

Stock Information (as of March 31, 2021)

Authorized shares 320,000,000 shares
 Issued shares 55,000,000 shares
 Number of shareholders 8,585

Major shareholders (Top 10)

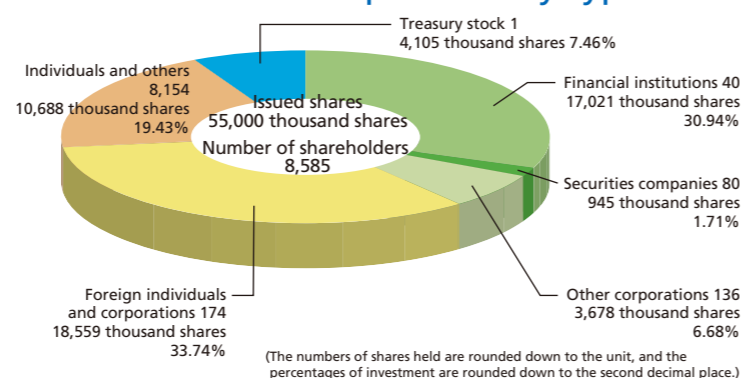
Shareholders	Investment in the Company	
	Number of shares held	Ownership ratio
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	3,907	7.67
THE BANK OF NEW YORK MELLON 140051	2,579	5.06
Daishi Hokuetsu Bank, Ltd.	2,184	4.29
The Dai-ichi Life Insurance Company, Limited	2,100	4.12
THE BANK OF NEW YORK 133652	1,897	3.72
Custody Bank of Japan, Ltd. (Trust account)	1,894	3.72
JP MORGAN CHASE BANK 385632	1,875	3.68
Sumitomo Mitsui Banking Corporation	1,516	2.97
Tsugami Customers' Shareholding Association	1,063	2.08
Daikin Industries, Ltd.	717	1.40

Notes: 1. In calculating the ratio of holdings, treasury stock was excluded. The ratio was rounded down to the second decimal place.
 2. Although the Company holds 4,105 thousand shares of treasury stock, it is excluded from the list of major shareholders.
 3. Daishi Hokuetsu Bank, Ltd. is the surviving entity in the merger as of January 1, 2021 of Daishi Bank, Ltd. and Hokuetsu Bank, Ltd.

Corporate Data (as of March 31, 2021)

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	2,586 (Consolidated)
Directors and Auditors	(as of June 16, 2021)
Representative Director and CEO	Takao Nishijima
Representative Director and CFO	Ichiro Muromoto
Director	Donglei Tang
Outside Director	Ken Kubo
Outside Director	Koichi Maruno
Director (Full-time Audit & Supervisory Committee member)	Tomoko Takahashi
Outside Director (Part-time Audit & Supervisory Committee member)	Yoshimi Takeuchi
Outside Director (Part-time Audit & Supervisory Committee member)	Kenyu Adachi
Outside Director (Part-time Audit & Supervisory Committee member)	Kunio Shimada
Outside Director (Part-time 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. 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 PRIVATE LIMITED TSUGAMI Universal Pte. Ltd. (SINGAPORE)

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 2020
 (April 1, 2020 to March 31, 2021)



I am pleased to report our results for fiscal 2020, ended March 31, 2021.

During the fiscal year under review, markets in Japan and overseas continued to be in an adjustment phase amid the impact of COVID-19 and other factors. From the middle of the year onwards, orders received are rallying, reflecting a recovery of demand, primarily in China. As a result, consolidated revenue for the fiscal year under review increased 25.0% year on year, to ¥61,662 million. Consolidated revenue in Japan declined 37.4% year on year, to ¥6,129 million. Consolidated exports increased 40.5%, to ¥55,532 million. The export ratio rose 10.0% , to 90.1%. A breakdown of consolidated revenue by machinery category shows that revenue of mainstay automatic lathes rose 33.2% year on year, to ¥51,810 million, revenue of grinding machines decreased 28.8%, to ¥2,489 million, revenue of machining centers, rolling machines and other specialized machines increased 21.5%, to ¥4,096 million.

Consolidated operating profit increased 109.5% year on year, to ¥9,533 million. Consolidated profit attributable to owners of parent climbed 145.7%, to ¥4,917 million for the fiscal year under review.

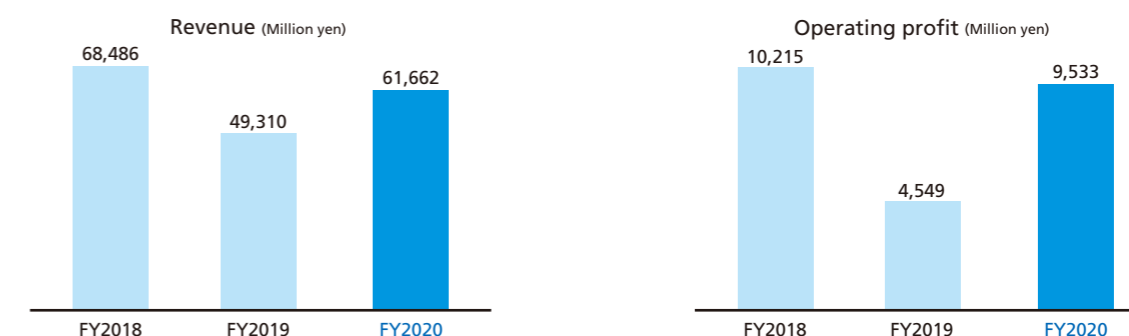
For the consolidated fiscal year ended March 31, 2021, the Company has decided to pay annual dividends of 26 yen per share, including interim dividends of 12 yen per share and year-end dividends of 14 yen per share. For the consolidated fiscal year ending March 31, 2022, the Company plans to pay annual dividends of 28 yen per share, including interim dividends of 14 yen per share and year-end dividends of 14 yen per share.

The Company will continue to focus on increasing sales, improving production efficiency, and reducing costs. It will strive to offer new products and services that match customer needs and actively tackle environmental and social issues and other sustainability initiatives. Moreover, as part of our efforts to further strengthen our corporate governance framework, we are pursuing measures such as the establishment in January 2021 of Nomination Committee and Compensation Committee, which are voluntary advisory bodies to the Board of Directors.

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

June 2021
 Takao Nishijima
 Representative Director and CEO

Business Performance (Consolidated)



Financial highlights

Item	FY2018		FY2019		FY2020	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Revenue (Million yen)	68,486	38,557	49,310	25,937	61,662	20,367
Operating profit (Million yen)	10,215	1,908	4,549	401	9,533	109
Profit attributable to owners of parent (Million yen)	6,192	3,125	2,001	803	4,917	3,810
Basic earnings per share (Yen)	117.98	59.54	38.60	15.50	95.21	73.78
Total assets (Million yen)	69,692	35,787	61,860	31,755	79,278	35,275
Total equity (Million yen)	40,072	20,066	39,073	19,424	46,836	20,104
Equity attributable to owners of parent per share (Yen)	641.69	377.75	628.14	364.21	751.14	382.78

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

(Note) 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 balance sheets

(Million yen)

Item	FY2020 (March 31, 2021)	FY2019 (March 31, 2020)
Assets		
Total current assets	60,023	42,952
Cash and cash equivalents	17,207	10,921
Trade and other receivables	20,428	12,258
Other financial assets	30	30
Inventories	20,774	18,343
Other current assets	1,582	1,397
Total non-current assets	19,254	18,908
Property, plant and equipment	11,808	9,648
Right-of-use assets	1,302	1,222
Intangible assets	1,116	1,289
Retirement benefit assets	91	82
Other financial assets	4,420	6,236
Deferred tax assets	253	209
Other non-current assets	261	218
Total assets	79,278	61,860
Liabilities and equity		
Liabilities		
Total current liabilities	30,204	20,866
Trade and other payables	14,797	9,480
Borrowings	9,579	8,867
Other financial liabilities	210	175
Income taxes payable	1,332	310
Provisions	384	402
Contract liabilities	3,161	1,021
Other current liabilities	737	609
Total non-current liabilities	2,237	1,920
Other financial liabilities	123	140
Retirement benefit liability	893	915
Deferred tax liabilities	887	635
Other non-current liabilities	333	229
Total liabilities	32,441	22,787
Equity		
Share capital	12,345	12,345
Capital surplus	3,332	3,306
Treasury shares	-4,371	-2,994
Other components of equity	2,560	1,038
Retained earnings	24,362	18,784
Total equity attributable to owners of parent	38,229	32,480
Non-controlling interests	8,607	6,593
Total equity	46,836	39,073
Total liabilities and equity	79,278	61,860

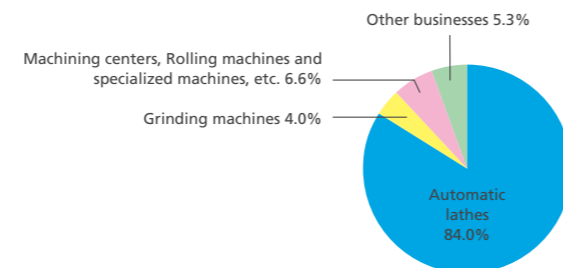
Consolidated statements of income

(Million yen)

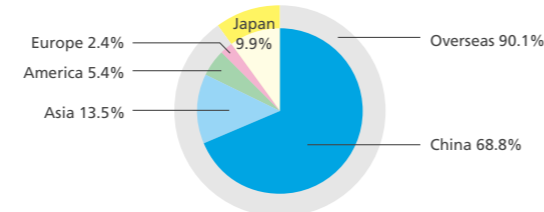
Item	FY2020 Year ended March 31, 2021	FY2019 Year ended March 31, 2020
Revenue	61,662	49,310
Cost of sales	-44,457	-36,354
Gross profit	17,204	12,956
Selling, general and administrative expenses	-8,297	-8,369
Other income	670	308
Other expenses	-44	-345
Operating profit	9,533	4,549
Finance income	339	310
Finance costs	-413	-601
Profit before tax	9,459	4,259
Income tax expense	-2,822	-1,511
Profit	6,636	2,747
Profit attributable to:		
Owners of parent	4,917	2,001
Non-controlling interests	1,718	745
Profit	6,636	2,747
Earnings per share		
Basic earnings per share (yen)	95.21	38.60
Diluted earnings per share (yen)	93.08	37.75

Revenue breakdown (Consolidated)

Revenue breakdown by product (FY2020)



Revenue breakdown by region (FY2020)



Consolidated statements of changes in net assets

(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, 2020	12,345	3,306	-2,994	-1,535	2,574	—	1,038	18,784	32,480	6,593	39,073
Profit								4,917	4,917	1,718	6,636
Other comprehensive income				2,016	1,459	11	3,487		3,487	779	4,266
Total comprehensive income				2,016	1,459	11	3,487	4,917	8,405	2,497	10,902
Purchase of treasury shares			-1,495						-1,495		-1,495
Disposal of treasury shares			119						0		0
Dividends								-1,242	-1,242	-454	-1,697
Changes resulting from share-based payment transactions		88							88		88
Transfer to retained earnings					-1,952	-11	-1,963	1,963	—		—
Capital transactions with non-controlling interests		-5		-1			-1		-7	-28	-35
Total transactions with owners		25	-1,376	-1	-1,952	-11	-1,965	659	-2,656	-483	-3,140
Balance as of March 31, 2021	12,345	3,332	-4,371	478	2,081	—	2,560	24,362	38,229	8,607	46,836

New Factories in China and India

New factory in Anhui province, China



The facility building was completed in March 2021 and the factory commenced partial operation.

- Land area: 68,195 m²
- Casting facility
Total floor area: 10,285 m²
Production capacity: 1,500 tons per month
- Assembly facility, etc.
Total floor area: 35,528 m²

New factory in Vallam Vadagal, India



The completion and launch of operation are expected to be slightly delayed from the initial plan of October 2021.

- Land area: 58,900 m²
- Casting facility
Land area: 24,500 m²
Total floor area: 8,800 m²
Production capacity: 500 tons per month
- Assembly facility (Construction planned)
Land area: 34,400 m²

Information on Exhibitions

JIMTOF2020 Online (November 16, 2020 – November 27, 2020)

The Company participated in JIMTOF2020 Online, the first such online exhibition, and exhibited 8 types of equipment, including BW329ZJ, the latest model of precision automatic lathe.



Tsugami Technical Fair

Tsugami Technical Fair, a private show held in June every year, is scheduled to be held on November 25 and 26 for the current fiscal year.