

Stock Information (as of March 31, 2024)

Authorized shares 320,000,000 shares
 Issued shares 50,000,000 shares
 Number of shareholders 13,166

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)	6,501	13.67
Daishi Hokuetsu Bank, Ltd.	2,184	4.59
Custody Bank of Japan, Ltd. (Trust account)	1,781	3.74
Sumitomo Mitsui Banking Corporation	1,516	3.18
The Dai-ichi Life Insurance Company, Limited	1,470	3.09
Tsugami Customers' Shareholding Association	1,177	2.47
THE BANK OF NEW YORK 133652	984	2.07
JP MORGAN CHASE BANK 385632	978	2.05
NORTHERN TRUST CO. (AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND	811	1.70
THE BANK OF NEW YORK MELLON 140042	755	1.58

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 2,453 thousand shares of treasury shares listed in the shareholders' register other than the shares listed in the table above.

Corporate Data (as of March 31, 2024)

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 3,063 (Consolidated)
 Directors and Auditors (as of June 19, 2024)

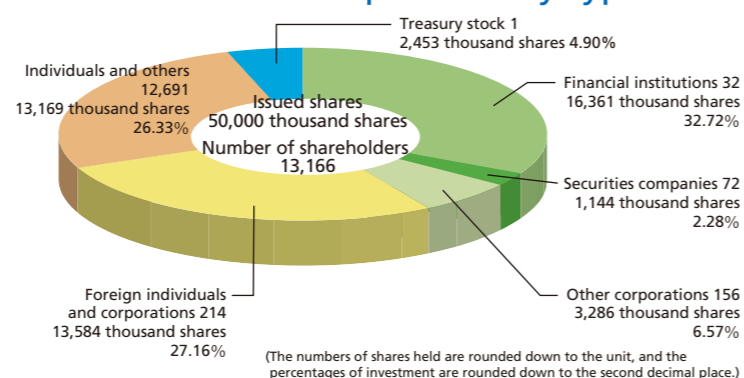
Director (Chairman) Ken Kubo
 Representative Director and President Nobuhiro Watabe
 Representative Director Mami Matsushita
 Representative Director Kenji Yoneyama
 Director Donglei Tang
 Director (Audit & Supervisory Committee member) Yutaka Kimura
 Director (Audit & Supervisory Committee member) Yoshimi Takeuchi
 Director (Audit & Supervisory Committee member) Kenyu Adachi
 Director (Audit & Supervisory Committee member) Shu Hamba
 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.
 TSUGAMI EUROPE GmbH (GERMANY)
 Precision Tsugami (China) Corporation
 Precision Tsugami (China) Corporation Limited (British Cayman Islands)
 Precision Tsugami (Hong Kong) Limited
 Shinagawa Precision Machinery (Zhejiang) Co., Ltd. (CHINA)
 Precision Tsugami (Anhui) Corporation (CHINA)
 Precision Nakatsu (China) Corporation
 TSUGAMI PRECISION ENGINEERING INDIA PRIVATE LIMITED
 TSUGAMI (THAI) CO., LTD.
 TSUGAMI KOREA CO., LTD.
 TSUGAMI Universal Pte. Ltd. (SINGAPORE)
 TSUGAMI UNIVERSAL SDN.BHD. (MALAYSIA)
 TSUGAMI VIETNAM COMPANY LIMITED

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 (https://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 Fiscal Year 2023
 (April 1, 2023 to March 31, 2024)

TSUGAMI CORPORATION

We are pleased to report our results for the fiscal year ended March 31, 2024.

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 for the fiscal year under review decreased 11.6% year on year, to ¥83,928 million.

A breakdown of revenue by machinery category shows that revenue of mainstay automatic lathes decreased 11.4% year on year, to ¥70,681 million, revenue of grinding machines decreased 7.5%, to ¥3,954 million, revenue of machining centers, rolling machines and other specialized machines decreased 19.6%, to ¥4,740 million.

Operating profit decreased 21.9% year on year, to ¥13,095 million, and profit attributable to owners of parent declined 30.1% year on year, to ¥5,376 million.

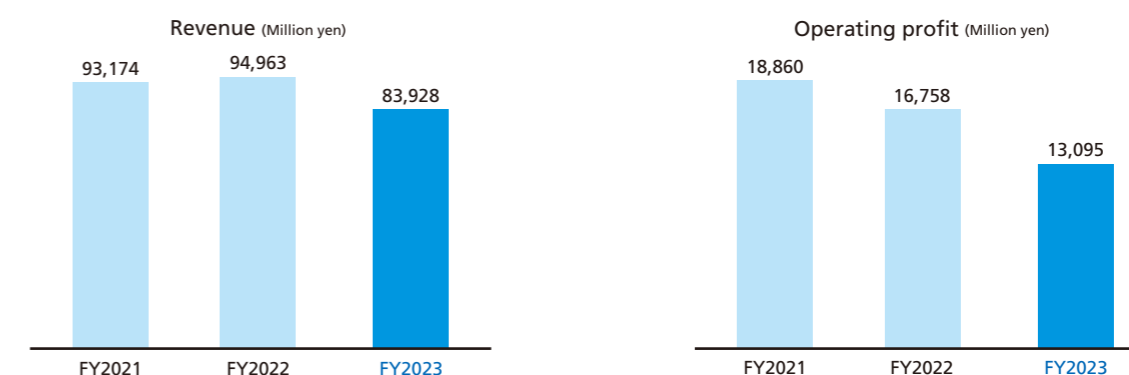
For the consolidated fiscal year ended March 31, 2024, the Company has decided to pay annual dividends of 48 yen per share, including interim dividends of 24 yen per share and year-end dividends of 24 yen per share. For the consolidated fiscal year ending March 31, 2025, the Company plans to pay 48 yen per share, including interim dividends of 24 yen per share and year-end dividends of 24 yen per share.

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.

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

June 2024
 TSUGAMI CORPORATION

Business Performance (Consolidated)



Financial highlights

Item	FY2021		FY2022		FY2023	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Revenue (Million yen)	93,174	30,668	94,963	32,676	83,928	28,647
Operating profit (Million yen)	18,860	2,176	16,758	303	13,095	-718
Profit attributable to owners of parent (Million yen)	9,486	4,280	7,695	3,600	5,376	3,364
Basic earnings per share (Yen)	191.99	86.63	159.39	74.58	112.57	70.17
Total assets (Million yen)	103,761	38,456	112,364	43,916	117,714	38,813
Total equity (Million yen)	57,840	18,257	64,922	19,198	72,361	19,779
Equity attributable to owners of parent per share (Yen)	941.82	366.65	1,057.67	392.00	1,190.52	410.18

Notes: 1. All fractions of monetary units have been rounded down.
 2. Under the non-consolidated operating results, net sales, operating income, net income and net income per share, total assets, net assets, net assets per share are indicated.

Consolidated Financial Statements

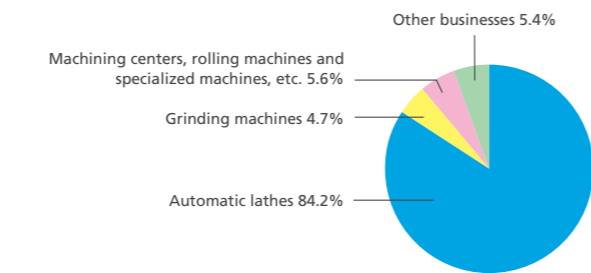
Consolidated statement of financial position (Million yen)

Item	FY2022 (March 31, 2023)	FY2023 (March 31, 2024)
Assets		
Total current assets	90,370	92,935
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 non-current assets	21,994	24,779
Property, plant and equipment	14,154	16,308
Right-of-use assets	1,957	2,094
Intangible assets	615	359
Retirement benefit assets	17	110
Other financial assets	4,569	5,104
Deferred tax assets	455	461
Other non-current assets	225	340
Total assets	112,364	117,714
Liabilities and equity		
Liabilities		
Total current liabilities	43,689	40,047
Trade and other payables	20,384	17,546
Borrowings	17,698	16,816
Other financial liabilities	196	205
Income taxes payable, etc.	1,447	1,670
Provisions	503	428
Contract liabilities	2,721	2,481
Other current liabilities	737	898
Total non-current liabilities	3,752	5,304
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 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 equity	112,364	117,714

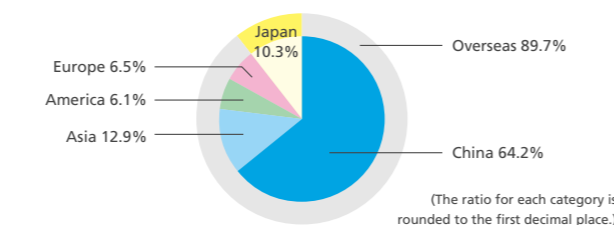
Consolidated statement of profit or loss (Million yen)

Item	FY2022 April 1, 2022 to March 31, 2023	FY2023 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 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

Revenue breakdown (Consolidated) Revenue breakdown by product (FY2023)



Revenue breakdown by region (FY2023)



Consolidated statement of changes in equity FY2023 (April 1, 2023 to March 31, 2024) (Million yen)

	Equity attributable to owners of parent							Retained earnings	Total	Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2023	12,345	3,022	-2,247	4,726	2,161	-	6,887	30,945	50,953	13,968	64,922
Profit	-	-	-	-	-	-	-	5,376	5,376	2,803	8,180
Other comprehensive income	-	-	-	2,980	384	80	3,445	3,445	3,445	1,206	4,651
Total comprehensive income	-	-	-	2,980	384	80	3,445	5,376	8,822	4,009	12,831
Purchase of treasury shares	-	-	-934	-	-	-	-	-	-934	-	-934
Disposal of treasury shares	-	-	172	-	-	-	-	-26	110	-	110
Dividends	-	-	-	-	-	-	-	-2,310	-2,310	-1,684	-3,994
Transfer to retained earnings	-	-	-	-	-	-80	-80	80	-	-	-
Capital transactions with non-controlling interests	-	-100	-	63	-	-	63	-	-36	-537	-573
Total transactions with owners	-	-136	-761	63	-	-80	-16	-2,256	-3,170	-2,221	-5,392
Balance as of March 31, 2024	12,345	2,885	-3,008	7,771	2,545	-	10,316	34,065	56,605	15,756	72,361

Products

CNC Precision Automatic Lathe B0205-VR

A product remodeled to enhance the machining capabilities of the B0 Series with a proven track record

- A new toggle structure of the main and back spindles reduces bending and increases the gripping force. It also makes maintenance easier, facilitating replacement of toggles and adjustment of the gripping force.
- Rigidity is enhanced by integrating the back tool post base structure and by upsizing the bolt for fastening the main spindle with the T base.
- Improvements in machining capabilities have opened the way to improving the conditions for heavy-duty cutting such as coarse turning, front drilling and tapping and shortening the cycle time.
- Upgraded thermal displacement compensation software reduces thermal displacement to half or less that with the existing B0 Series.
- 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.



CNC Lathe M10JL10

A long stroke-type CNC lathe with 10-inch chuck

- It machines long workpieces with a machining length of 1,000 mm. Designed to be sufficiently compact as to require only around 5.1 m² for installation, it ensures a space-saving floor layout.
- Equipped with a 18.5-kW high-output built-in motor, it produces enhanced geometrical accuracy and surface roughness and performs heavy-duty cutting of large workpieces.
- 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.
- A thermal displacement compensation function is introduced to ensure stable dimensions in long-hour continuous processing.



Participated Exhibitions

We have actively developed new business partners.

We also exhibited at Mechatronics Technology Japan 2023 held in Nagoya over four days commencing October 18, 2023.

We participated as an exhibitor in the 20th Seoul International Manufacturing Technology Show (SIMTOS 2024), which took place in Seoul in the Republic of Korea for five days from April 1, 2024.

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



Mechatronics Technology Japan 2023



SIMTOS 2024