

Summary of Financial Results for the Fiscal Year Ended March 31, 2023

May 11, 2023

TSUGAMI CORPORATION

Stock code: 6101

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Scheduled date of annual shareholders meeting: June 21, 2023

Scheduled date of commencement of dividend payments: May 30, 2023

Scheduled date of submission of securities report: June 21, 2023

Supplementary briefing materials to be created: Yes

Investors meeting to be held: Yes

Listings: Tokyo Stock Exchange

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1. Consolidated business performance for the Fiscal year ended March 31, 2023

(From April 1, 2022 to March 31, 2023)

(Figures are rounded down to the nearest one million yen.)

(1) Consolidated operating results

(Figures in percentages denote the year-on-year change.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income for the quarter	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	94,963	1.9	16,758	-11.1	16,467	-12.3	10,845	-14.1	7,695	-18.9	11,606	-35.0
Fiscal year ended March 31, 2022	93,174	51.1	18,860	97.8	18,776	98.5	12,620	90.2	9,486	92.9	17,849	63.7

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Profit before tax to total assets	Operating profit on revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	159.39	157.33	15.9	15.2	17.6
Fiscal year ended March 31, 2022	191.99	188.07	22.6	20.5	20.2

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Percentage of equity attributable to owners of parent	Operating profit on revenue
	Million yen	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2023	112,364	64,922	50,953	45.3(57.8)	1,057.67
Fiscal year ended March 31, 2022	103,761	57,840	45,580	43.9(55.7)	941.82

(Reference) The figures in parentheses are the ratios of total equity (sum of equity attributable to owners of parent and non-controlling interests).

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the term
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2023	8,300	-1,278	-379	25,779
Fiscal year ended March 31, 2022	6,296	-3,009	-3,514	18,844

2. State of dividends

(Base date)	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity attributable to owners of parent (consolidated)
	End of Q1	End of Q2	End of Q3	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	--	18.00	--	22.00	40.00	1,951	20.8	4.7
Fiscal year ended March 31, 2023	--	22.00	--	24.00	46.00	2,222	28.9	4.6
Fiscal year ending March 31, 2024 (forecast)	--	24.00	--	24.00	48.00		35.0	

3. Consolidated business performance forecasts for the fiscal year ending March 31, 2024

(From April 1, 2023 to March 31, 2024)

(Percentage figures denote increases or decreases compared with the same period of the previous fiscal year.)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
First half	45,500	-5.1	7,500	-12.8	3,300	-22.7	68.50
Full-year	91,000	-4.2	15,000	-10.5	6,600	-14.2	137.00

* Notes

(1) Important changes in subsidiaries during the quarter under review (changes in specified subsidiaries that caused the scope of consolidation to change): None

(2) Changes in accounting policy and in accounting estimates, and restatements

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policy other than those stated in item (i) above: None
- (iii) Changes in accounting estimates: None

(3) Numbers of outstanding shares (common shares)

(i) Numbers of outstanding shares at the end of the terms (including treasury stock):

As of March 2023 50,000,000 shares As of March 2022 50,000,000 shares

(ii) Numbers of treasury shares at the end of the terms:

As of March 2023 1,824,788 shares As of March 2022 1,603,995 shares

(iii) Average numbers of shares outstanding during the periods:

As of March 2023 48,279,155 shares As of March 2022 49,410,403 shares

(Reference) Summary of non-consolidated business performance

Non-consolidated business performance for the Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	32,676	6.5	303	-86.1	4,045	-15.6	3,600	-15.9
Fiscal year ended March 31, 2022	30,668	66.2	2,176	--	4,791	215.5	4,280	13.3

	Net income per share	Net income per share after residual equity adjustment
	Yen	Yen
Fiscal year ended March 31, 2023	74.58	73.61
Fiscal year ended March 31, 2022	86.63	84.86

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2023	43,916	19,198	43.0	392.00
Fiscal year ended March 31, 2022	38,456	18,257	46.1	366.65

(Reference): Shareholders' equity: Fiscal year ended March 31, 2023: ¥18,884 million

Fiscal year ended March 31, 2022: ¥17,744 million

* The summary of financial results falls outside the scope of audits by certified public accountants or an auditing corporation.

* Explanations for the appropriate use of business forecasts and other items warranting special mention

The forward-looking statements, including business forecasts, included in this document are based on information available on the date of announcement and certain assumptions we consider reasonable. Actual performance may differ materially from the statements due to a range of factors. For assumptions for business forecasts and notes on the use of business forecasts, please refer to [1. Overview of Operating Results (1) Overview of Operating Results in Fiscal Year Under Review (ii) Forecasts for the next fiscal year] on page 2 of the accompanying documents of this summary of financial results for the Fiscal year Ended March 31, 2023.

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1. Overview of Operating Results

(1) Overview of Operating Results in Fiscal Year Under Review

(i) Operating results in fiscal year under review

Looking at the Group's business environment during the fiscal year under review, the adjustment phase continued in both the domestic and overseas markets.

In this situation, the Group maintained a favorable profit structure in its business performance. As a result, revenue stood at ¥94,963 million (up 1.9% year on year), operating profit at ¥16,758 million (down 11.1% year on year) and profit attributable to owners of parent at ¥7,695 million (down 18.9% year on year).

With respect to revenue by machinery category, revenue from automatic lathes, the main product line, came to ¥79,792 million (up 0.4% year on year), revenue from grinding machines to ¥4,274 million (up 8.3% year on year), and revenue from machining centers, rolling machines and specialized machines to ¥5,894 million (up 8.4% year on year).

Segment performance is as follows.

- a. In Japan, revenue increased 2.8% year on year to ¥36,668 million and segment profit decreased 82.3% year on year to ¥380 million.
- b. In China, revenue increased 3.4% year on year to ¥80,346 million and segment profit decreased 2.9% year on year to ¥15,395 million.
- c. In India, revenue increased 69.4% year on year to ¥4,691 million yen and segment profit increased 535.2% year on year to ¥130 million.
- d. In South Korea, revenue decreased 10.5% year on year to ¥1,661 million yen and segment profit decreased 48.1% year on year to ¥90 million.
- e. Revenue in "Other" increased 40.9% year on year to ¥1,104 million yen and segment profit came to ¥125 million (whereas, for the previous fiscal year, a segment profit of ¥3 million was recorded).

Operating profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.

(ii) Forecasts for the next fiscal year

Considering trends in domestic and overseas markets and orders received, the Company forecasts performance in the fiscal year ending March 31, 2024 as shown below.

The Group's forecasts are as follows:

Consolidated business performance forecasts for the fiscal year ending March 31, 2024

(Million yen, except per share data)

	First half	Full year
Revenue	45,500	91,000
Operating profit	7,500	15,000
Profit attributable to owners of parent	3,300	6,600
Basic earnings per share	68.50 yen	137.00 yen

(2) Overview of Financial Position in Fiscal Year Under Review

(i) State of assets, liabilities and net assets

Total assets amounted to ¥112,364 million at the end of the fiscal year under review, increasing ¥8,603 million from the end of the previous fiscal year.

The increase resulted mainly from increases of ¥6,934 million in cash and cash equivalents and ¥5,882 million in inventories, offsetting a decrease of ¥4,497 million in trade and other receivables.

Total liabilities amounted to ¥47,442 million at the end of the fiscal year under review, increasing ¥1,522 million yen from the end of the previous fiscal year.

The result was chiefly attributable to increases of ¥4,384 million in borrowings, which more than offset falls of ¥1,850 in trade and other payables and ¥1,700 million in contract liabilities.

Total equity amounted to ¥64,922 million at the end of the fiscal year under review, increasing ¥7,081 million from the end of the previous fiscal year.

This was largely due to increases of ¥7,695 million in retained earnings from profit attributable to owners of parent, and ¥1,708 million in non-controlling interests, partly offset by decreases in cash of ¥2,130 million due to dividend payment and ¥815 million due to the purchase of treasury shares, etc.

Reflecting the results above, the ratio of equity attributable to owners of parent reached 45.3%, increasing 1.4 percentage points from the end of the previous fiscal year.

(ii) State of cash flows

Cash and cash equivalents amounted to ¥25,779 million at the end of the fiscal year under review, increasing ¥6,934 million from the end of the previous fiscal year. Changes in cash flows for each activity and the reasons for those changes are as follows.

(Cash flows from operating activities)

Cash generated through operating activities was ¥8,300 million (cash generated of ¥6,296 million in the previous fiscal year).

The result principally reflected an increase in cash due to profit before tax of ¥16,467 million and a decrease in trade and other receivables of ¥4,811 million and depreciation and amortization of ¥2,038 million, offsetting a decrease in cash attributable to an increase in inventories of ¥5,882 million, income taxes paid of ¥5,810 million, and a decrease in trade and other payables of ¥2,109 million.

(Cash flows from investing activities)

Cash used for investing activities was ¥1,278 million (cash used of ¥3,009 million in the previous fiscal year).

The cash outflow was primarily attributable to decrease in cash for the purchase of property, plant and equipment of ¥1,141 million.

(Cash flows from financing activities)

Cash used for financing activities was ¥379 million (cash used of ¥3,514 in the previous fiscal year).

The result largely reflected an increase in cash due to an increase of ¥4,514 million in short-term borrowings, offsetting the decreases of ¥2,130 million and ¥1,580 million in cash due to the payment of dividends, and the payment of dividends to non-controlling interests, respectively.

(3) Basic policy relating to profit distribution, and dividends for the fiscal year under review and the following fiscal year

The Group adopts a basic policy of increasing its collective capabilities and returning profits to shareholders by sustaining aggressive investment in development projects in response to changing social demands and continuing its efforts to enhance competitiveness and streamline management. Based on this policy, the Group is united in its commitment to strengthening its business structure and achieving stable dividends.

The Group will also deal appropriately with the acquisition of treasury stock for the flexible enforcement of capital policies and other purposes as part of its measures for returning profits to shareholders, based on a comprehensive assessment of factors, including the need, financial conditions and share price trends.

For the consolidated Fiscal year Ended March 31, 2023, the Company has decided to pay annual dividends of ¥46 per share, including interim dividends of ¥22 per share and year-end dividends of ¥24 per share.

For the consolidated fiscal year ending March 31, 2024, the Company plans to pay annual dividends of ¥48 per share, including interim dividends of ¥24 per share and year-end dividends of ¥24 per share.

2. Basic Policy on Selection of Accounting Standards

The Group has been applying the International Accounting Standards since the Fiscal year ended March 31, 2019, to enhance convenience and the international comparability of financial information in the capital market.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Statement of Financial Position

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2022)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2023)
Assets		
Current assets		
Cash and cash equivalents	18,844	25,779
Trade and other receivables	27,614	23,117
Other financial assets	30	30
Inventories	32,618	38,500
Other current assets	2,928	2,943
Total current assets	82,036	90,370
Non-current assets		
Property, plant and equipment	14,191	14,154
Right-of-use assets	1,915	1,957
Intangible assets	903	615
Retirement benefit asset	64	17
Other financial assets	4,130	4,569
Deferred tax assets	308	455
Other non-current assets	210	225
Total non-current assets	21,724	21,994
Total assets	103,761	112,364

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2022)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2023)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	22,234	20,384
Borrowings	13,313	17,698
Other financial liabilities	170	196
Income taxes payable	1,390	1,447
Provisions	585	503
Contract liabilities	4,421	2,721
Other current liabilities	757	737
Total current liabilities	42,873	43,689
Non-current liabilities		
Other financial liabilities	106	145
Retirement benefit liability	924	918
Provisions	5	5
Deferred tax liabilities	1,460	2,123
Other non-current liabilities	550	559
Total non-current liabilities	3,046	3,752
Total liabilities	45,920	47,442
Equity		
Share capital	12,345	12,345
Capital surplus	3,222	3,022
Treasury shares	-2,040	-2,247
Other components of equity	6,256	6,887
Retained earnings	25,795	30,945
Equity attributable to owners of parent	45,580	50,953
Non-controlling interests	12,260	13,968
Total equity	57,840	64,922
Total liabilities and net equity	103,761	112,364

(2) Consolidated Statements of Profit or Loss and Comprehensive Income
(Consolidated Statement of Profit or Loss)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Revenue	93,174	94,963
Cost of sales	-64,994	-68,204
Gross profit	28,179	26,758
Selling, general and administrative expenses	-10,223	-11,044
Other income	3,019	1,314
Other expenses	-2,114	-271
Operating profit	18,860	16,758
Finance income	328	394
Finance costs	-412	-683
Share of profit (loss) of investments accounted for using equity method	--	-1
Profit before tax	18,776	16,467
Income tax expense	-6,155	-5,622
Profit	12,620	10,845
Profit for the year attributable to:		
Owners of parent	9,486	7,695
Non-controlling interests	3,134	3,149
Profit	12,620	10,845
Earnings per share		
Basic earnings per share (yen)	191.99	159.39
Diluted earnings per share (yen)	188.07	157.33

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit	12,620	10,845
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-208	288
Remeasurement of defined benefit pension plans	-26	-8
Total items that will not be reclassified to profit or loss	-235	280
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,463	480
Share of other comprehensive income of investments accounted for using equity method	--	0
Total items that may be reclassified to profit or loss	5,463	481
Total other comprehensive income	5,228	761
Comprehensive income	17,849	11,606
Total comprehensive income for the year attributable to:		
Owners of parent	13,155	8,318
Non-controlling interests	4,693	3,288
Comprehensive income	17,849	11,606

(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2021	12,345	3,332	-4,371	478	2,081
Profit					
Other comprehensive income				3,904	-208
Total comprehensive income	--	--	--	3,904	-208
Purchase of treasury shares			-4,312		
Disposal of treasury shares		-113	288		
Cancellation of treasury shares			6,355		
Dividends					
Changes in share-based payment transactions		3			
Transfer to retained earnings					
Share-based payment transactions	--	-109	2,331	--	--
Balance As of March 31, 2022	12,345	3,222	-2,040	4,383	1,872

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2021	--	2,560	24,362	38,229	8,607	46,836
Profit		--	9,486	9,486	3,134	12,620
Other comprehensive income	-26	3,669		3,669	1,558	5,228
Total comprehensive income	-26	3,669	9,486	13,155	4,693	17,849
Purchase of treasury shares		--		-4,312		-4,312
Disposal of treasury shares		--	-71	103		103
Cancellation of treasury shares		--	-6,355	--		--
Dividends		--	-1,599	-1,599	-1,039	-2,639
Changes in share-based payment transactions		--		3		3
Transfer to retained earnings	26	26	-26	--		--
Share-based payment transactions	26	26	-8,052	-5,804	-1,039	-6,844
Balance As of March 31, 2022	--	6,256	25,795	45,580	12,260	57,840

Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Treasury shares	Other components of equity	
				Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2022	12,345	3,222	-2,040	4,383	1,872
Profit					
Other comprehensive income				342	288
Total comprehensive income	--	--	--	342	288
Purchase of treasury shares			-918		
Disposal of treasury shares		-200	711		
Dividends					
Transfer to retained earnings					
Changes from exclusion from application of equity method					
Share-based payment transactions	--	-200	-207	--	--
Balance As of March 31, 2023	12,345	3,022	-2,247	4,726	2,161

	Equity attributable to owners of parent					Non-controlling interests	Total
	Other components of equity		Retained earnings	Total	Total		
	Remeasurements of defined benefit plans	Total					
Balance as of April 1, 2022	--	6,256	25,795	45,580	12,260	57,840	
Profit		--	7,695	7,695	3,149	10,845	
Other comprehensive income	-8	622		622	138	761	
Total comprehensive income	-8	622	7,695	8,318	3,288	11,606	
Purchase of treasury shares		--		-918		-918	
Disposal of treasury shares		--	-408	103		103	
Dividends		--	-2,130	-2,130	-1,580	-3,711	
Transfer to retained earnings	8	8	-8	--		--	
Changes from exclusion from application of equity method		--	1	1		1	
Share-based payment transactions	8	8	-2,545	-2,944	-1,580	-4,525	
Balance As of March 31, 2023	--	6,887	30,945	50,953	13,968	64,922	

(4) Consolidated Statements of Cash Flows

(Million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before tax	18,776	16,467
Depreciation and amortization	1,815	2,038
Impairment losses and reversal of impairment losses (gain)	156	-85
Casualty loss	1,895	--
Finance income	-328	-394
Finance costs	114	151
Share of loss (profit) of investments accounted for using equity method	--	1
Loss on retirement of fixed assets	16	207
Loss (gain) on sale of fixed assets	0	1
Government grant income	-980	-1,082
Insurance claim income	-1,938	-48
Decrease (increase) in inventories	-11,503	-5,882
Decrease (increase) in trade and other receivables	-4,254	4,811
Increase (decrease) in trade and other payables	4,490	-2,109
Increase (decrease) in contract liabilities	890	-1,769
Increase or decrease in retirement benefit asset or liability	31	32
Increase (decrease) in provisions	190	-81
Other	-152	56
Subtotal	9,220	12,317
Interest and dividends received	365	376
Interest paid	-114	-151
Government grant income	980	1,082
Insurance received	1,938	48
Payments of casualty losses	-56	--
Income taxes paid	-6,044	-5,810
Income taxes refund	6	437
Net cash provided by (used in) operating activities	6,296	8,300
Cash flows from investing activities		
Payments into time deposits	-50	-50
Proceeds from withdrawal of time deposits	50	50
Purchase of property, plant and equipment	-2,397	-1,141
Proceeds from sale of property, plant and equipment	41	7
Payments for retirement of property, plant and equipment	--	-51
Purchase of intangible assets	-109	-28
Purchase of right-of-use assets	-538	--
Purchase of investment securities	-1	-2
Payments for investments in capital	--	-56
Other	-4	-5
Net cash provided by (used in) investing activities	-3,009	-1,278

(Million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,682	4,514
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	-4,316	-920
Dividends paid	-1,599	-2,130
Payment of dividends to non-controlling shareholders	-1,039	-1,580
Repayments of lease obligations	-241	-263
Net cash provided by (used in) financing activities	-3,514	-379
Effect of exchange rate changes on cash and cash equivalents	1,864	292
Net increase (decrease) in cash and cash equivalents	1,637	6,934
Cash and cash equivalents at the beginning of the term	17,207	18,844
Cash and cash equivalents at the end of the term	18,844	25,779

(5) Notes Related to Consolidated Financial Statements

(Notes relating to the going concern assumption)

No corresponding item exists.

(Segment information)

(1) Summary of reportable segments

The Group's reportable segments are its constituent units that disclose financial information separately. They fall under the scope of periodic reviews the Company's Board of Directors performs to determine the distribution of its management resources and to assess its operating results.

The Group manufactures and sells machine tools in Japan and abroad. The Group consists of geographic segments based on its manufacturing and sales organizations. The Company's reportable segments are Japan, China, India, South Korea and Other which are the areas where Group companies are located.

(2) Segment revenues and operating results

Amounts of transactions of parts and materials for value with subsidiaries are included in inter-segment revenues.

Inter-segment revenues are based on market prices.

Revenues and operating results of the Group's reportable segments are as follows.

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	23,249	64,656	2,765	1,796	706	93,174	--	93,174
Intersegment revenue	12,412	13,051	3	60	76	25,605	-25,605	--
Total	35,662	77,707	2,769	1,856	783	118,779	-25,605	93,174
Segment profit (loss)	2,146	15,862	20	173	3	18,207	-252	17,955
Other income and expenses, net	--	--	--	--	--	--	--	905
Operating profit	--	--	--	--	--	--	--	18,860
Finance income and expenses, net	--	--	--	--	--	--	--	-83
Profit before tax	--	--	--	--	--	--	--	18,776
Other items								
Depreciation and amortization	661	1,031	75	56	0	1,825	-9	1,815
Impairment losses	--	--	156	--	--	156	--	156
Segment assets	29,581	67,365	6,077	1,714	673	105,412	-1,651	103,761
Capital expenditure	244	2,520	483	27	--	3,276	--	3,276

(Notes) 1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales revenue.

2. "Adjustment" of segment income of ¥-252 million is the adjustment of unrealized income.

3. Adjustment items of ¥-9 million in depreciation and amortization are adjustments for unrealized profit.

4. "Adjustment" of segment assets of ¥-1,651 million includes Company-wide assets of ¥9,206 million and an effect of intersegment adjustments of ¥-10,857 million.

Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	25,570	62,140	4,691	1,616	945	94,963	--	94,963
Intersegment revenue	11,097	18,206	--	44	159	29,507	-29,507	--
Total	36,668	80,346	4,691	1,661	1,104	124,471	-29,507	94,963
Segment profit (loss)	380	15,395	130	90	125	16,122	-407	15,714
Other income and expenses, net	--	--	--	--	--	--	--	1,043
Operating profit	--	--	--	--	--	--	--	16,758
Finance income and expenses, net	--	--	--	--	--	--	--	-288
Share of profit (loss) of investments accounted for using equity method	--	--	--	--	--	--	--	-1
Profit before tax	--	--	--	--	--	--	--	16,467
Other items								
Depreciation and amortization	646	1,230	109	56	6	2,049	-10	2,038
Reversal of impairment losses	--	--	85	--	--	85	--	85
Segment assets	37,958	68,231	7,087	1,666	861	115,806	-3,441	112,364
Capital expenditure	356	1,022	241	91	12	1,723	--	1,723

(Notes) 1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales revenue.

2. "Adjustment" of segment income of ¥-407 million is the adjustment of unrealized income.

3. Reconciling items of ¥-10 million in depreciation and amortization are adjustments for unrealized profit.

4. "Adjustment" of segment assets of ¥-3,441 million includes Company-wide assets of ¥7,746 million and an effect of intersegment adjustments of ¥-11,187 million.

(3) Information on geographical segments

The table below shows a breakdown of non-current assets by geographical segment.

(Million yen)

	Figures at the end of the previous consolidated fiscal year (As of March 31, 2022)	Figures at the end of the consolidated fiscal year under review (As of March 31, 2023)
Japan	3,343	3,033
China	12,162	11,908
India	1,619	1,860
South Korea	91	141
Other	3	8
Total	17,221	16,951

(Notes) The non-current assets are classified according to their locations. Assets related to financial instruments, deferred tax assets, and retirement benefits are not included.

(Per Share information)

(1) Basis for calculation of basic earnings per share

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (million yen)	9,486	7,695
Profit not attributable to common shareholders of the parent (million yen)	--	--
Profit used to calculate basic earnings per share (million yen)	9,486	7,695
Weighted average number of common shares (thousand shares)	49,410	48,279
Basic earnings per share (yen)	191.99	159.39

(2) Basis for calculation of diluted earnings per share

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
Profit used to calculate basic earnings per share (million yen)	9,486	7,695
Adjustment on profit (million yen)	--	--
Profit used to calculate diluted earnings per share (million yen)	9,486	7,695
Weighted average number of common shares (thousand shares)	49,410	48,279
Increase in common shares (thousand shares)		
Share acquisition rights (thousand shares)	1,031	634
Weighted average number of diluted common shares (thousand shares)	50,441	48,913
Diluted earnings per share (yen)	188.07	157.33

(Important subsequent events)

(Partial sale of shares of a consolidated subsidiary)

At the ordinary meeting of the Board of Directors held on April 21, 2023, the Company resolved to sell a portion of a consolidated subsidiary, Precision Tsugami (China) Corporation Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited, hereinafter "PTC").

1. Outline

PTC has long faced concerns by investors and others that there is a shortage of shares in circulation. In response, the Company will sell a portion of the shares it holds (equivalent to 5.9% of the total holdings).

(i) Detail of the affiliated company

Company name: Precision Tsugami (China) Corporation Limited

(ii) Number of shares to be sold

22,470 thousand shares (5.9% of 380,804 thousand shares issued and outstanding)

As a result of this sale, the Company's shareholding ratio is expected to decrease from 70.9% to 65.0%.

2. Impact on profit and loss

There will be no impact on the Consolidated Statement of Profit or Loss.

4. Supplementary Information

(1) Overseas revenue

(Million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)
China	62,943	62,048
Asia	13,372	12,089
America	4,724	5,657
Europe	3,388	5,168
Overseas revenue	84,430	84,963
Consolidated revenue	93,174	94,963
Ratio of overseas revenue to consolidated net sales (%)	90.6	89.5

(Note) Revenue is categorized by country or region based on the locations of the customers.

(2) Revenue by machinery category

The relationship between the disaggregation of revenue based on major product lines and reportable segments is as follows.

Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	18,378	56,174	2,620	1,722	609	79,504
Grinding machines	1,070	2,834	40	--	--	3,945
Machining centers, rolling machines and specialized machines	1,235	4,171	27	--	1	5,435
Other	2,565	1,476	76	73	96	4,288
Total	23,249	64,656	2,765	1,796	706	93,174

(Note) "Other" in main product lines include components and services.

Consolidated fiscal year under review (From April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	20,622	52,417	4,417	1,528	806	79,792
Grinding machines	1,145	3,018	110	--	--	4,274
Machining centers, rolling machines and specialized machines	871	4,995	28	--	--	5,894
Other	2,931	1,708	135	87	139	5,001
Total	25,570	62,140	4,691	1,616	945	94,963

(Note) "Other" in main product lines include components and services.

(3) Changes in Officers (scheduled to take effect on June 21, 2023)

(i) Reason for changes

Expiration of the term of office

(ii) Chairman of the Board and Representative Directors

At a meeting of the Board of Directors held on May 11, 2023, an unofficial decision was made for the newly appointed Chairman of the Board and Representative Directors as follows.

Newly appointed Chairman of the Board

Ken Kubo

New official position: Chairman of the Board (Outside Director, part-time)

Newly appointed Representative Directors

Nobuhiro Watabe

New official position: Representative Director and President responsible for Domestic Sales

Kenji Yoneyama

New official position: Representative Director Representative Director responsible for Administration

For further details, please see the "Notice of Changes in Chairman of the Board and Representative Directors" separately released today (May 11, 2023).

(iii) Candidates for newly appointed officers

Newly appointed Director (Audit & Supervisory Committee member)

Yutaka Kimura (Outside Director, full-time)