

# Briefing on Financial Statements for the Year Ended March 2021



May 13, 2021

<https://www.tsugami.co.jp>

(TSE: 6101)

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# 1. Business Performance for Fiscal Year Ended March 31, 2021 PRECISION TSUGAMI and Outlook for the Year Ending March 31, 2022

## (1) Business Results

### [Overview of FY2021/3]

Revenue: 61.7 billion yen (up 25.0% YoY)

In the first half of the fiscal year under review, the phase of adjustment to market conditions continued both in Japan and overseas. Demand recovered mainly in China after the middle of the fiscal year. As a result of active efforts to expand sales in a wide range of industries, revenue increased compared to the previous fiscal year.

### Profits:

Operating profit and profit attributable to owners of parent rose, primarily attributable to the increase in revenue.

### [Outlook for FY2022/3]

Considering trends in domestic and overseas markets and orders received, the Company forecasts performance in the fiscal year ending March 31, 2022 as shown below.

Billion yen

	Results for FY2019/3	Results for FY2020/3	Results for FY2021/3			Forecasts for FY2022/3			
			1H	2H	Full-year	1H	2H	Full-year	YoY
Revenue	68.5	49.3	26.5	35.2	61.7	43.0	33.0	76.0	23.2%
Operating profit (to revenue ratio)	10.2 (14.9%)	4.5 (9.2%)	3.0 (11.3%)	6.5 (18.6%)	9.5 (15.5%)	7.0 (16.3%)	4.0 (12.1%)	11.0 (14.5%)	15.8% —
Profit attributable to owners of parent (to revenue ratio)	6.2 (9.0%)	2.0 (4.1%)	1.3 (4.8%)	3.6 (10.3%)	4.9 (8.0%)	3.5 (8.1%)	2.0 (6.1%)	5.5 (7.2%)	12.2% —
Basic earnings per share	117.98 yen	38.60 yen	24.71 yen	70.50 yen	95.21 yen	68.79 yen	39.31 yen	108.10 yen	—

## (2) Financial position

RMB/JPY March-end/20 15.31 → March-end/21 16.86  
 INR / JPY March-end/20 1.46 → March-end/21 1.52

Billion yen

	2020/3E	2021/3E	Diference from 2020/3E
<b>Total assets</b>	61.9	79.3	17.4
<b>Current assets</b>	43.0	60.0	17.0
Cash and cash equivalents	10.9	17.2	6.3
Trade and other receivables	12.3	20.4	8.1
Inventories	18.3	20.8	2.5
Other	1.4	1.6	0.2
<b>Non-current assets</b>	18.9	19.3	0.4
Property, plant and equipment	9.6	11.8	※1 2.2
Right-of-use assets	1.2	1.3	0.1
Intangible assets	1.3	1.1	-0.2
Other	6.7	5.0	※2 -1.7
<b>Total liabilities</b>	22.8	32.4	9.6
<b>Current liabilities</b>	20.9	30.2	9.3
Trade and other payables	9.5	14.8	5.3
Borrowings	8.9	9.6	0.7
Other	2.5	5.8	3.3
<b>Non-current liabilities</b>	1.9	2.2	0.3
Deferred tax liabilities	0.6	0.9	0.3
Other	1.3	1.3	0.0
<b>Total equity</b>	39.1	46.8	7.7
Share capital	12.3	12.3	0.0
Capital surplus	3.3	3.3	0.0
Treasury shares	-3.0	-4.4	-1.4
Other components of equity	1.0	2.6	1.6
Retained earnings	18.8	24.4	5.6
Equity attributable to owners of parent	32.5	38.2	5.7
Non-controlling interests	6.6	8.6	2.0

① Market conditions rebounded from the adjustment phase in the previous fiscal year. Both current assets and current liabilities expanded due to the increase in revenue. Changes in non-current assets are as shown in the notes below.

② The financial position remained stable.  
 (Percentage of equity attributable to owners of parent: 48.2%)  
 (Equity attributable to owners of parent + non-controlling interests: 59.1%)

※1  
 Anhui Factory in China: 1.9  
 New factory in India: 0.3

※2  
 Sales of investment securities: -3.2  
 Changes in share prices: 1.4

### (3) Cash flows

Billion yen

	FY2020/3 (2019/4 – 2020/3)	FY2021/3 (2020/4 – 2021/3)
Cash flows from operating activities	8.0	6.8
Profit before tax	4.3	9.5
Depreciation	1.2	1.5
Increase/decrease in working capital	3.8	※1 -2.1
Other	-1.3	-2.1
Cash flows from investing activities	-3.2	1.4
Capital investment in factories	-2.4	※2 -2.3
Proceeds from sale of investment securities	0.0	※3 3.9
Other	-0.8	-0.2
Cash flows from financing activities	-4.3	-2.8
Short-term borrowings	-2.3	0.7
Treasury shares	-0.1	-1.5
Dividends paid	-1.2	-1.2
Dividends paid to non-controlling interests	-0.5	-0.5
Other	-0.2	-0.3
Effect of exchange rate change on cash and cash equivalents	-0.7	0.8
Net increase (decrease) in cash and cash equivalents	-0.2	6.3
Cash and cash equivalents at the end of the term	10.9	17.2

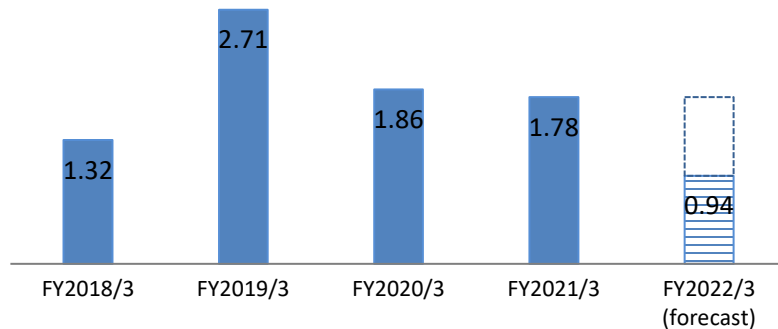
Cash and cash equivalents increased, mainly because of a rise in cash flow provided by operating activities.

※1	
Decrease (increase) in inventories:	-1.4
Decrease (increase) in trade and other receivables:	-7.0
Increase (decrease) in trade and other payables:	4.4
Increase (decrease) in contract liabilities:	2.0
※2	
China:	-1.8
China Anhui factory:	-1.6
India:	-0.3
※3	
Proceeds from sale of investment securities:	3.9

## 2. R&D Expenditures, Capital Investment and Depreciation

### R&D Expenditures

Billion yen



① As a market strategy, the Company is focusing on new product development.

② Capital investment, including new factory construction, is implemented to respond to increasing demand.

[Major capital investments]

#### China: New factories in Anhui Province

Capital investment is proceeding as planned and the construction of the casting factory has been completed.

Expected start of production: Casting production: End of March 2021

Total amount of investment: 4.1 billion yen

Land area: 68,195m<sup>2</sup>

Production capacity:

Casting production: 1,500 tons/month

Assembly building and others: System to increase production as needed according to market conditions

#### India: New Vallam Vadagal Factory

Final completion and operations of the new factory expected in October 2021.

Total amount of investment: 2.3 billion yen

Land area: 58,400m<sup>2</sup>

Production capacity:

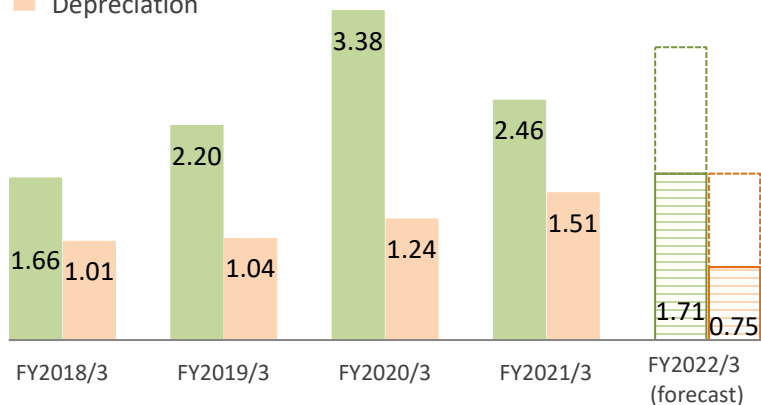
Casting production: 500 tons/month

Assembly building and others: System to increase production as needed according to market conditions

### Capital Investment and Depreciation

Billion yen

■ Capital Investment  
■ Depreciation



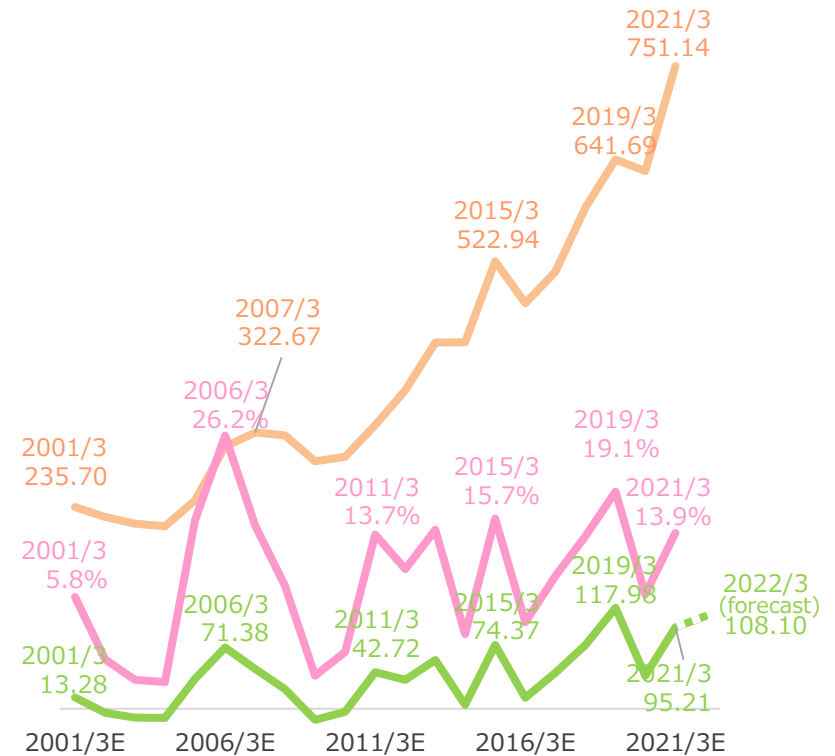
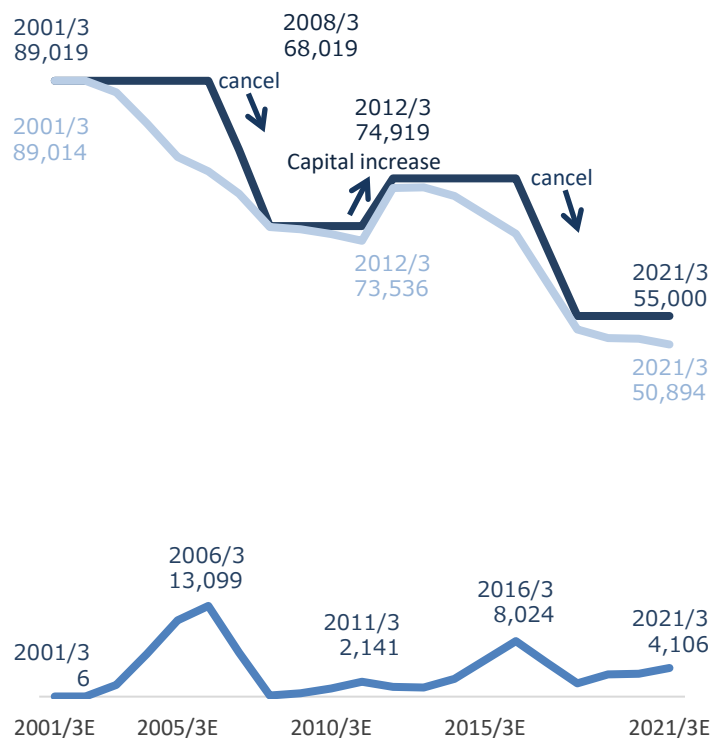
### 3. Transition of main indicators

Thousand shares

Yen

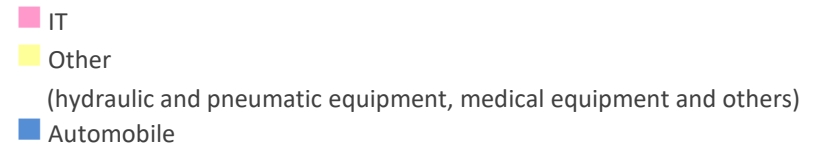
- Outstanding shares
- Treasury shares
- Outstanding shares (excluding treasury shares)

- BPS (Book-value per share, excluding treasury shares)
- EPS (Earnings per share, excluding treasury shares)
- ROE (Return on equity)



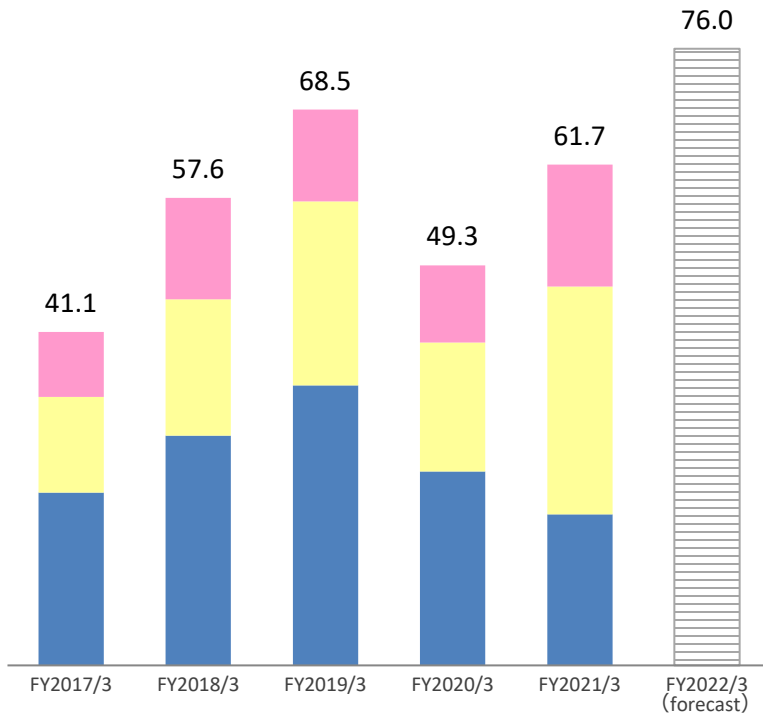
## 4. Reference

### (1) Revenue by Business Segment



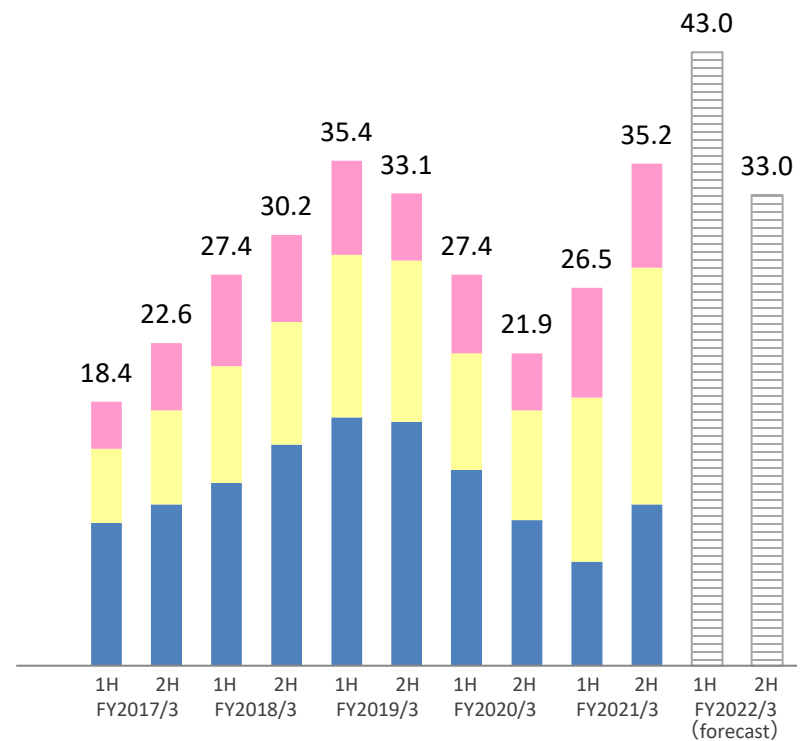
#### Full-year

Billion yen



#### Six-month

Billion yen



Japanese  
GAAP

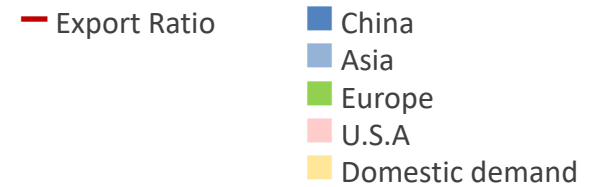
IFRS

Japanese  
GAAP

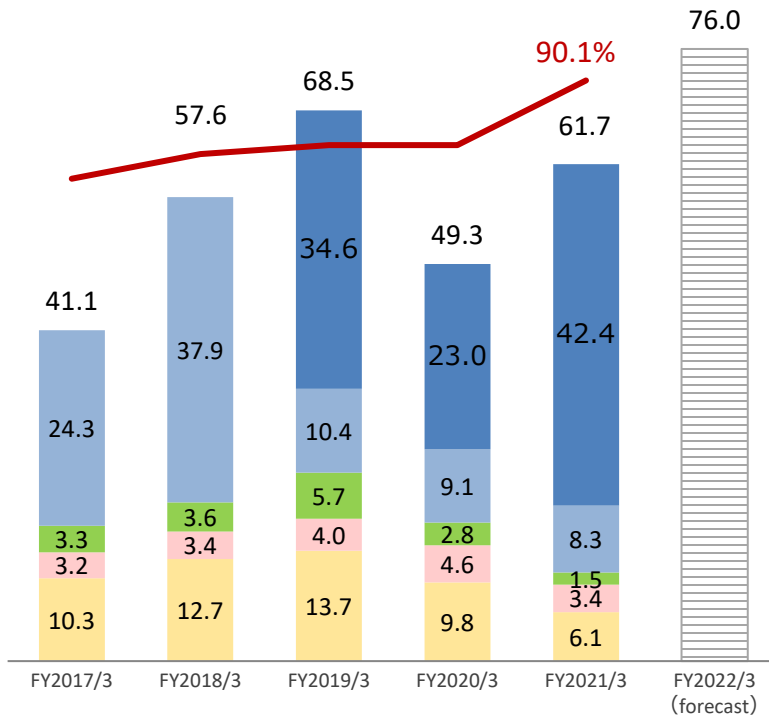
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## (2) Revenue by Geographic Segment

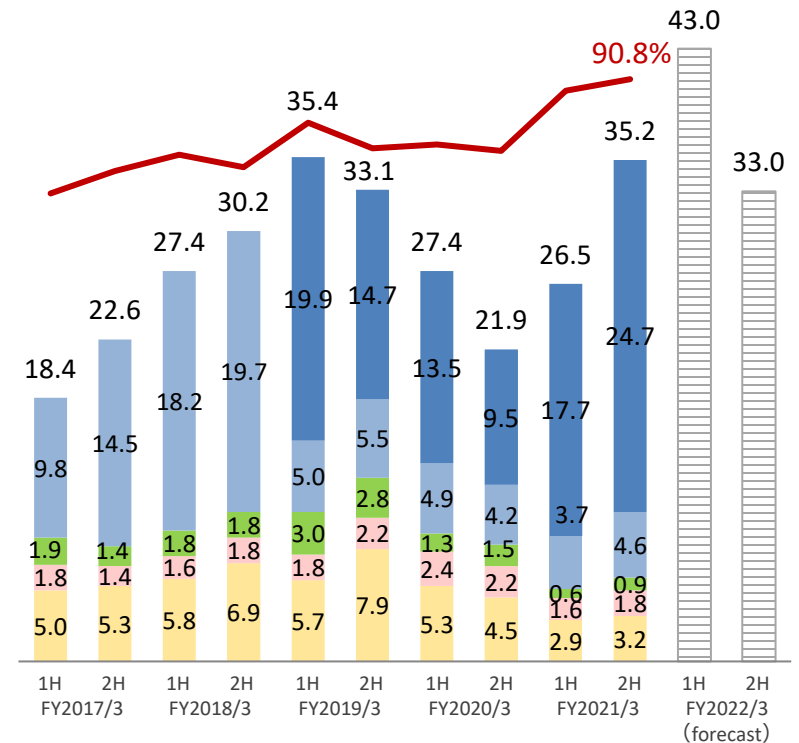


**Full-year**  
Billion yen



Japanese GAAP      IFRS

**Six-month**  
Billion yen

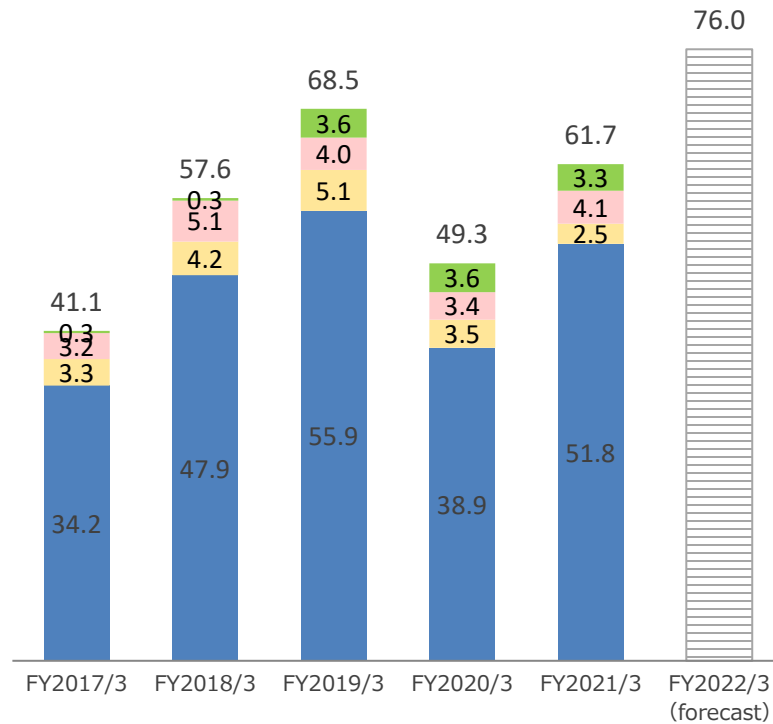


Japanese GAAP      IFRS

### (3) Revenue by Machinery Category

- Other
- Machining centers, Rolling machines and specialized machines
- Grinding machines
- Automatic lathes

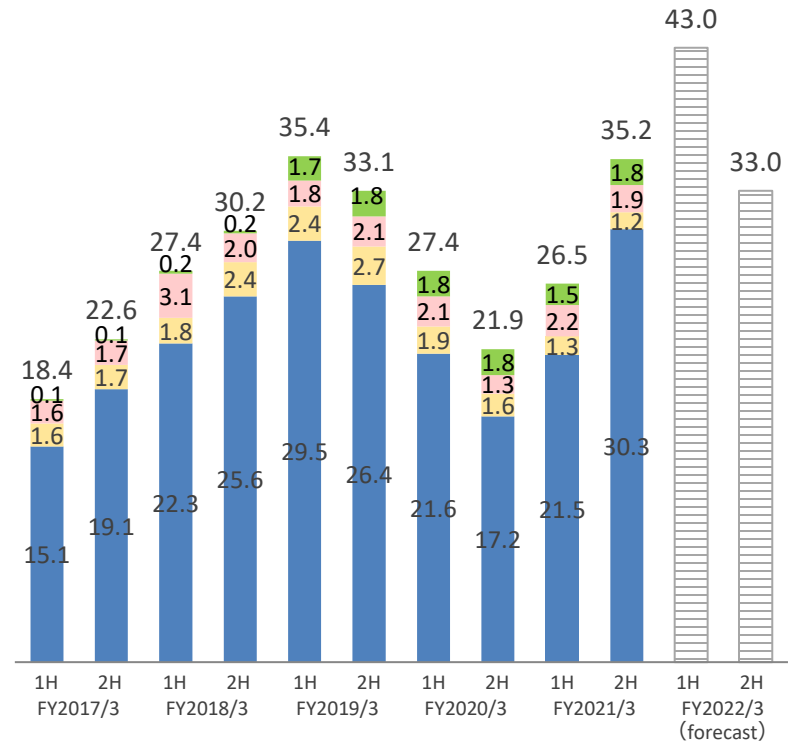
**Full-year**  
Billion yen



Japanese GAAP

IFRS

**Six-month**  
Billion yen

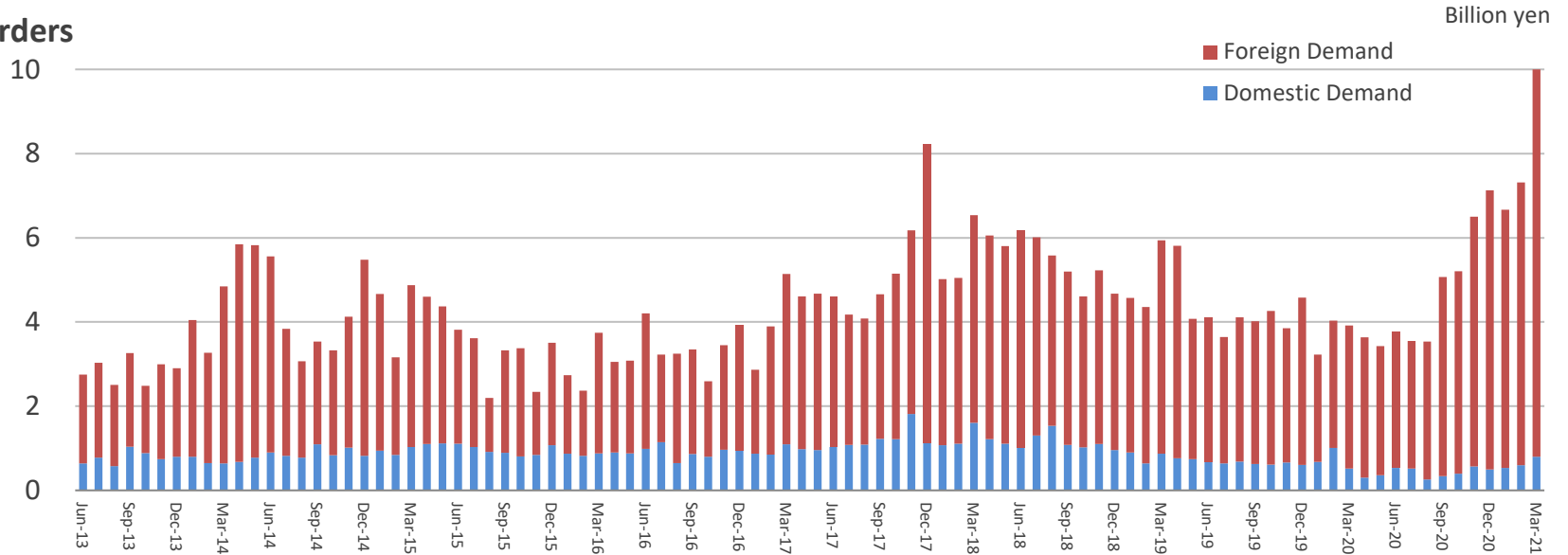


Japanese GAAP

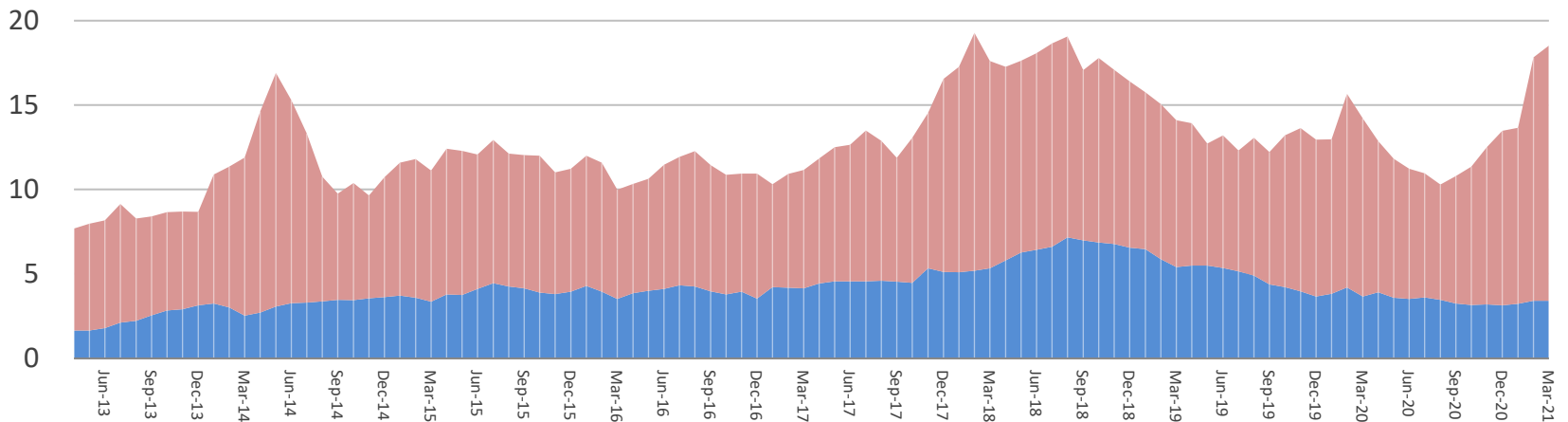
IFRS

## (4) Orders Received and Order Backlogs

### Orders



### Order backlogs



The content in this material is premised on various assumptions and does not ensure or guarantee the realization of the planned figures and/or future policies stated herein.