

Stock Information (as of September 30, 2022)

Authorized shares 320,000,000 shares
 Issued shares 50,000,000 shares
 Number of shareholders 11,630

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)	6,356	13.12
Custody Bank of Japan, Ltd. (Trust account)	2,583	5.33
Daishi Hokuetsu Bank, Ltd.	2,184	4.50
The Dai-ichi Life Insurance Company, Limited	1,942	4.00
JP MORGAN CHASE BANK 385632	1,907	3.93
Sumitomo Mitsui Banking Corporation	1,516	3.13
THE BANK OF NEW YORK 133652	1,375	2.83
THE BANK OF NEW YORK MELLON 140051	1,326	2.73
Tsugami Customers' Shareholding Association	1,119	2.31
Daikin Industries, Ltd.	717	1.48

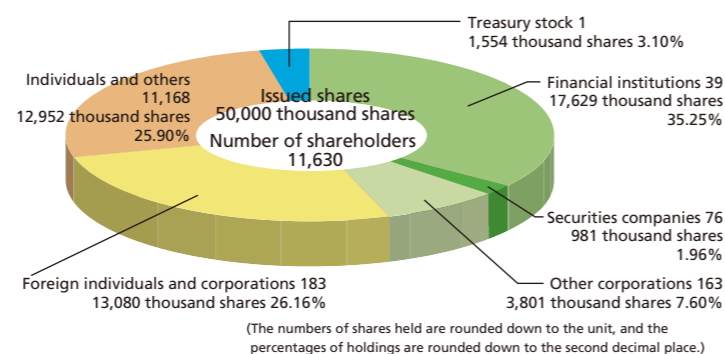
Notes: 1. In calculating the ratio of holdings, treasury stock was excluded. The ratio was rounded down to the second decimal place.
 2. There are 1,554 thousand shares of treasury stock listed in the shareholders' register other than the shares listed in the table above.

Corporate Data

(as of September 30, 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	3,144 (Consolidated)
Directors and Auditors (as of October 1, 2022)	
Director (Chairman)	Koichi Maruno
Representative Director	Junichi Hyakuya
Representative Director	Motoi Yamada
Director	Donglei Tang
Director	Ken Kubo
Director (Audit & Supervisory Committee member)	Tomoko Takahashi
Director (Audit & Supervisory Committee member)	Yoshimi Takeuchi
Director (Audit & Supervisory Committee member)	Kenyu Adachi
Director (Audit & Supervisory Committee member)	Kunio Shimada
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. 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) Precision Nakatsu (China) Corporation 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 the First Half of Fiscal Year 2022
 (April 1, 2022 to September 30, 2022)

TSUGAMI CORPORATION

We are pleased to report our results for the first half of the fiscal year ending March 31, 2023.

In the first half of the fiscal year under review, the Group posted revenue of ¥47,965 million (down 2.5% year on year), operating profit of ¥8,604 million (down 20.4% year on year) and profit attributable to owners of parent of ¥4,270 million (down 21.6% year on year), reflecting the protracted adjustment in the Chinese market, but maintained a strong profit structure.

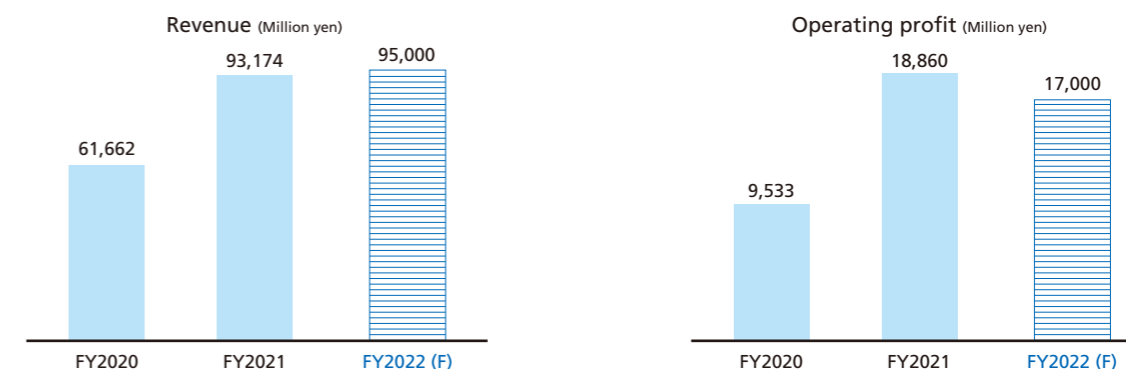
While continuing to work on expanding sales, improving production efficiency and reducing costs, the Group seeks to offer new products that fully meet customer requirements and enhance the services it provides. Through these efforts, it will consistently aim to raise customer satisfaction and work hard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

The Company decided to pay an interim dividend for the consolidated fiscal year ending March 31, 2023 of 22 yen per share, an increase of 4 yen from a year ago as initially planned. The Company plans to pay a year-end dividend of 22 yen per share (which combined with the interim dividend brings the annual dividend to 44 yen).

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

November 2022
 TSUGAMI CORPORATION

Business Performance (Consolidated)



Financial highlights

Item	FY2020		FY2021		FY2022
	First half	Full year	First half	Full year	First half
Revenue (Million yen)	26,457	61,662	49,176	93,174	47,965
Operating profit (Million yen)	2,995	9,533	10,808	18,860	8,604
Profit attributable to owners of parent (Million yen)	1,279	4,917	5,445	9,486	4,270
Basic earnings per share (Yen)	24.71	95.21	108.80	191.99	88.31
Total assets (Million yen)	66,789	79,278	90,548	103,761	111,587
Total equity (Million yen)	41,246	46,836	50,837	57,840	64,083

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

Consolidated Financial Statements

Consolidated statement of financial position

(Million yen)

Item	FY2021 (March 31, 2022)	FY2022 First half (September 30, 2022)
Assets		
Total current assets	82,036	88,947
Cash and cash equivalents	18,844	18,677
Trade and other receivables	27,614	27,511
Other financial assets	30	30
Inventories	32,618	39,585
Other current assets	2,928	3,143
Total non-current assets	21,724	22,639
Property, plant and equipment	14,191	14,762
Right-of-use assets	1,915	2,091
Intangible assets	903	758
Retirement benefit assets	64	59
Other financial assets	4,130	4,138
Deferred tax assets	308	600
Other non-current assets	210	228
Total assets	103,761	111,587
Liabilities and equity		
Liabilities		
Total current liabilities	42,873	44,012
Trade and other payables	22,234	22,453
Borrowings	13,313	15,004
Other financial liabilities	170	206
Income taxes payable, etc.	1,390	1,597
Provisions	585	613
Contract liabilities	4,421	3,084
Other current liabilities	757	1,052
Total non-current liabilities	3,046	3,491
Other financial liabilities	106	156
Retirement benefit liability	924	945
Provisions	5	5
Deferred tax liabilities	1,460	1,813
Other non-current liabilities	550	571
Total liabilities	45,920	47,503
Equity		
Share capital	12,345	12,345
Capital surplus	3,222	3,022
Treasury shares	- 2,040	- 1,948
Other components of equity	6,256	8,230
Retained earnings	25,795	28,552
Total equity attributable to owners of parent	45,580	50,202
Non-controlling interests	12,260	13,881
Total equity	57,840	64,083
Total liabilities and equity	103,761	111,587

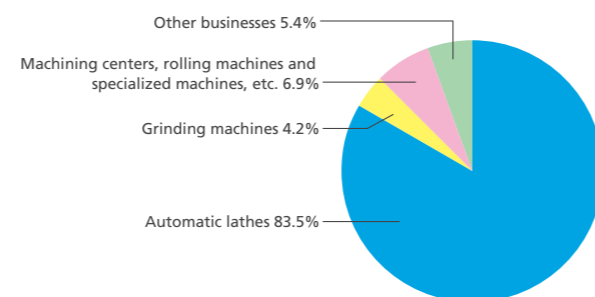
Consolidated statement of profit or loss

(Million yen)

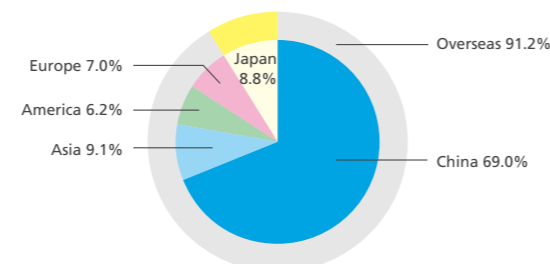
Item	FY2021 First half April 1, 2021 to September 30, 2021	FY2022 First half April 1, 2022 to September 30, 2022
Revenue	49,176	47,965
Cost of sales	- 33,665	- 34,479
Gross profit	15,511	13,485
Selling, general and administrative expenses	- 4,963	- 5,615
Other income	2,359	783
Other expenses	- 2,099	- 49
Operating profit	10,808	8,604
Finance income	168	301
Finance costs	- 260	- 120
Profit before tax	10,716	8,786
Income tax expense	- 3,501	- 2,936
Profit	7,214	5,850
Profit attributable to:		
Owners of parent	5,445	4,270
Non-controlling interests	1,769	1,579
Profit	7,214	5,850
Earnings per share		
Basic earnings per share (yen)	108.80	88.31
Diluted earnings per share (yen)	106.52	86.95

Revenue breakdown (Consolidated)

Revenue breakdown by product (FY2022 First half)



Revenue breakdown by region (FY2022 First half)



Received the IDEA Award for Machine Industrial Design

In July 2022, turning center SS26MH-II-5AX of TSUGAMI received the Review Committee Special Award of the 52nd IDEA Award for Machine Industrial Design (sponsored by The Nikkan Kogyo Shimbun, Ltd.).

This product is a productive combined machine that integrates sliding head stock type automatic lathe and machining center. Capable of mass production of complex-shaped workpieces, including shapes requiring 5-axis simultaneous controlled machining, from bar stock, this machine has high operability and safety features such as interference prevention via the interference check function.



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 m² 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 (CAPTO 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⁻¹, 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.



Exhibition Held

We have actively developed new business partners. We held the TSUGAMI TECHNICAL FAIR 2022 at Nagaoka Factory for 2 days from June 23, 2022. We invited many users and dealers and engaged in active business talks to further expand the market.

