

## Stock Information (as of September 30, 2020)

Authorized shares ..... 320,000,000 shares  
 Issued shares ..... 55,000,000 shares  
 Number of shareholders ..... 7,757

### Major shareholders (Top 10)

Shareholders	Investment in the Company	
	Number of shares held	Ownership ratio
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	4,613	8.90
Custody Bank of Japan, Ltd. (Trust account)	3,262	6.29
Mizuho Trust & Banking Co., Ltd. (Employee retirement benefit trust of Tokyo Seimitsu Co., Ltd., new trust custodian: Custody Bank of Japan, Ltd.)	2,592	5.00
The Dai-ichi Life Insurance Company, Limited	2,100	4.05
THE BANK OF NEW YORK MELLON 140051	1,898	3.66
Sumitomo Mitsui Banking Corporation	1,516	2.92
The Hokuetsu Bank, Ltd.	1,484	2.86
THE BANK OF NEW YORK 133652	1,299	2.50
TSUGAMI Customers' Shareholding Association	1,121	2.16
Custody Bank of Japan, Ltd. (Trust account 5)	858	1.65

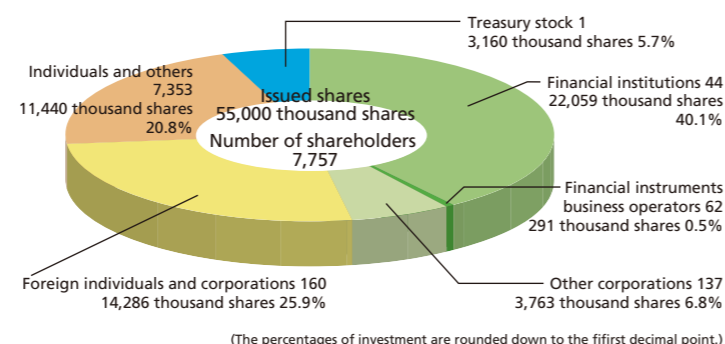
Notes: 1. The figures for ownership ratio are rounded to the second decimal place.  
 2. There are 3,160 thousand shares of treasury stock listed in the shareholders' register other than the shares listed in the table above.

## Corporate Data

(as of September 30, 2020)

Corporate Name	TSUGAMI CORPORATION
Established	March 15, 1937
Head Office	12-20, Tomizawa-cho, Nihonbashi, Chuo-ku, Tokyo
Paid-in Capital	12,345 million yen
Number of Employees	2,194 (Consolidated)
Directors and Auditors (as of October 1, 2020)	
Representative Director and CEO	Takao Nishijima
Representative Director and CLO	Seiji Tsuishu
Director	Byun Jae-Hyun
Director	Kameswaran Balasubramanian
Director	Donglei Tang
Outside Director	Ken Kubo
Outside Director	Koichi Maruno
Director (Full-time audit and supervisory committee member)	Kenji Yoneyama
Outside Director (Audit & Supervisory Board Member)	Yoshimi Takeuchi
Outside Director (Audit & Supervisory Board Member)	Kenyu Adachi
Outside Director (Audit & Supervisory Board Member)	Kunio Shimada
Outside Director (Audit & Supervisory Board 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 (Kawasaki) 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) TSUGAMI (THAI) CO., LTD. TSUGAMI EUROPE GmbH (GERMANY) TSUGAMI KOREA CO., LTD. TSUGAMI PRECISION ENGINEERING INDIA PVT., LTD. TSUGAMI Universal Pte. Ltd. (SINGAPORE)

## Shareholders composition by type



(The percentages of investment are rounded down to the first decimal point.)

## 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 2020  
 (April 1, 2020 to September 30, 2020)

**TSUGAMI CORPORATION**

I am pleased to report our results for the first half of the fiscal year ending March 31, 2021.

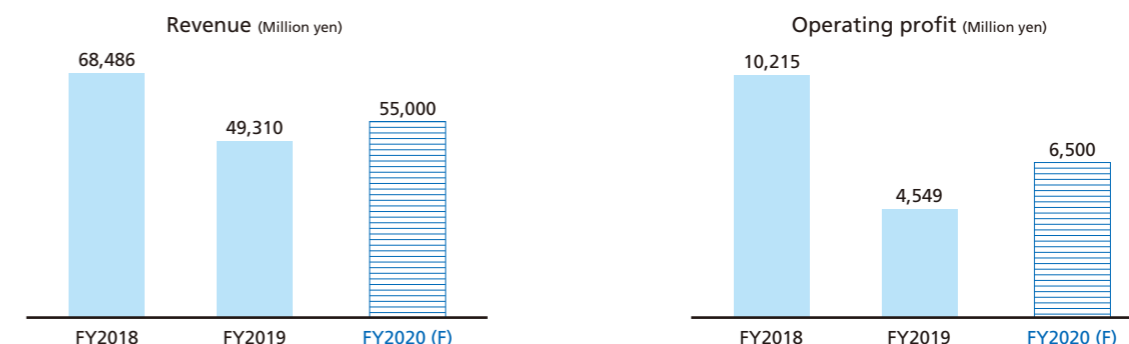
During the first half of the consolidated fiscal year under review, TSUGAMI Corporation (the "Company") and its affiliates (the "Group") continued to experience a phase of adjustment both in the domestic market and in the European and US markets, partly due to the effects of the COVID-19 pandemic. Meanwhile, the Chinese market appeared to recover to some extent and orders with short lead times increased. As a result, consolidated revenue decreased 3.4% year on year, to 26,457 million yen, consolidated operating profit rose 3.7%, to 2,995 million yen, and profit attributable to owners of parent declined 1.2%, to 1,279 million yen.

The Company decided to pay an interim dividend for the consolidated fiscal year ending March 31, 2021 of 12 yen per share, as initially forecast. Additionally, the Company plans to pay a year-end dividend of 12 yen per share (which combined with the interim dividend brings the annual dividend to 24 yen).

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

November 2020  
 Takao Nishijima  
 Representative Director and CEO

## Business Performance (Consolidated)



## Financial highlights

Item	FY2018		FY2019		FY2020
	First half	Full year	First half	Full year	First half
Revenue (Million yen)	35,427	68,486	27,396	49,310	26,457
Operating profit (Million yen)	5,556	10,215	2,889	4,549	2,995
Profit attributable to owners of parent (Million yen)	3,145	6,192	1,295	2,001	1,279
Basic earnings per share (Yen)	59.59	117.98	24.97	38.60	24.71
Total assets (Million yen)	70,269	69,692	63,511	61,860	66,789
Total equity (Million yen)	38,317	40,072	39,362	39,073	41,246
Equity attributable to owners of parent per share (Yen)	606.04	641.69	633.12	628.14	658.76

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

# Consolidated Financial Statements

## Consolidated statement of financial position

(Million yen)

Item	FY2020 First half (September 30, 2020)	FY2019 (March 31, 2020)
<b>Assets</b>		
Total current assets	46,804	42,952
Cash and cash equivalents	12,070	10,921
Trade and other receivables	15,195	12,258
Other financial assets	30	30
Inventories	18,405	18,343
Other current assets	1,102	1,397
Total non-current assets	19,984	18,908
Property, plant and equipment	10,336	9,648
Right-of-use assets	1,257	1,222
Intangible assets	1,225	1,289
Retirement benefit assets	73	82
Other financial assets	6,604	6,236
Deferred tax assets	261	209
Other non-current assets	225	218
<b>Total assets</b>	<b>66,789</b>	<b>61,860</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Total current liabilities	23,318	20,866
Trade and other payables	10,022	9,480
Borrowings	10,151	8,867
Other financial liabilities	201	175
Income taxes payable	587	310
Provisions	361	402
Contract liabilities	1,285	1,021
Other current liabilities	707	609
Total non-current liabilities	2,224	1,920
Other financial liabilities	148	140
Retirement benefit liability	891	915
Deferred tax liabilities	952	635
Other non-current liabilities	232	229
<b>Total liabilities</b>	<b>25,542</b>	<b>22,787</b>
<b>Equity</b>		
Share capital	12,345	12,345
Capital surplus	3,298	3,306
Treasury shares	- 2,875	- 2,994
Other components of equity	1,713	1,038
Retained earnings	19,668	18,784
Total equity attributable to owners of parent	34,149	32,480
Non-controlling interests	7,096	6,593
<b>Total equity</b>	<b>41,246</b>	<b>39,073</b>
<b>Total liabilities and equity</b>	<b>66,789</b>	<b>61,860</b>

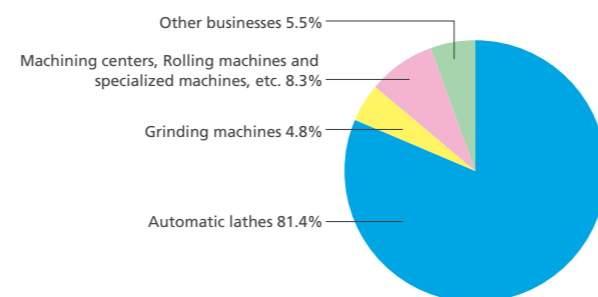
## Consolidated statement of profit or loss

(Million yen)

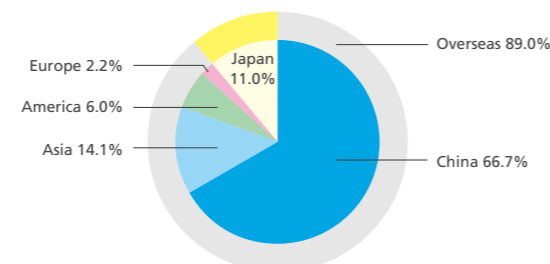
Item	FY2020 First half April 1, 2020 to September 30, 2020	FY2019 First half April 1, 2019 to September 30, 2019
Revenue	26,457	27,396
Cost of sales	- 19,536	- 19,936
Gross profit	6,921	7,459
Selling, general and administrative expenses	- 4,020	- 4,430
Other income	119	186
Other expenses	- 24	- 326
Operating profit	2,995	2,889
Finance income	159	187
Finance costs	- 131	- 384
Profit before tax	3,023	2,692
Income tax expense	- 1,091	- 933
Profit	1,932	1,759
<b>Profit attributable to:</b>		
Owners of the parent	1,279	1,295
Non-controlling interests	652	464
Profit	1,932	1,759
<b>Earnings per share</b>		
Basic earnings per share (yen)	24.71	24.97
Diluted earnings per share (yen)	24.17	24.45

## Revenue breakdown (Consolidated)

Revenue breakdown by product (FY2020 First half)



Revenue breakdown by region (FY2020 First half)



# Products

## CNC Precision Automatic Lathe S205A/206A-II

Meets needs for agile machining of complex-shaped work pieces with diverse tool variations

- Powered up rotary tools improve complex machining capability
- Cartridge-type rear tool post rotary tools and back-side tool post rotary tools can be placed flexibly according to workpieces
  - Rear tool post rotary tools: 3Pos. (option)
  - Back-side tool post rotary tools: Cartridge type 8Pos.
- Stronger main spindle gripping force: 1.3 times cutting capability of previous models, enabling heavy cutting
- φ26 oversize (option) available
- Thermal displacement compensation function built in as standard



## CNC Precision Automatic Lathe BW329ZJ

Improves productivity through independent opposed tool post structure

- Opposed tool post specifications
- Simultaneous machining with front/rear/back-side tool posts can significantly shorten machining time
- Back tool post with Y axis enables back-side complex machining and 100% simultaneous machining with main spindle side
- Cartridge-type rear drive and back tool post rotary tools can be placed flexibly according to workpieces
- Guide bush or guide bush-less type can be selected according to work pieces
- Thermal displacement compensation function built in as standard
- Automatic programming software attached as standard



## CNC Precision Automatic Lathe M06/08SY-II

Turning Center with back spindle and Y axis

- Milling tools can be mounted at any position of 12-stationed turret
  - Due to single position drive structure, only indexed rotary tools rotate, enabling low-noise, powerful milling
- Y axis enables complex shaped milling
- Adoption of built-in motor for main and back spindles realizes high-grade machined surface
- Powerful milling capability

