

Fiscal Year 2022 Financial Results



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(TSE: 6101)

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1. Business Performance for FY2022 and Outlook for FY2023

(1) Business Results

[FY22 results]

Revenue: 94.9 billion yen (up 1.9% YoY)

Achieved record high revenue despite the prolonged stage of adjustment in domestic and overseas markets.

Profits:

Operating profit: 16.7 billion yen (down 11.1% YoY)

Profit attributable to owners of parent: 7.6 billion yen (down 18.9% YoY)

Maintained a strong earnings structure despite a decrease in profit attributable in part to the impact of foreign exchange.

[FY23 outlook]

The following are forecasts, reflecting domestic and overseas market conditions as well as the status of orders received by the Company.

Billion yen

	Results for FY20	Results for FY21	Results for FY22			Outlook for FY23			
			1H	2H	Full-year	1H	2H	Full-year	YoY
Revenue	61.6	93.1	47.9	46.9	94.9	45.5	45.5	91.0	-4.2%
Operating profit	9.5	18.8	8.6	8.1	16.7	7.5	7.5	15.0	-10.5%
(to revenue ratio)	(15.4%)	(20.2%)	(17.9%)	(17.3%)	(17.6%)	(16.5%)	(16.5%)	(16.5%)	—
Profit attributable to owners of parent	4.9	9.4	4.2	3.4	7.6	3.3	3.3	6.6	-14.2%
(to revenue ratio)	(7.9%)	(10.1%)	(8.9%)	(7.3%)	(8.1%)	(7.3%)	(7.3%)	(7.3%)	—
Basic earnings per share	95.2 yen	191.9 yen	88.3yen	71.0yen	159.3 yen	68.5yen	68.5yen	137.0Yen	—

(2) Financial position

RMB/JPY March-end/22 19.26 → March-end/23 19.42
 INR / JPY March-end/22 1.63 → March-end/23 1.64

Billion yen

	Mar-2022	Mar-2023	Variance from Mar-2022
Total assets	103.7	112.3	8.6
Current assets	82.0	90.3	8.3
Cash and cash equivalents	18.8	25.7	6.9
Trade and other receivables	27.6	23.1	-4.4
Inventories	32.6	38.5	5.8
Other	2.9	2.9	0.0
Non-current assets	21.7	21.9	0.2
Property, plant and equipment	14.1	14.1	-0.0
Right-of-use assets	1.9	1.9	0.0
Intangible assets	0.9	0.6	-0.2
Other	4.7	5.2	0.5
Total liabilities	45.9	47.4	1.5
Current liabilities	42.8	43.6	0.8
Trade and other payables	22.2	20.3	-1.8
Borrowings	13.3	17.6	4.3
Other	7.3	5.6	-1.7
Non-current liabilities	3.0	3.7	0.7
Deferred tax liabilities	1.4	2.1	0.6
Other	1.5	1.6	0.0
Total equity	57.8	64.9	7.0
Share capital	12.3	12.3	--
Capital surplus	3.2	3.0	-0.2
Treasury shares	-2.0	-2.2	-0.2
Other components of equity	6.2	6.8	0.6
Retained earnings	25.7	30.9	5.1
Equity attributable to owners of parent	45.5	50.9	5.3
Non-controlling interests	12.2	13.9	1.7

1. The increase in inventories was due to the maintenance of a high inventory level to respond to confusion in supply chains.

2. The financial position is stable.

(Percentage of equity attributable to owners of parent:
45.3%)

(Equity attributable to owners of parent
+ non-controlling interests: 57.8%)

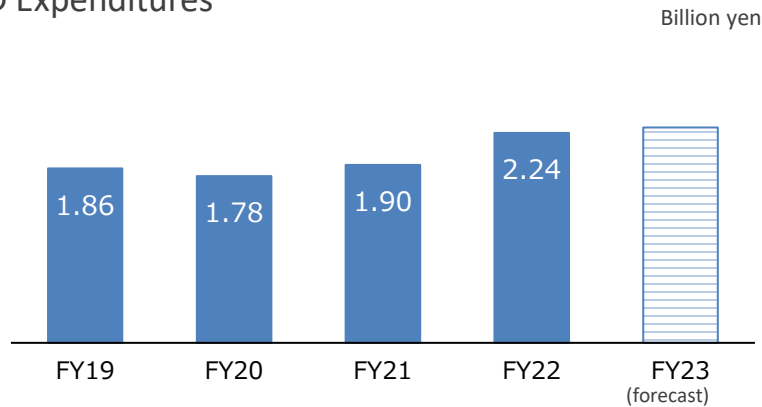
(3) Cash flows

Billion yen

	FY2021	FY2022		
Cash flows from operating activities	6.2	8.3		
Profit before tax	18.7	16.4		
Depreciation	1.8	2.0	*1	
Increase/decrease in working capital	-10.3	*1 -4.9		Decrease in trade and other receivables: 4.8
Other	-3.9	-5.2		Increase in inventories: -5.8
Cash flows from investing activities	-3.0	-1.2		Decrease in trade and other payables: -2.1
Capital investment in factories	-2.3	*2 -1.1		Decrease in contract liabilities : -1.7
Other	-0.6	-0.1	*2	
Cash flows from financing activities	-3.5	-0.3		Factory in Japan: -0.1
Short-term borrowings	3.6	4.5		Factory in China: -0.8
Treasury shares	-4.3	-0.9		New Factory in India: -0.2
Dividends paid	-1.5	-2.1		
Dividends paid to non-controlling interests	-1.0	-1.5		
Other	-0.2	-0.2		
Effect of exchange rate change on cash and cash equivalents	1.8	0.2		
Net increase (decrease) in cash and cash equivalents	1.6	6.9		
Cash and cash equivalents at the end of the term	18.8	25.7		

2. R&D Expenditures, Capital Investment and Depreciation

R&D Expenditures



Focused efforts on developing new products and version upgrades, including those that support the SDGs (automation, labor-saving, etc.)

Investments for increasing production continued. (in China and India)

China: New factories in Zhejiang (Precision Nakatsu (China) Corporation)

From the second half of the fiscal year ended March 31, 2023, started to expand and repair the factory acquired

Total amount of investment: 2.5 billion yen

Land area: about 50,000m²

India: New Vallam Vadagal Factory

The casting plant and processing and assembly plant are expected to begin operation in December 2023 and March 2024, respectively.

Total amount of investment: 3.6 billion yen

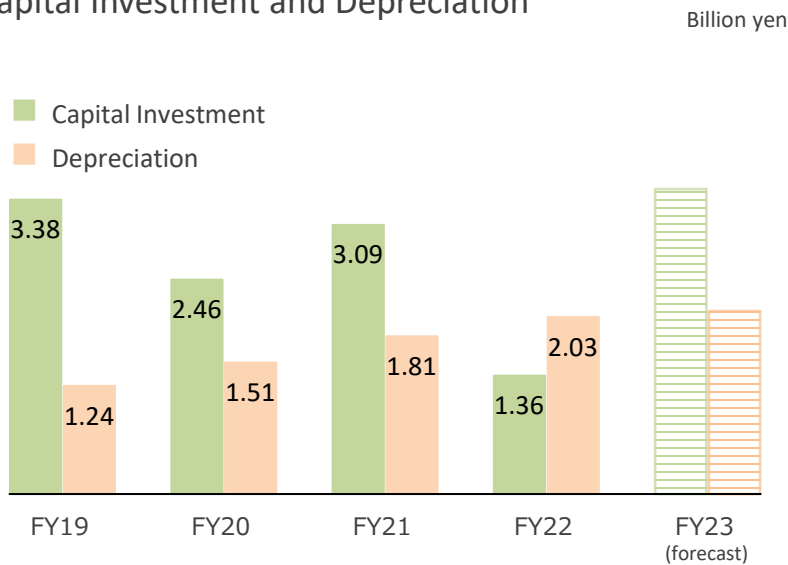
Land area: 58,900m²

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



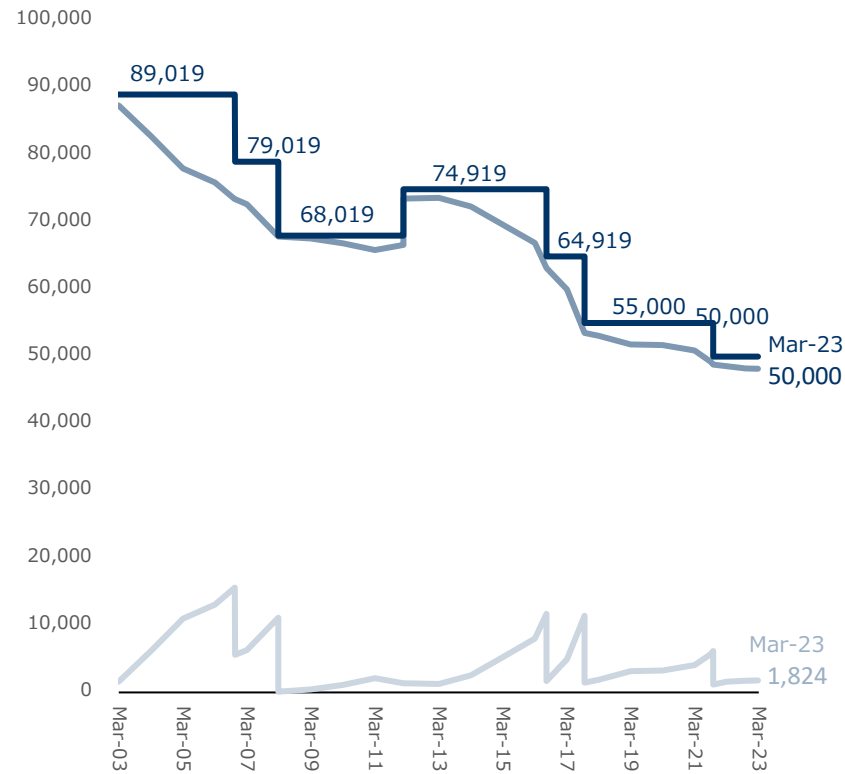
3. Key indicators and shareholder returns

(1) Key indicators

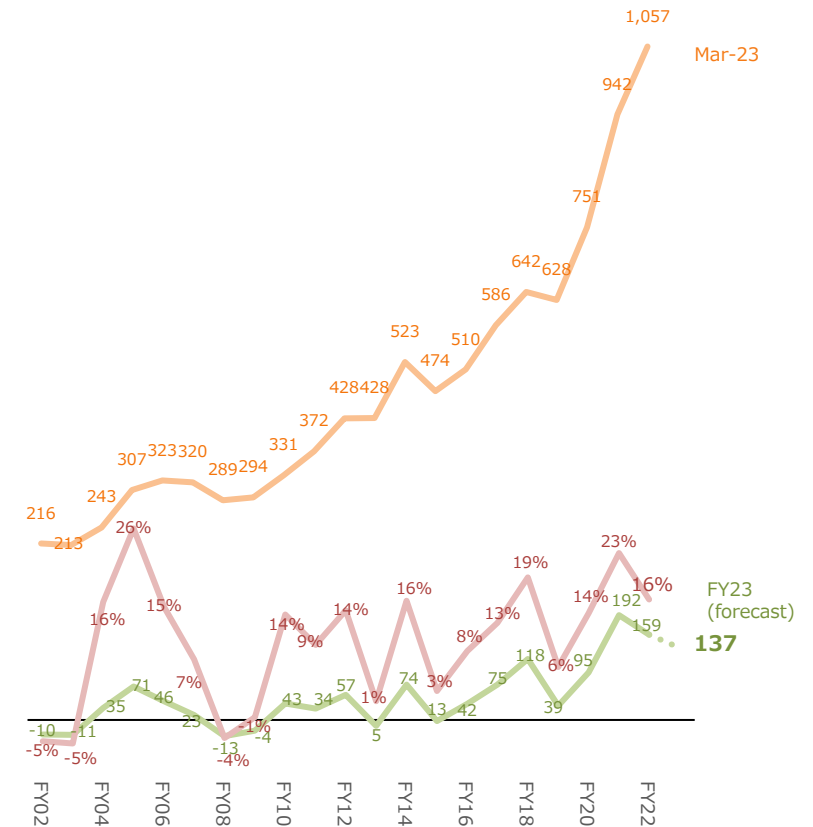
- Outstanding shares
- Treasury shares
- Outstanding shares (excluding treasury shares)

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

Thousand shares



Yen



(2) Shareholder Returns

1. While the basic policy is stable dividend payment, the weight of direct returns (dividends) will be gradually raised.
2. Treasury shares are flexibly purchased.

	Mar-2020	Mar-2021	Mar-2022	Mar-2023	Mar-2024 (forecast)
Dividends paid (Full-year, yen/share)	24	26	40	46	48
(Interim, yen/share)	12	12	18	22	24
EPS (yen)	38.6	95.2	191.9	159.3	137.0
Dividend payout ratio	62.2%	27.3%	20.8%	28.9%	35.0%

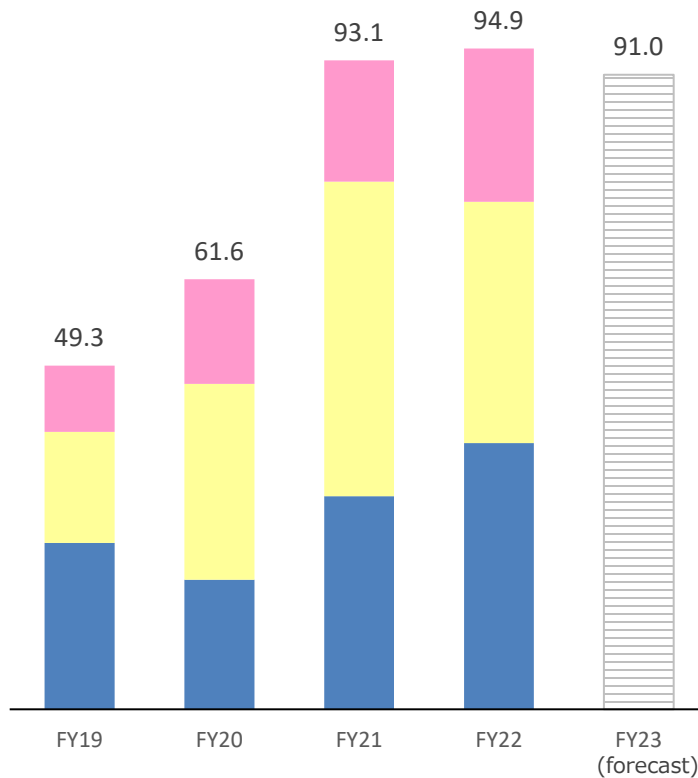
Total dividends (Billion yen)	1.24	1.33	1.95	2.22	2.31
Purchase of treasury shares (Billion yen)	0.12	1.49	4.31	0.91	–
Total return (Billion yen)	1.36	2.82	6.26	3.14	–
Profit attributable to owners of parent (Billion yen)	2.00	4.91	9.48	7.69	6.60
Total return ratio	68.2%	57.5%	66.0%	40.8%	–

4. Reference

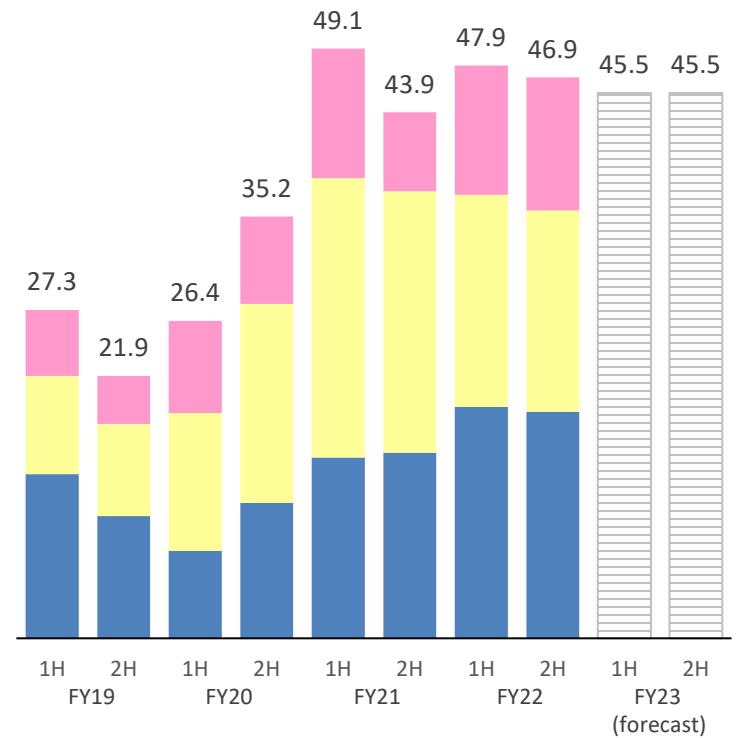
(1) Revenue by Business Segment

- IT
- Other (hydraulic and pneumatic equipment, medical equipment and others)
- Automobile

Full-year
Billion yen



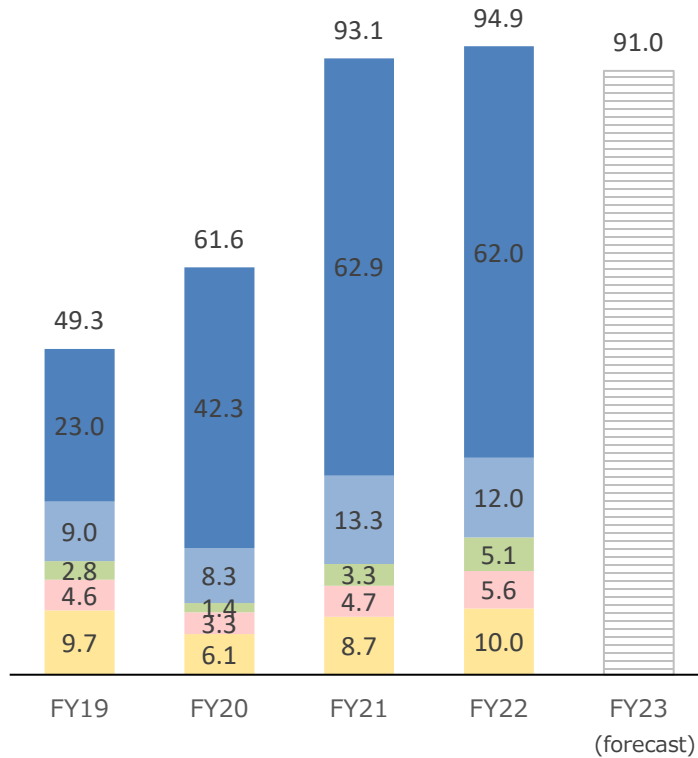
Six-month
Billion yen



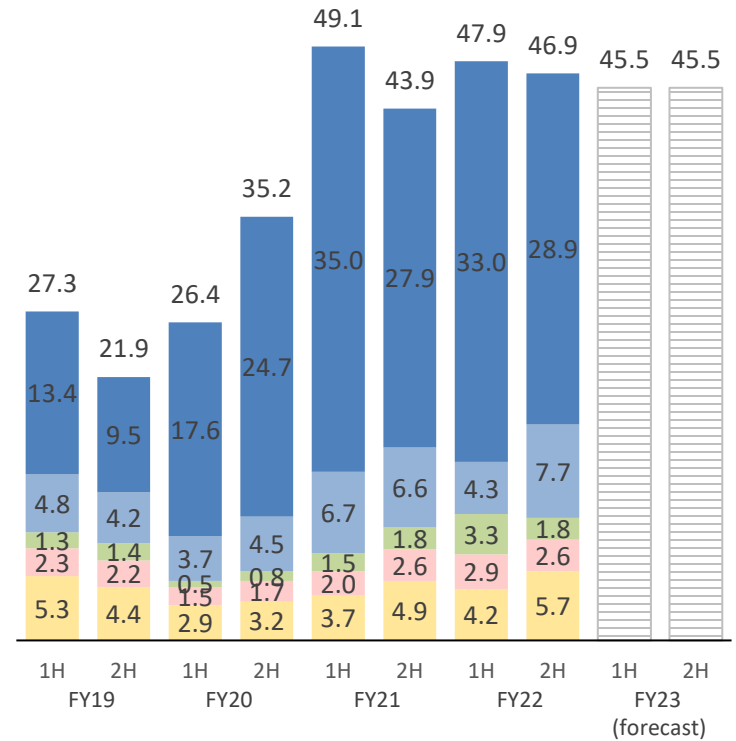
(2) Revenue by Geographic Segment

■ China ■ Asia ■ Europe ■ U.S.A ■ Domestic demand

Full-year
Billion yen



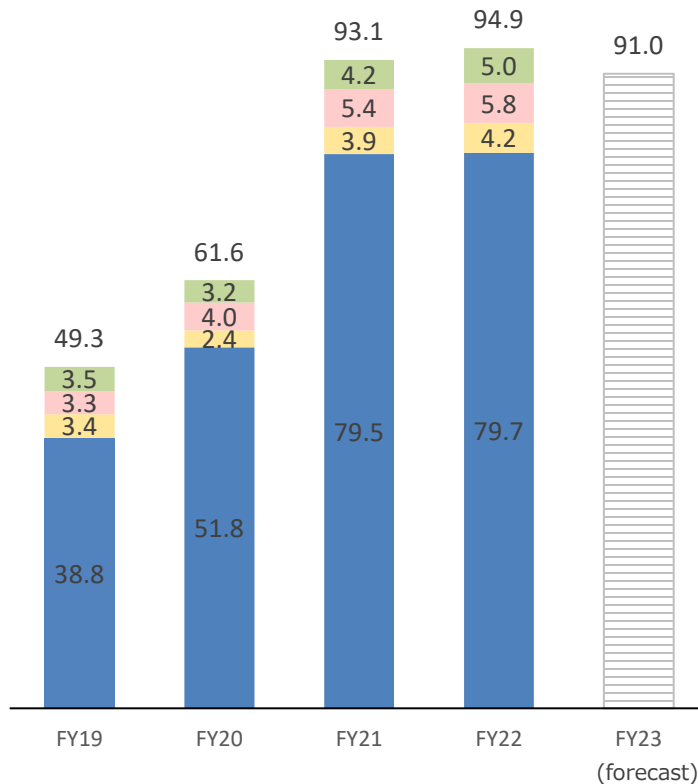
Six-month
Billion yen



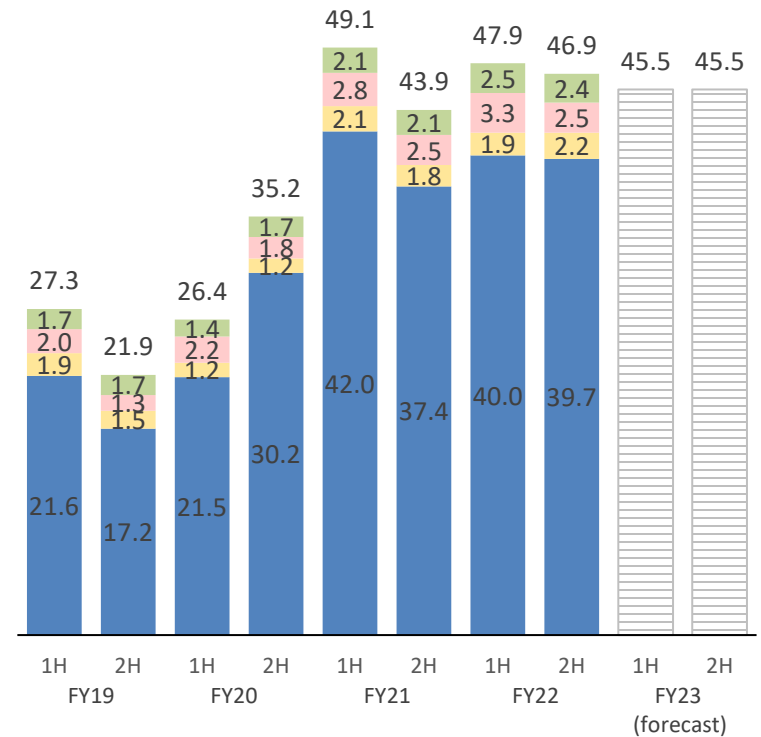
(3) Revenue by Machinery Category

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

Full-year
Billion yen

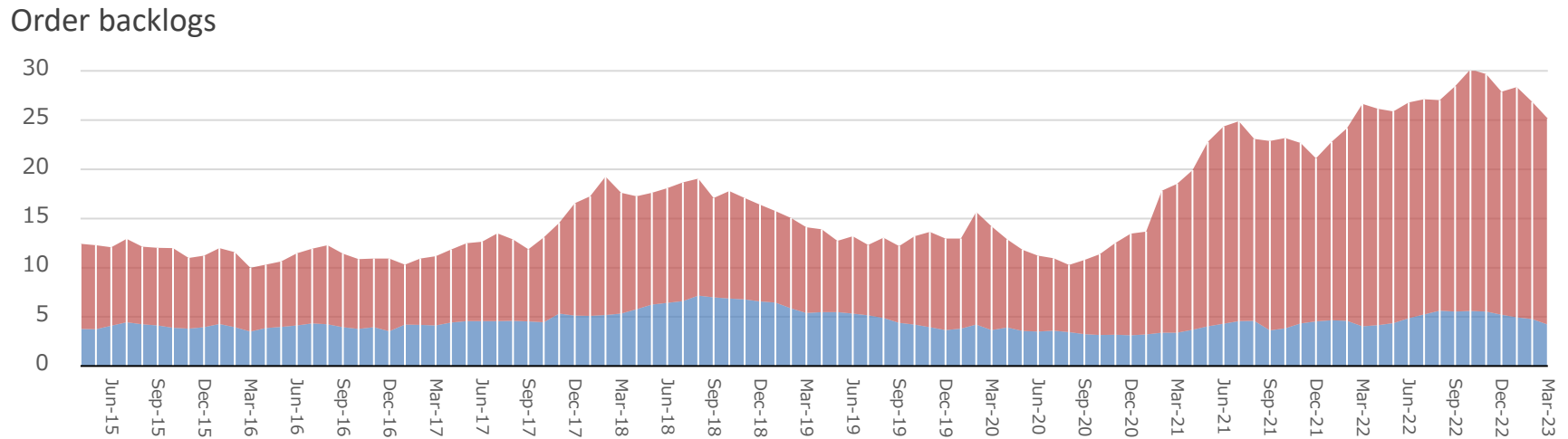
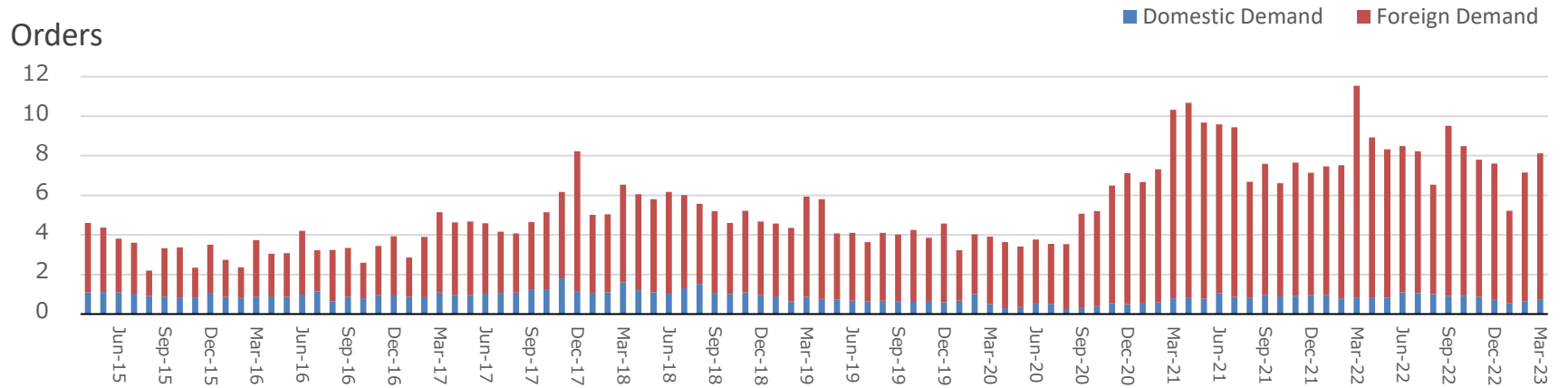


Six-month
Billion yen



(4) Orders Received and Order Backlogs

Billion yen



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.