipment	-51	--
Purchase of intangible assets	-28	-54
Purchase of investment securities	-2	-2
Payments for investments in capital	-56	-19
Other	-5	-7
Net cash provided by (used in) investing activities	-1,278	-2,605

(Million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,514	-917
Payments for acquisition of interests in subsidiaries from non-controlling shareholders	--	-580
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	-920	-935
Dividends paid	-2,130	-2,310
Payment of dividends to non-controlling shareholders	-1,580	-1,684
Repayments of lease obligations	-263	-258
Net cash provided by (used in) financing activities	<u>-379</u>	<u>-6,687</u>
Effect of exchange rate changes on cash and cash equivalents	292	2,125
Net increase (decrease) in cash and cash equivalents	<u>6,934</u>	<u>4,716</u>
Cash and cash equivalents at the beginning of the term	<u>18,844</u>	<u>25,779</u>
Cash and cash equivalents at the end of the term	<u><u>25,779</u></u>	<u><u>30,495</u></u>

## (5) Notes Related to Consolidated Financial Statements

(Notes relating to the going concern assumption)

No corresponding item exists.

## (Segment information)

## (1) Summary of reportable segments

The Group's reportable segments are its constituent units that disclose financial information separately. They fall under the scope of periodic reviews the Company's Board of Directors performs to determine the distribution of its management resources and to assess its operating results. The Group does not aggregate any of its operating segments.

The Group manufactures and sells machine tools in Japan and abroad. The Group consists of geographic segments based on its manufacturing and sales organizations. The Company's reportable segments are Japan, China, India, South Korea and Other which are the areas where Group companies are located.

## (2) Segment revenues and operating results

Accounting policies for reportable segments are the same as the Group's accounting policies described in Note "3. Significant Accounting Policies."

Amounts of transactions of parts and materials for value with subsidiaries are included in inter-segment revenues.

Inter-segment revenues are based on market prices.

Revenues and operating results of the Group's reportable segments are as follows.

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	25,570	62,140	4,691	1,616	945	94,963	--	94,963
Intersegment revenue	11,097	18,206	--	44	159	29,507	-29,507	--
Total	36,668	80,346	4,691	1,661	1,104	124,471	-29,507	94,963
Segment profit (loss)	380	15,395	130	90	125	16,122	-407	15,714
Other income and expenses, net	--	--	--	--	--	--	--	1,043
Operating profit	--	--	--	--	--	--	--	16,758
Finance income and cost, net	--	--	--	--	--	--	--	-288
Share of profit (loss) of investments accounted for using equity method	--	--	--	--	--	--	--	-1
Profit before tax	--	--	--	--	--	--	--	16,467
Other items								
Depreciation and amortization	646	1,230	109	56	6	2,049	-10	2,038
Reversal of impairment losses	--	--	85	--	--	85	--	85
Segment assets	37,958	68,231	7,087	1,666	861	115,806	-3,441	112,364
Capital expenditure	356	1,022	241	91	12	1,723	--	1,723

- (Notes)
1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
  2. "Adjustment" of segment profit of -¥407 million is the adjustment of unrealized profit, etc.
  3. "Adjustment" items of depreciation and amortization of -¥10 million is the adjustment for unrealized profit, etc.
  4. "Adjustment" of segment assets of -¥3,441 million includes Company-wide assets of ¥7,746 million and an effect of intersegment adjustments of -¥11,187 million.

Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	22,459	53,876	5,324	1,726	541	83,928	--	83,928
Intersegment revenue	8,545	9,518	13	46	133	18,257	-18,257	--
Total	31,004	63,395	5,338	1,773	674	102,185	-18,257	83,928
Segment profit (loss)	-968	12,606	-50	47	-42	11,592	301	11,893
Other income and expenses, net	--	--	--	--	--	--	--	1,201
Operating profit	--	--	--	--	--	--	--	13,095
Finance income and expenses, net	--	--	--	--	--	--	--	700
Share of profit (loss) of investments accounted for using equity method	--	--	--	--	--	--	--	--
Profit before tax	--	--	--	--	--	--	--	13,795
Other items								
Depreciation and amortization	631	1,188	177	58	3	2,059	-9	2,049
Reversal of impairment losses	--	--	93	--	--	93	--	93
Segment assets	30,508	76,539	7,979	1,811	825	117,664	49	117,714
Capital expenditure	311	1,932	668	62	0	2,975	-1	2,974

- (Notes)
1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from revenue.
  2. "Adjustment" of segment profit of ¥301 million is the adjustment of unrealized profit., etc.
  3. "Adjustment" items of - ¥9 million in depreciation and amortization are adjustments for unrealized profit., etc.
  4. "Adjustment" of segment assets of ¥49 million includes Company-wide assets of ¥9,075 million and the effect of intersegment adjustments of -¥9,026 million.
  5. "Adjustment" items of -¥1 million in capital expenditure are adjustments for unrealized profit., etc.

## (3) Information on geographical segments

The table below shows a breakdown of non-current assets by geographical segment.

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2023)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2024)
Japan	3,033	2,705
China	11,908	13,458
India	1,860	2,776
South Korea	141	146
Other	8	14
Total	16,951	19,102

(Notes) The non-current assets are classified according to their locations. Assets related to financial instruments, deferred tax assets, and retirement benefits are not included.



## (Per Share information)

## (1) Basis for calculation of basic earnings per share

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Profit attributable to owners of parent (million yen)	7,695	5,376
Profit not attributable to common shareholders of the parent (million yen)	--	--
Profit used to calculate basic earnings per share (million yen)	7,695	5,376
Weighted average number of common shares (thousand shares)	48,279	47,760
Basic earnings per share (yen)	159.39	112.57

## (2) Basis for calculation of diluted earnings per share

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
Profit used to calculate basic earnings per share (million yen)	7,695	5,376
Adjustment on profit (million yen)	--	--
Profit used to calculate diluted earnings per share (million yen)	7,695	5,376
Weighted average number of common shares (thousand shares)	48,279	47,760
Increase in common shares		
Share acquisition rights as stock option (thousand shares)	634	470
Common shares as restricted stock compensation (thousand shares)	--	187
Weighted average number of diluted common shares (thousand shares)	48,913	48,418
Diluted earnings per share (yen)	157.33	111.04

(Important subsequent events)

(Cancellation of treasury stock)

At a meeting of the Board of Directors held on May 14, 2024, the Company resolved to cancel shares of treasury stock under Article 178 of the Companies Act.

(1) Class of stock to be cancelled: Common stock of the Company

(2) Total number of shares to be cancelled: 2,000,000 shares

(Percent of the total number of shares outstanding before cancellation: 4.00%)

(3) Scheduled date of cancellation: May 21, 2024

(4) Total number of shares outstanding after the cancellation: 48,000,000 shares

## 4. Supplementary Information

## (1) Overseas revenue

(Million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)
China	62,048	53,848
Asia	12,089	10,843
America	5,657	5,126
Europe	5,168	5,435
Overseas revenue	84,963	75,254
Consolidated revenue	94,963	83,928
Ratio of overseas revenue to consolidated net sales (%)	89.5	89.7

(Note) Revenue is categorized by country or region based on the locations of the customers.

## (2) Revenue by machinery category

The relationship between the disaggregation of revenue based on major product lines and reportable segments is as follows.

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	20,622	52,417	4,417	1,528	806	79,792
Grinding machines	1,145	3,018	110	--	--	4,274
Machining centers, rolling machines and specialized machines	871	4,995	28	--	--	5,894
Other	2,931	1,708	135	87	139	5,001
Total	25,570	62,140	4,691	1,616	945	94,963

(Note) "Other" in main product lines include components and services.

Consolidated fiscal year under review (From April 1, 2023 to March 31, 2024)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	17,641	46,087	4,957	1,573	421	70,681
Grinding machines	1,074	2,778	27	73	--	3,954
Machining centers, rolling machines and specialized machines	1,172	3,494	73	--	--	4,740
Other	2,569	1,516	265	79	119	4,550
Total	22,459	53,876	5,324	1,726	541	83,928

(Note) "Other" in main product lines include components and services.

(3) Change in Directors (scheduled to take effect on June 19, 2024)

(i) Reason for changes

Expiration of the term of office

(ii) Candidate for new Director

Director Mami Matsushita (current Head of Overseas Sales and Operation)

Director who is a Member of the Audit and Supervisory Committee Shu Hamba (lawyer, Partner of Shimada Hamba & Osajima)

(Notes) Mr. Shu Hamba is an Outside Director (Audit and Supervisory Committee Member) candidate

(iii) Retiring Director

Director Takeshi Hirayama

Director who is a Member of the Audit and Supervisory Committee Kunio Shimada

(Notes) Mr. Kunio Shimada is an Outside Director (Audit and Supervisory Committee Member)