

Stock Information (as of March 31, 2023)

Authorized shares 320,000,000 shares
 Issued shares 50,000,000 shares
 Number of shareholders 10,224

Major shareholders (Top 10)

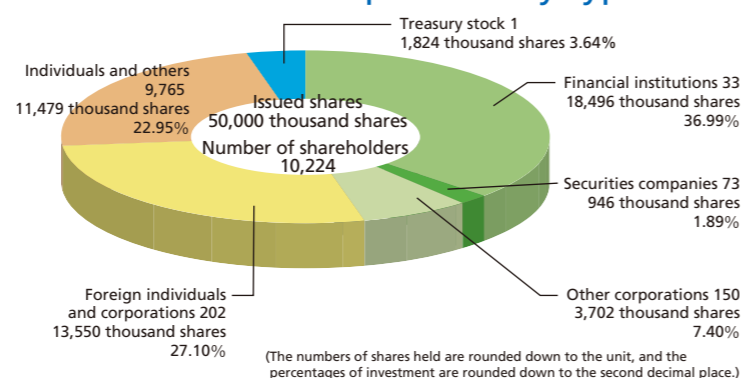
Shareholders	Investment in the Company	
	Number of shares held	Holding ratio
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	7,197	14.94
Custody Bank of Japan, Ltd. (Trust account)	2,826	5.86
Daishi Hokuetsu Bank, Ltd.	2,184	4.53
JP MORGAN CHASE BANK 385632	1,939	4.02
The Dai-ichi Life Insurance Company, Limited	1,785	3.70
Sumitomo Mitsui Banking Corporation	1,516	3.14
THE BANK OF NEW YORK 133652	1,375	2.85
Tsugami Customers' Shareholding Association	1,148	2.38
THE BANK OF NEW YORK MELLON 140051	1,111	2.30
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 1,824 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, 2023)

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	3,103 (Consolidated)
Directors and Auditors	(as of June 21, 2023)
Director (Chairman)	Ken Kubo
Representative Director and President	Nobuhiro Watabe
Representative Director	Kenji Yoneyama
Director	Donglei Tang
Director	Takeshi Hirayama
Director (Audit & Supervisory Committee member)	Yutaka Kimura
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 Fiscal Year 2022
 (April 1, 2022 to March 31, 2023)

TSUGAMI CORPORATION

We are pleased to report our results for the fiscal year ended March 31, 2023.

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).

A breakdown of consolidated revenue by machinery category shows that revenue of mainstay automatic lathes rose 0.4% year on year, to ¥79,792 million, revenue of grinding machines increased 8.3%, to ¥4,274 million, revenue of machining centers, rolling machines and other specialized machines increased 8.4%, to ¥5,894 million.

Consolidated operating profit decreased 11.1% year on year, to ¥16,758 million, and profit attributable to owners of parent declined 18.9% year on year, to ¥7,695 million.

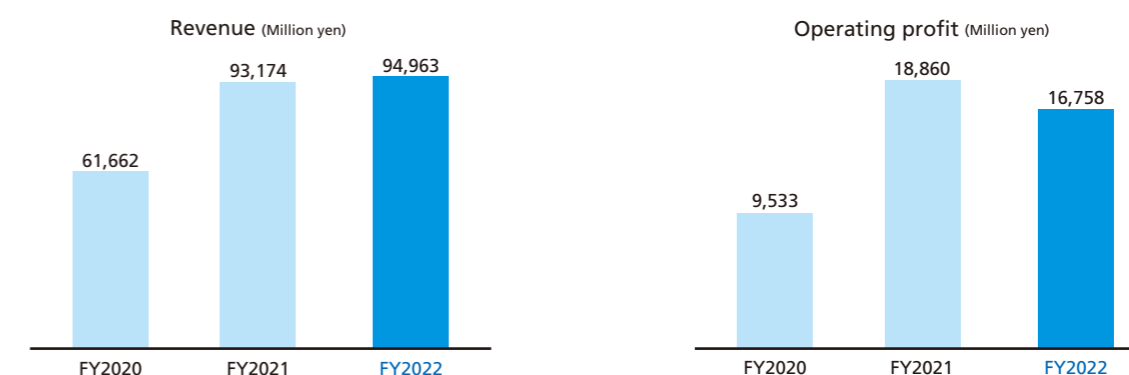
For the consolidated fiscal year ended March 31, 2023, the Company has decided to pay annual dividends of 46 yen per share, including interim dividends of 22 yen per share and year-end dividends of 24 yen per share. For the consolidated fiscal year ending March 31, 2024, the Company plans to pay 48 yen per share, including interim dividends of 24 yen per share and year-end dividends of 24 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 2023
 TSUGAMI CORPORATION

Business Performance (Consolidated)



Financial highlights

Item	FY2020		FY2021		FY2022	
	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Revenue (Million yen)	61,662	18,447	93,174	30,668	94,963	32,676
Operating profit (Million yen)	9,533	60	18,860	2,176	16,758	303
Profit attributable to owners of parent (Million yen)	4,917	3,777	9,486	4,280	7,695	3,600
Basic earnings per share (Yen)	95.21	73.13	191.99	86.63	159.39	74.58
Total assets (Million yen)	79,278	35,238	103,761	38,456	112,364	43,916
Total equity (Million yen)	46,836	20,010	57,840	18,257	64,922	19,198
Equity attributable to owners of parent per share (Yen)	751.14	380.94	941.82	366.65	1,057.67	392.00

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. Prior year figures are restated.

Consolidated Financial Statements

Consolidated statement of financial position (Million yen)

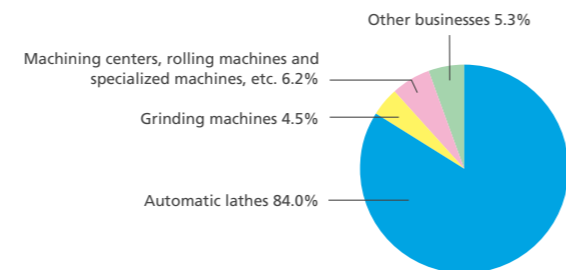
Item	FY2021 (March 31, 2022)	FY2022 (March 31, 2023)
Assets		
Total current assets	82,036	90,370
Cash and cash equivalents	18,844	25,779
Trade and other receivables	27,614	23,117
Other financial assets	30	30
Inventories	32,618	38,500
Other current assets	2,928	2,943
Total non-current assets	21,724	21,994
Property, plant and equipment	14,191	14,154
Right-of-use assets	1,915	1,957
Intangible assets	903	615
Retirement benefit assets	64	17
Other financial assets	4,130	4,569
Deferred tax assets	308	455
Other non-current assets	210	225
Total assets	103,761	112,364
Liabilities and equity		
Liabilities		
Total current liabilities	42,873	43,689
Trade and other payables	22,234	20,384
Borrowings	13,313	17,698
Other financial liabilities	170	196
Income taxes payable, etc.	1,390	1,447
Provisions	585	503
Contract liabilities	4,421	2,721
Other current liabilities	757	737
Total non-current liabilities	3,046	3,752
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 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
Total 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 equity	103,761	112,364

Consolidated statement of profit or loss (Million yen)

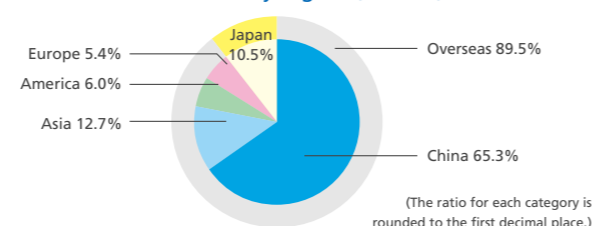
Item	FY2021 April 1, 2021 to March 31, 2022	FY2022 April 1, 2022 to March 31, 2023
Revenue	93,174	94,963
Cost of sales	-64,994	-68,204
Gross profit	28,179	26,758
Selling, general and administrative expenses	-10,223	-11,044
Other income	3,019	1,314
Other expenses	-2,114	-271
Operating profit	18,860	16,758
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 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

Revenue breakdown (Consolidated)

Revenue breakdown by product (FY2022)



Revenue breakdown by region (FY2022)



Consolidated statement of changes in equity FY2022 (April 1, 2022 to March 31, 2023) (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, 2022	12,345	3,222	-2,040	4,383	1,872	—	6,256	25,795	45,580	12,260	57,840
Profit	—	—	—	—	—	—	—	7,695	7,695	3,149	10,845
Other comprehensive income	—	—	—	342	288	-8	622	—	622	138	761
Total comprehensive income	—	—	—	342	288	-8	622	7,695	8,318	3,288	11,606
Purchase of treasury shares	—	—	-918	—	—	—	—	—	-918	—	-918
Disposal of treasury shares	—	-200	711	—	—	—	—	-408	103	—	103
Dividends	—	—	—	—	—	—	—	-2,130	-2,130	-1,580	-3,711
Transfer to retained earnings	—	—	—	—	—	8	8	-8	—	—	—
Increase/decrease due to exclusion of companies accounted for using equity method from the scope of equity method	—	—	—	—	—	—	—	1	1	—	1
Share-based payment transactions	—	-200	-207	—	—	8	8	-2,545	-2,944	-1,580	-4,525
Balance as of March 31, 2023	12,345	3,022	-2,247	4,726	2,161	—	6,887	30,945	50,953	13,968	64,922

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.

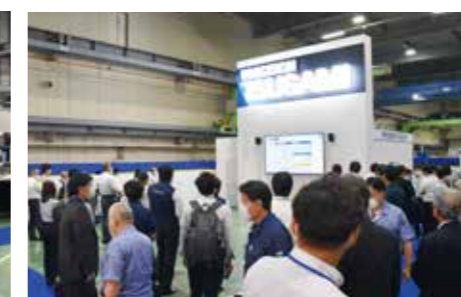
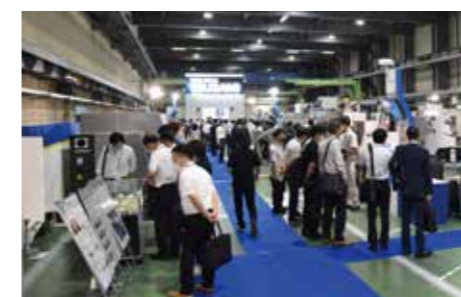
We held the TSUGAMI TECHNICAL FAIR 2022 at Nagaoka Factory for 2 days from June 23, 2022.

The Company exhibited its products in the 31st Japan International Machine Tool Fair (JIMTOF2022) held at Tokyo Big Sight for six days from November 8, 2022.

We invited many users and dealers and engaged in active business talks to further expand the market.



The 31st Japan International Machine Tool Fair (JIMTOF2022)



TSUGAMI TECHNICAL FAIR 2022