

## Stock Information (as of March 31, 2022)

Authorized shares ..... 320,000,000 shares  
 Issued shares ..... 50,000,000 shares  
 Number of shareholders ..... 10,701

### 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)	6,603	13.64
Custody Bank of Japan, Ltd. (Trust account)	2,300	4.75
Daishi Hokuetsu Bank, Ltd.	2,184	4.51
The Dai-ichi Life Insurance Company, Limited	2,100	4.33
THE BANK OF NEW YORK 133652	1,688	3.48
THE BANK OF NEW YORK MELLON 140051	1,656	3.42
Sumitomo Mitsui Banking Corporation	1,516	3.13
JP MORGAN CHASE BANK 385632	1,327	2.74
Tsugami Customers' Shareholding Association	1,100	2.27
PICTET AND CIE (EUROPE) SA, LUXEMBOURG REF: UCITS	767	1.58

Notes: 1. In calculating the ratio of holdings, treasury shares were excluded. The ratio was rounded down to the second decimal place.  
 2. There are 1,603 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, 2022)

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 3,078 (Consolidated)  
 Directors and Auditors (as of June 22, 2022)

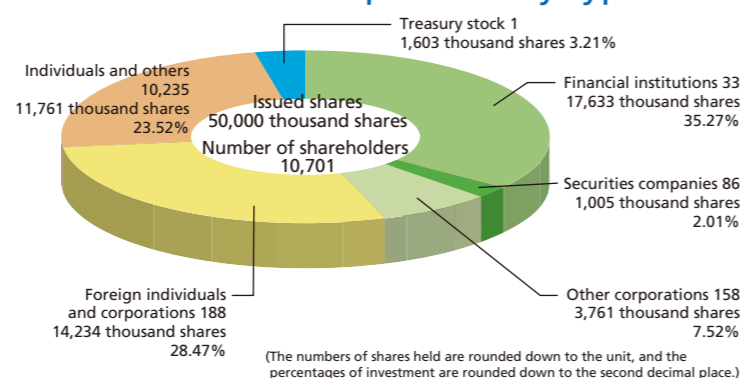
Representative Director Junichi Hyakuya  
 Representative Director Motoi Yamada  
 Director Donglei Tang  
 Outside Director Ken Kubo  
 Outside Director Koichi Maruno  
 Director (Full-time Audit & Supervisory Committee member) Tomoko Takahashi  
 Outside Director (Part-time Audit & Supervisory Committee 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

1. 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.  
 2. Mitsubishi UFJ Trust Banking Corporation shall undertake procedures for shares recorded in a special account, not an account at a securities company, etc.  
 3. 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 2021  
 (April 1, 2021 to March 31, 2022)

TSUGAMI CORPORATION

We are pleased to report our results for the fiscal year ended March 31, 2022.

Looking at the Group's business environment during the fiscal year under review, the Chinese and other markets remained strong despite an increase in uncertainty in overseas markets. As a result, the Group posted revenue of ¥93,174 million, up 51.1% year on year. A breakdown of consolidated revenue by machinery category shows that revenue of mainstay automatic lathes rose 53.5% year on year, to ¥79,504 million, revenue of grinding machines increased 58.5%, to ¥3,945 million, revenue of machining centers, rolling machines and other specialized machines increased 32.7%, to ¥5,435 million.

Consolidated operating profit increased 97.8% year on year, to ¥18,860 million. Consolidated profit attributable to owners of parent climbed 92.9%, to ¥9,486 million for the fiscal year under review.

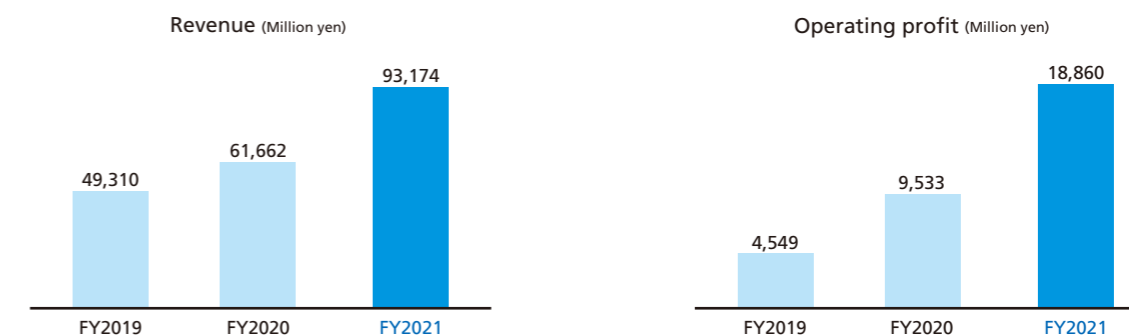
For the consolidated fiscal year ended March 31, 2022, the Company has decided to pay annual dividends of 40 yen per share, including interim dividends of 18 yen per share and year-end dividends of 22 yen per share. For the consolidated fiscal year ending March 31, 2023, the Company plans to pay 44 yen per share, including interim dividends of 22 yen per share and year-end dividends of 22 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 2022  
 TSUGAMI CORPORATION

## Business Performance (Consolidated)



## Financial highlights

Item	FY2019		FY2020		FY2021	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Revenue (Million yen)	49,310	25,937	61,662	20,367	93,174	35,584
Operating profit (Million yen)	4,549	401	9,533	109	18,860	2,185
Profit attributable to owners of parent (Million yen)	2,001	803	4,917	3,810	9,486	4,287
Basic earnings per share (Yen)	38.60	15.50	95.21	73.78	191.99	86.76
Total assets (Million yen)	61,860	31,755	79,278	35,275	103,761	38,508
Total equity (Million yen)	39,073	19,424	46,836	20,104	57,840	18,358
Equity attributable to owners of parent per share (Yen)	628.14	364.21	751.14	382.78	941.82	368.72

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)

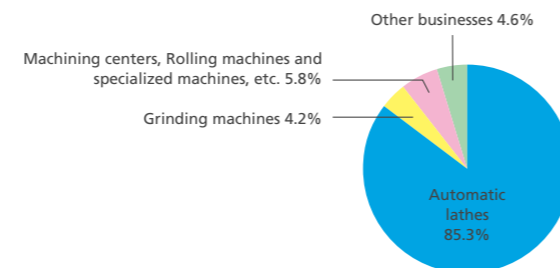
Item	FY2020 (March 31, 2021)	FY2021 (March 31, 2022)
<b>Assets</b>		
Total current assets	60,023	82,036
Cash and cash equivalents	17,207	18,844
Trade and other receivables	20,428	27,614
Other financial assets	30	30
Inventories	20,774	32,618
Other current assets	1,582	2,928
Total non-current assets	19,254	21,724
Property, plant and equipment	11,808	14,191
Right-of-use assets	1,302	1,915
Intangible assets	1,116	903
Retirement benefit assets	91	64
Other financial assets	4,420	4,130
Deferred tax assets	253	308
Other non-current assets	261	210
Total assets	79,278	103,761
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Total current liabilities	30,204	42,873
Trade and other payables	14,797	22,234
Borrowings	9,579	13,313
Other financial liabilities	210	170
Income taxes payable	1,332	1,390
Provisions	384	585
Contract liabilities	3,161	4,421
Other current liabilities	737	757
Total non-current liabilities	2,237	3,046
Other financial liabilities	123	106
Retirement benefit liability	893	924
Provisions	—	5
Deferred tax liabilities	887	1,460
Other non-current liabilities	333	550
Total liabilities	32,441	45,920
<b>Equity</b>		
Share capital	12,345	12,345
Capital surplus	3,332	3,222
Treasury shares	- 4,371	- 2,040
Other components of equity	2,560	6,256
Retained earnings	24,362	25,795
Total equity attributable to owners of parent	38,229	45,580
Non-controlling interests	8,607	12,260
Total equity	46,836	57,840
Total liabilities and equity	79,278	103,761

### Consolidated statement of profit or loss (Million yen)

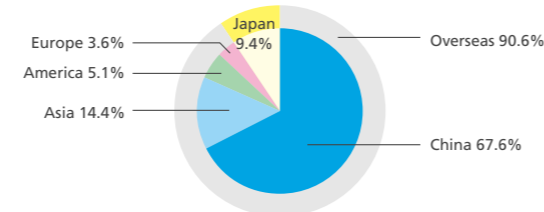
Item	FY2020 April 1, 2020 to March 31, 2021	FY2021 April 1, 2021 to March 31, 2022
Revenue	61,662	93,174
Cost of sales	- 44,457	- 64,994
Gross profit	17,204	28,179
Selling, general and administrative expenses	- 8,297	- 10,223
Other income	670	3,019
Other expenses	- 44	- 2,114
Operating profit	9,533	18,860
Finance income	339	328
Finance costs	- 413	- 412
Profit before tax	9,459	18,776
Income tax expense	- 2,822	- 6,155
Profit	6,636	12,620
<b>Profit attributable to:</b>		
Owners of parent	4,917	9,486
Non-controlling interests	1,718	3,134
Profit	6,636	12,620
<b>Earnings per share</b>		
Basic earnings per share (yen)	95.21	191.99
Diluted earnings per share (yen)	93.08	188.07

### Revenue breakdown (Consolidated)

#### Revenue breakdown by product (FY2021)



#### Revenue breakdown by region (FY2021)



### Consolidated statement of changes in equity (Million yen)

	Equity attributable to owners of parent							Retained earnings	Total	Non-controlling interests	Total
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total				
				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, 2021	12,345	3,332	- 4,371	478	2,081	—	2,560	24,362	38,229	8,607	46,836
Profit								9,486	9,486	3,134	12,620
Other comprehensive income				3,904	- 208	- 26	3,669		3,669	1,558	5,228
Total comprehensive income				3,904	- 208	- 26	3,669	9,486	13,155	4,693	17,849
Purchase of treasury shares			- 4,312						- 4,312		- 4,312
Disposal of treasury shares		- 113	288					- 71	103		103
Cancellation of treasury shares			6,355					- 6,355			
Dividends								- 1,599	- 1,599	- 1,039	- 2,639
Changes resulting from share-based payment transactions		3							3		3
Transfer to retained earnings						26	26	- 26			
Total transactions with owners		- 109	2,331			26	26	- 8,052	- 5,804	- 1,039	- 6,844
Balance as of March 31, 2022	12,345	3,222	- 2,040	4,383	1,872	—	6,256	25,795	45,580	12,260	57,840

## Products

### Turning Center B020M-III

Productive combined machine by the integration of Swiss type automatic lathe (sliding headstock type) and machining center. Compact body realizes multi-functional mass productivity.

- Combined machine of automatic lathe and machining center occupied only in the floor space of 4.75 m<sup>2</sup> significantly increases productivity per space.
- A variety of machining patterns enables the complete machining of complex-shaped workpieces with the single machine, and it contributes to the increase of productivity largely.
- Dual contact holder (CAPT C3) makes accurate and powerful machining.
- 3.7 kW high-output built-in motor achieves high-efficiency milling from low speed to the maximum speed of 25,000 min<sup>-1</sup>, equivalent to that of machining center.
- The back tool post with Y axis enables the simultaneous operation of back spindle side complex machining with main spindle side machining. It reduces the machining time.



### CNC Precision Automatic Lathe B0205-V

The best-selling B012/20 series enhances high-speed, high-precision machining capability even with the compact machine size.

- The back spindle improves the machining capability with 3.7 kW motor equivalent to that of the main spindle.
- The more rigid front tool post achieves the stable machining regardless of the machined material.
- Live tool of the front tool post (option) with maximum rotation speed of 10,000 min<sup>-1</sup> supports high-speed machining including small hole drilling.
- Improves usability in both hardware and software even with a compact machine size.
- By changing the work collection method, the time for work collection is reduced. In addition, the cycle time has been shortened by optimizing the feedrate (12% reduction compared to the conventional model).



## Exhibition Held

### Tsugami Technical Fair

We held the TSUGAMI TECHNICAL FAIR 2021 at Nagaoka Factory for 2 days from November 25, 2021. We invited many users and dealers from around the nation and engaged in active business talks to further expand the market.

