

Stock Information (as of September 30, 2024)

Authorized shares 320,000,000 shares
 Issued shares 48,000,000 shares
 Number of shareholders 11,352

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) | 6,719 | 14.09 |
| Custody Bank of Japan, Ltd. (Trust account) | 2,726 | 5.71 |
| Daishi Hokuetsu Bank, Ltd. | 2,184 | 4.58 |
| Sumitomo Mitsui Banking Corporation | 1,516 | 3.18 |
| The Dai-ichi Life Insurance Company, Limited | 1,470 | 3.08 |
| Tsugami Customers' Shareholding Association | 1,133 | 2.37 |
| STATE STREET BANK AND TRUST COMPANY 505001 | 1,025 | 2.15 |
| THE BANK OF NEW YORK 133652 | 866 | 1.81 |
| NORTHERN TRUST CO.(AVFC) RE THE HIGHCLERE INTERNATIONAL INVESTORS SMALLER COMPANIES FUND | 760 | 1.59 |
| Daikin Industries, Ltd. | 717 | 1.50 |

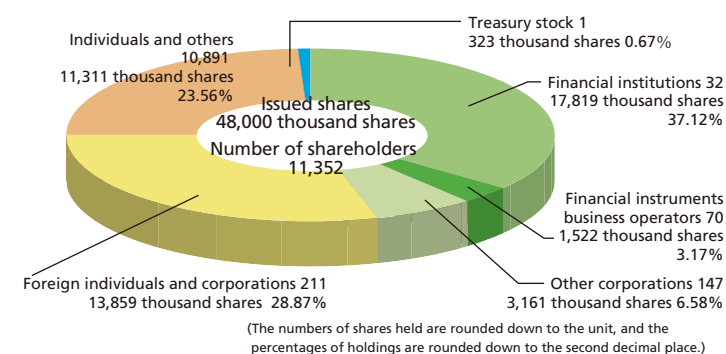
Notes: In calculating the ratio of holdings, treasury stock was excluded. The ratio was rounded down to the second decimal place.

Corporate Data

(as of September 30, 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 | 3,274 (Consolidated) |
| Directors and Auditors (as of October 1, 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 Shinagawa Precision Machinery (Zhejiang) Co., Ltd. (CHINA) Precision Tsugami (Anhui) Corporation (CHINA) 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 the First Half of Fiscal Year 2024
 (April 1, 2024 to September 30, 2024)

TSUGAMI CORPORATION

We are pleased to report our results for the first half of the fiscal year ending March 31, 2025.

During the first half of the fiscal year under review, although some movement has been observed in China and other markets, the overall sense of uncertainty could not be denied. In this situation, the Group steadily promoted its business in each of its locations, and as a result, revenue stood at ¥49,795 million (up 23.6% year on year), a historical high level in the first half, operating profit was ¥9,916 million (up 66.9% year on year), and profit attributable to owners of parent was ¥4,813 million (up 119.6% year on year).

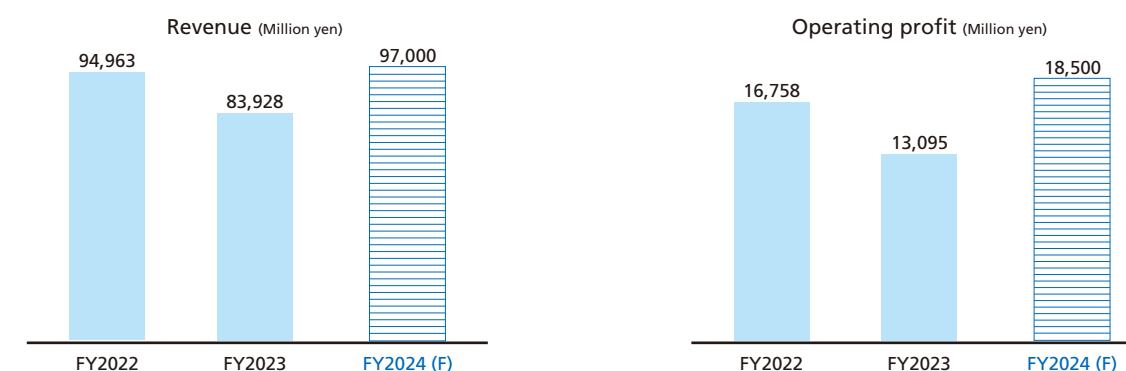
While continuing to work on expanding sales, improving production efficiency and reducing costs, the Group seeks to offer new products that fully meet customer requirements and enhance the services it provides. Through these efforts, it will consistently aim to raise customer satisfaction and work hard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

The Company decided to pay an interim dividend for the consolidated fiscal year ending March 31, 2025 of 27 yen per share, an increase of 3 yen from the initial forecast. The Company expects to pay the year-end dividend of ¥27 per share, making the annual dividend ¥54 per share.

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

November 2024
 TSUGAMI CORPORATION

Business Performance (Consolidated)



Financial highlights

| Item | FY2022 | | FY2023 | | FY2024 |
|---|------------|-----------|------------|-----------|------------|
| | First half | Full year | First half | Full year | First half |
| Revenue (Million yen) | 47,965 | 94,963 | 40,294 | 83,928 | 49,795 |
| Operating profit (Million yen) | 8,604 | 16,758 | 5,941 | 13,095 | 9,916 |
| Profit attributable to owners of parent (Million yen) | 4,270 | 7,695 | 2,191 | 5,376 | 4,813 |
| Basic earnings per share (Yen) | 88.31 | 159.39 | 45.73 | 112.57 | 101.96 |
| Total assets (Million yen) | 111,587 | 112,364 | 111,443 | 117,714 | 118,399 |
| Total equity (Million yen) | 64,083 | 64,922 | 69,378 | 72,361 | 78,766 |

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

Consolidated Financial Statements

Consolidated statement of financial position

(Million yen)

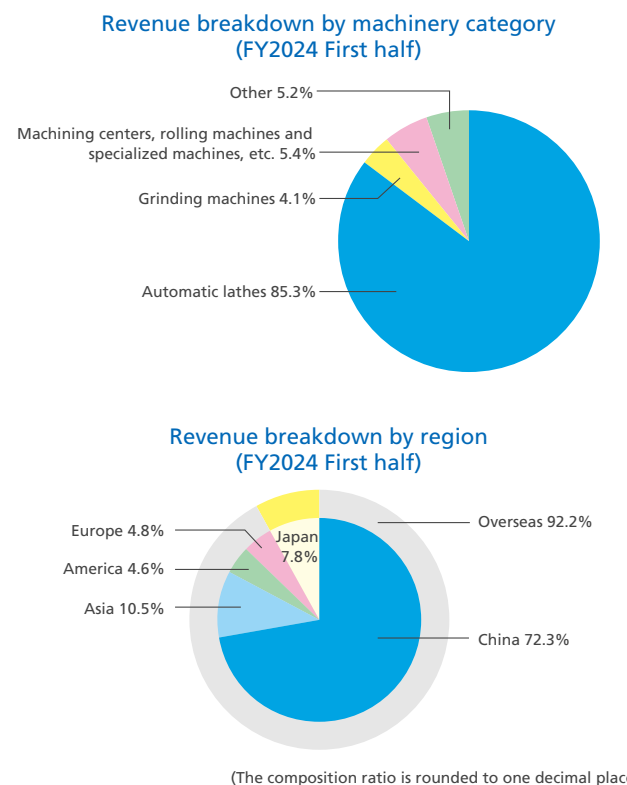
| Item | FY2023 (March 31, 2024) | FY2024 First half (September 30, 2024) |
|---|----------------------------|---|
| Assets | | |
| Total current assets | 92,935 | 93,741 |
| Cash and cash equivalents | 30,495 | 27,588 |
| Trade and other receivables | 27,980 | 28,759 |
| Other financial assets | 142 | 139 |
| Inventories | 32,730 | 35,821 |
| Other current assets | 1,586 | 1,433 |
| Total non-current assets | 24,779 | 24,657 |
| Property, plant and equipment | 16,308 | 16,479 |
| Right-of-use assets | 2,094 | 2,045 |
| Intangible assets | 359 | 245 |
| Retirement benefit assets | 110 | 107 |
| Other financial assets | 5,104 | 4,900 |
| Deferred tax assets | 461 | 549 |
| Other non-current assets | 340 | 327 |
| Total assets | 117,714 | 118,399 |
| Liabilities and equity | | |
| Liabilities | | |
| Total current liabilities | 40,047 | 34,964 |
| Trade and other payables | 17,546 | 15,915 |
| Borrowings | 16,816 | 13,155 |
| Other financial liabilities | 205 | 216 |
| Income taxes payable, etc. | 1,670 | 2,243 |
| Provisions | 428 | 437 |
| Contract liabilities | 2,481 | 1,869 |
| Other current liabilities | 898 | 1,126 |
| Total non-current liabilities | 5,304 | 4,667 |
| Other financial liabilities | 183 | 184 |
| Retirement benefit liability | 903 | 921 |
| Provisions | 5 | 5 |
| Deferred tax liabilities | 3,555 | 2,933 |
| Other non-current liabilities | 655 | 622 |
| Total liabilities | 45,352 | 39,632 |
| Equity | | |
| Share capital | 12,345 | 12,345 |
| Capital surplus | 2,885 | 3,199 |
| Treasury shares | - 3,008 | - 441 |
| Other components of equity | 10,316 | 8,711 |
| Retained earnings | 34,065 | 35,079 |
| Total equity attributable to owners of parent | 56,605 | 58,893 |
| Non-controlling interests | 15,756 | 19,872 |
| Total equity | 72,361 | 78,766 |
| Total liabilities and equity | 117,714 | 118,399 |

Consolidated statement of profit or loss

(Million yen)

| Item | FY2023 First half April 1, 2023 to September 30, 2023 | FY2024 First half April 1, 2024 to September 30, 2024 |
|--|---|---|
| Revenue | 40,294 | 49,795 |
| Cost of sales | - 29,267 | - 33,051 |
| Gross profit | 11,026 | 16,744 |
| Selling, general and administrative expenses | - 5,805 | - 7,451 |
| Other income | 789 | 645 |
| Other expenses | - 70 | - 21 |
| Operating profit | 5,941 | 9,916 |
| Finance income | 664 | 254 |
| Finance costs | - 148 | - 314 |
| Profit before tax | 6,458 | 9,856 |
| Income tax expense | - 2,983 | - 3,086 |
| Profit | 3,474 | 6,769 |
| Profit attributable to: | | |
| Owners of parent | 2,191 | 4,813 |
| Non-controlling interests | 1,283 | 1,955 |
| Profit | 3,474 | 6,769 |
| Earnings per share | | |
| Basic earnings per share (yen) | 45.73 | 101.96 |
| Diluted earnings per share (yen) | 45.13 | 100.64 |

Revenue breakdown (Consolidated)



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 than 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.

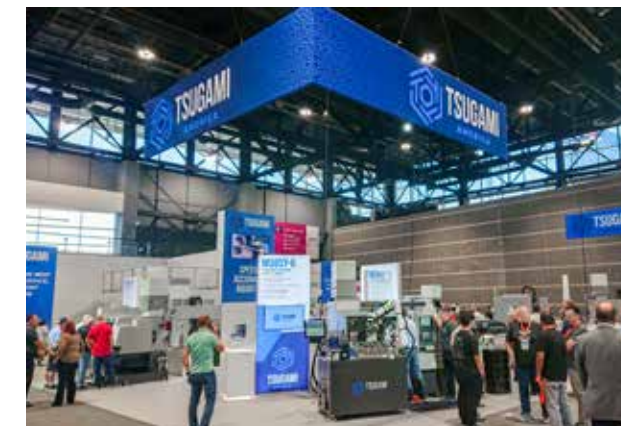


Participated Exhibitions

We have actively developed new business partners. We participated as an exhibitor in the Seoul International Manufacturing Technology Show (SIMTOS 2024), held in Seoul, the Republic of Korea, for five days from April 1, 2024. We also participated as an exhibitor in the International Manufacturing Technology Show (IMTS 2024), held in Chicago, USA, for six days from September 9, 2024. We invited many users and dealers and engaged in active business talks to further expand the market.



SIMTOS 2024



IMTS 2024