

Fiscal Year 2023 Financial Results



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(TSE: 6101)

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1. Business Performance for FY2023 and Outlook for FY2024

(1) Business Results

[FY23 results]

Revenue: 83.9 billion yen (down 11.6% YoY)

Revenue declined from a year ago due to a prolonged adjustment phase in both domestic and overseas markets.

Profits:

Operating profit: 13.0 billion yen (down 21.9% YoY)

Profit attributable to owners of parent: 5.3 billion yen (down 30.1% YoY)

Profits decreased from a year ago due to lower revenue. The earnings structure did not change.

[FY24 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 FY21	Results for FY22	Results for FY23			Outlook for FY24			
			1H	2H	Full-year	1H	2H	Full-year	YoY
Revenue	93.1	94.9	40.2	43.6	83.9	46.5	43.5	90.0	+7.2%
Operating profit	18.8	16.7	5.9	7.1	13.0	8.0	7.0	15.0	+14.5%
(to revenue ratio)	(20.2%)	(17.6%)	(14.7%)	(16.4%)	(15.6%)	(17.2%)	(16.1%)	(16.7%)	—
Profit attributable to owners of parent	9.4	7.6	2.1	3.1	5.3	3.5	3.0	6.5	+20.9%
(to revenue ratio)	(10.1%)	(8.1%)	(5.4%)	(7.3%)	(6.4%)	(7.5%)	(6.9%)	(7.2%)	—
Basic earnings per share	191.99 yen	159.39 yen	45.73yen	66.84yen	112.57yen	74.00yen	63.43yen	137.43yen	—

(2) Financial position

RMB/JPY March-end/23 19.42 → March-end/24 20.84
 INR/JPY March-end/23 1.64 → March-end/24 1.83

Billion yen			
	Mar-2023	Mar-2024	Variance from Mar-2023
Total assets	112.3	117.7	5.3
Current assets	90.3	92.9	2.5
Cash and cash equivalents	25.7	30.4	4.7
Trade and other receivables	23.1	27.9	4.8
Inventories	38.5	32.7	※2 -5.7
Other	2.9	1.7	-1.2
Non-current assets	21.9	24.7	2.7
Property, plant and equipment	14.1	16.3	2.1
Right-of-use assets	1.9	2.0	0.1
Intangible assets	0.6	0.3	-0.2
Other	5.2	6.0	0.7
Total liabilities	47.4	45.3	-2.0
Current liabilities	43.6	40.0	-3.6
Trade and other payables	20.3	17.5	-2.8
Borrowings	17.6	16.8	-0.8
Other	5.6	5.6	0.0
Non-current liabilities	3.7	5.3	1.5
Deferred tax liabilities	2.1	3.5	1.4
Other	1.6	1.7	0.1
Total equity	64.9	72.3	7.4
Share capital	12.3	12.3	0.0
Capital surplus	3.0	2.8	-0.1
Treasury shares	-2.2	-3.0	-0.7
Other components of equity	6.8	10.3	3.4
Retained earnings	30.9	34.0	3.1
Equity attributable to owners of parent	50.9	※1 56.6	5.6
Non-controlling interests	13.9	15.7	1.7

- ※1. The financial position is stable.
 Percentage of equity attributable to owners of parent: 48.1%
 (Equity ratio for the entire group: 61.5%)
- ※2. Decrease in Inventories.
 With the stabilization of the supply chain, inventory returned to appropriate levels.

(3) Cash flows

Billion yen

	FY2022	FY2023
Cash flows from operating activities	8.3	11.8
Profit before tax	16.4	13.7
Depreciation	2.0	2.0
Increase/decrease in working capital	-4.9	* ₁ 0.7
Other	-5.2	-4.7
Cash flows from investing activities	-1.2	-2.6
Capital investment in factories	-1.1	* ₂ -2.4
Other	-0.1	-0.1
Cash flows from financing activities	-0.3	-6.6
Short-term borrowings	4.5	-0.9
Treasury shares	-0.9	-0.9
Dividends paid	-2.1	-2.3
Dividends paid to non-controlling shareholders	-1.5	-1.6
Other	-0.2	-0.8
Effect of exchange rate changes on cash and cash equivalents	0.2	2.1
Net increase (decrease) in cash and cash equivalents	6.9	4.7
Cash and cash equivalents at the end of the term	25.7	30.4

*1

Increase in trade and other receivables:	-2.3
Decrease in inventories:	7.3
Decrease in trade and other payables:	-3.7
Decrease in contract liabilities :	-0.3

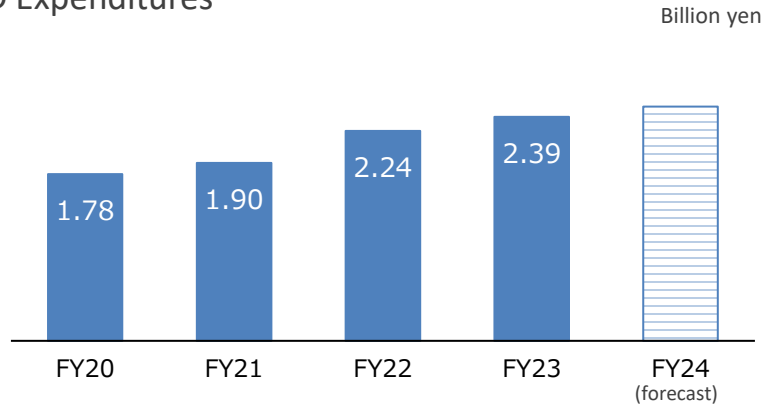
The difference from variances in BS was caused by the adjustment of foreign exchange differences, etc.

*2

Factory in China:	-1.7
New Factory in India:	-0.6

2. R&D Expenditures, Capital Investment and Depreciation

R&D Expenditures



Focused on developing new products and upgrading existing products, including initiatives for automation, energy saving, labor saving, etc.

Capital Investment continued.(in China and India)

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

The expansion and repairs that began in March of last year will be completed towards the end of June 2024

Planned expenditures: 2.5 billion yen (including 1.5 billion yen in the fiscal year ending March 31, 2024)

Land area: about 50,000m²

New factory in India

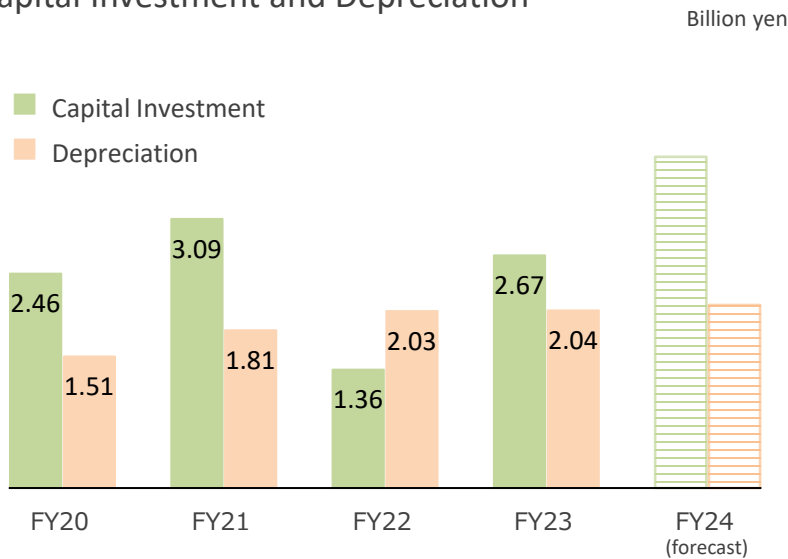
The casting plant began operation in April 2024. The processing and assembly plant will be completed in September 2024.

Planned expenditures: 3.6 billion yen (including 0.6 billion yen in the fiscal year ending March 31, 2024)

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

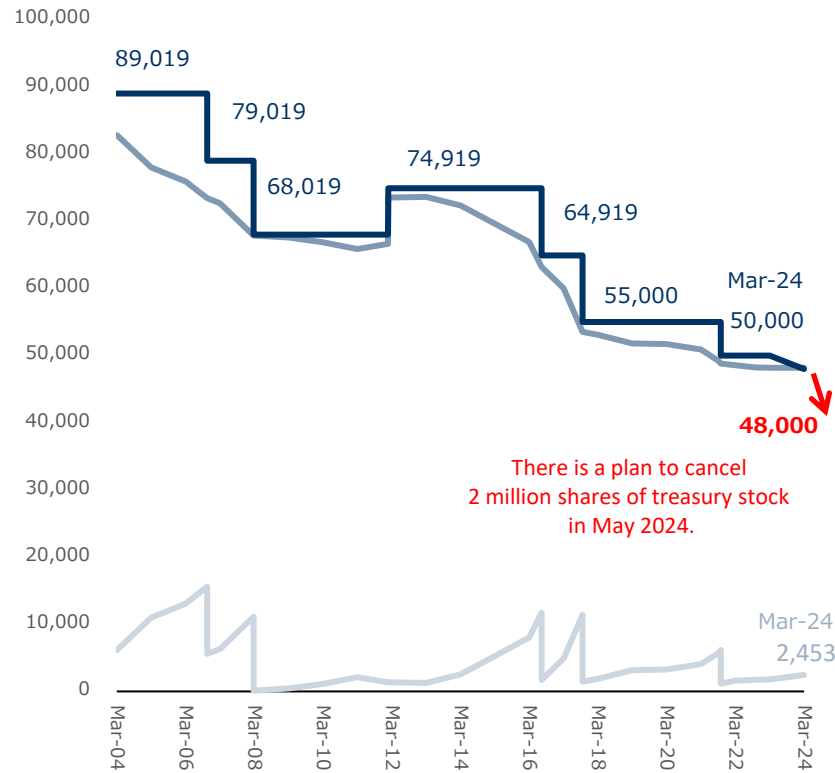


3. Key indicators and shareholder returns

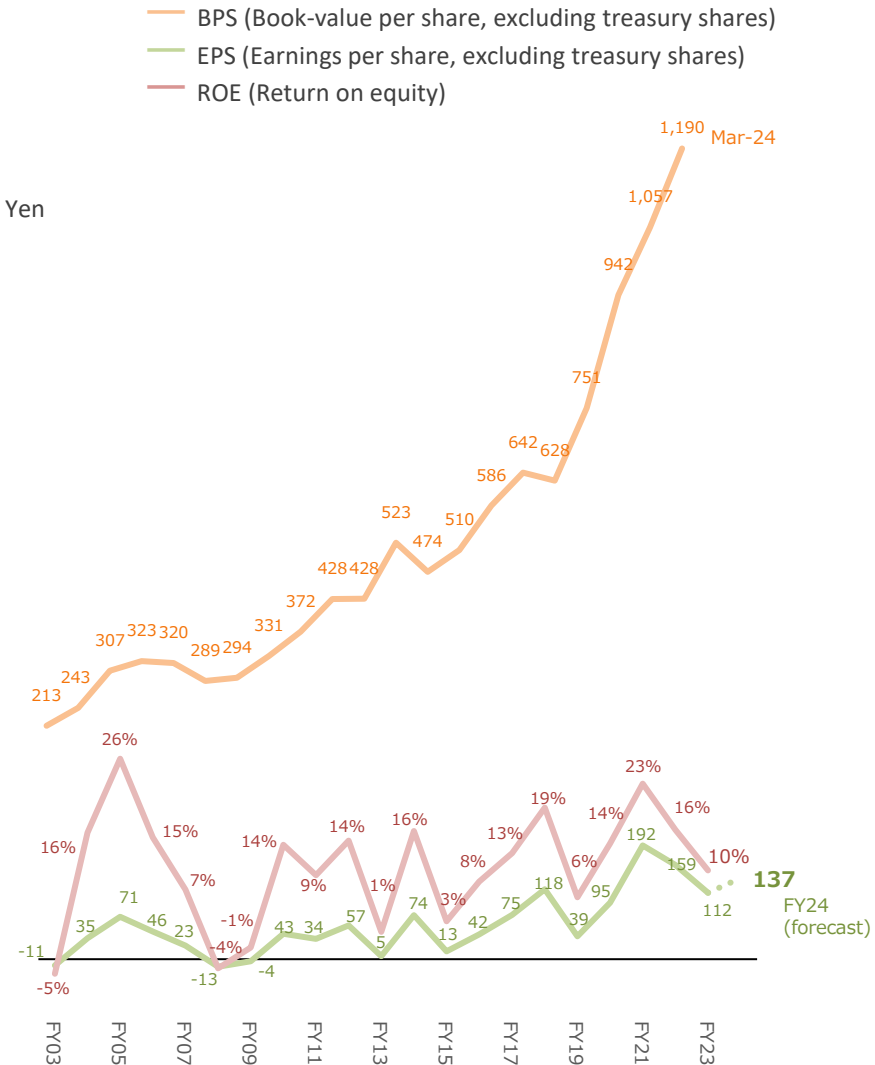
(1) Key indicators

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

Thousand shares



Yen



(2) Shareholder Returns

1. The basic policy is stable dividend payment. Dividends for the fiscal year ending March 31, 2025, will be 48 yen per share.
2. Treasury shares are flexibly purchased.

	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025 (forecast)
Dividends paid (Full-year, yen/share)	26	40	46	48	48
(Interim, yen/share)	12	18	22	24	24
EPS (yen)	95.21	191.99	159.39	112.57	137.43
Dividend payout ratio	27.3%	20.8%	28.9%	42.6%	34.9%

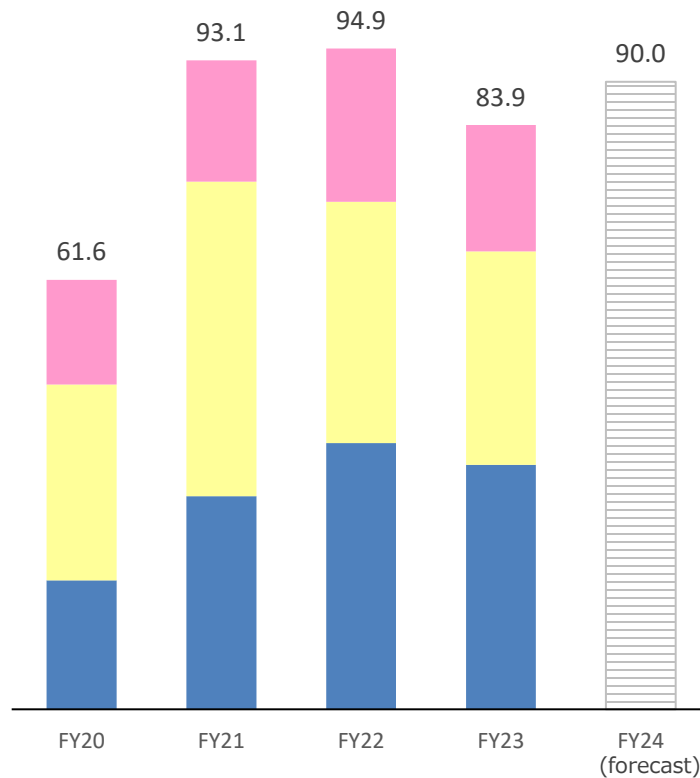
Total dividends (Billion yen)	1.33	1.95	2.22	2.29	2.28
Purchase of treasury shares (Billion yen)	1.49	4.31	0.91	0.93	—
Total return (Billion yen)	2.82	6.26	3.14	3.22	—
Profit attributable to owners of parent (Billion yen)	4.91	9.48	7.69	5.37	6.50
Total return ratio	57.5%	66.0%	40.8%	60.0%	—

4. Reference

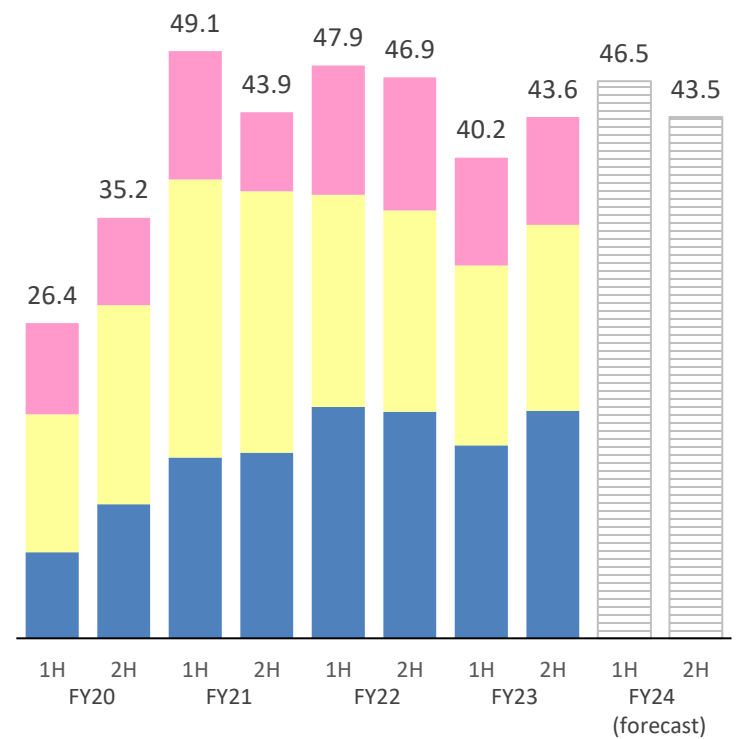
(1) Revenue by Business Segment

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

Full-year
Billion yen



Six-month
Billion yen

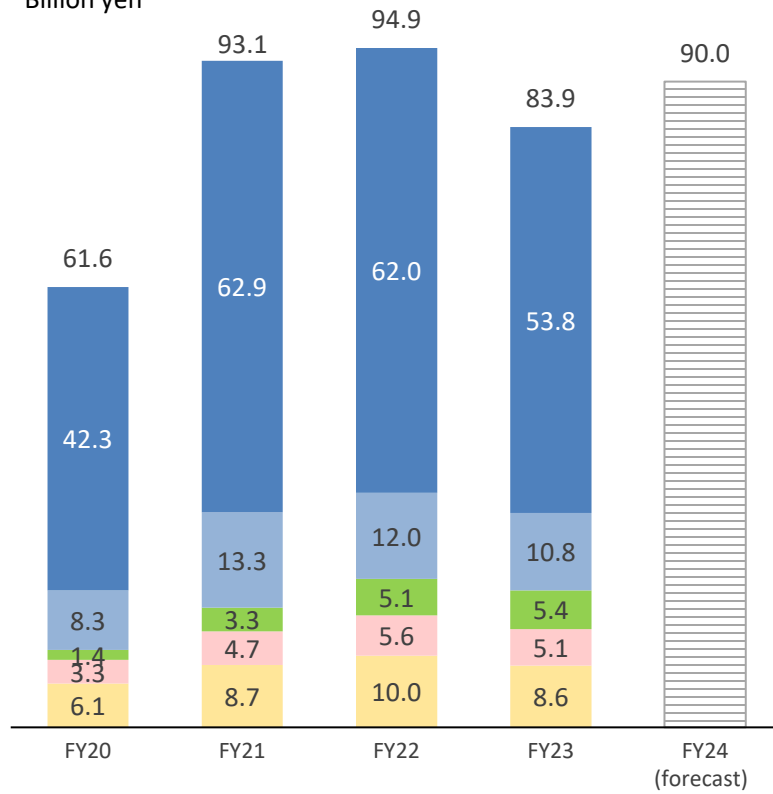


(2) Revenue by Geographic Segment

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

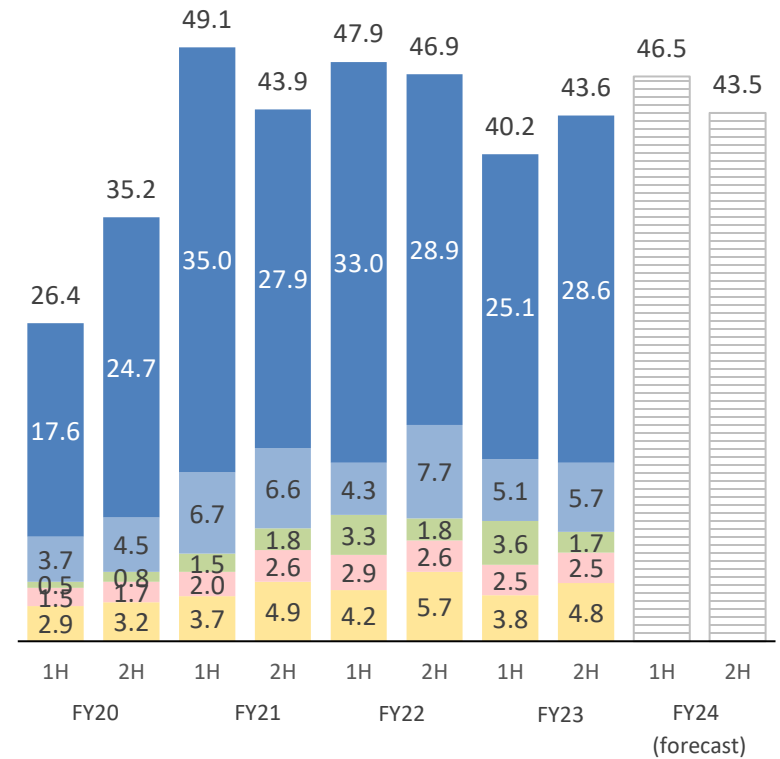
Full-year

Billion yen



Six-month

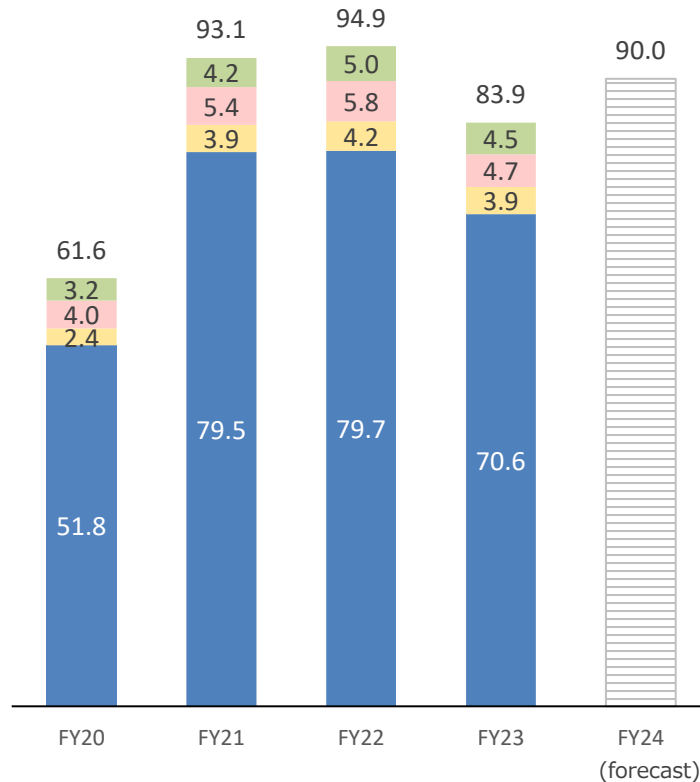
Billion yen



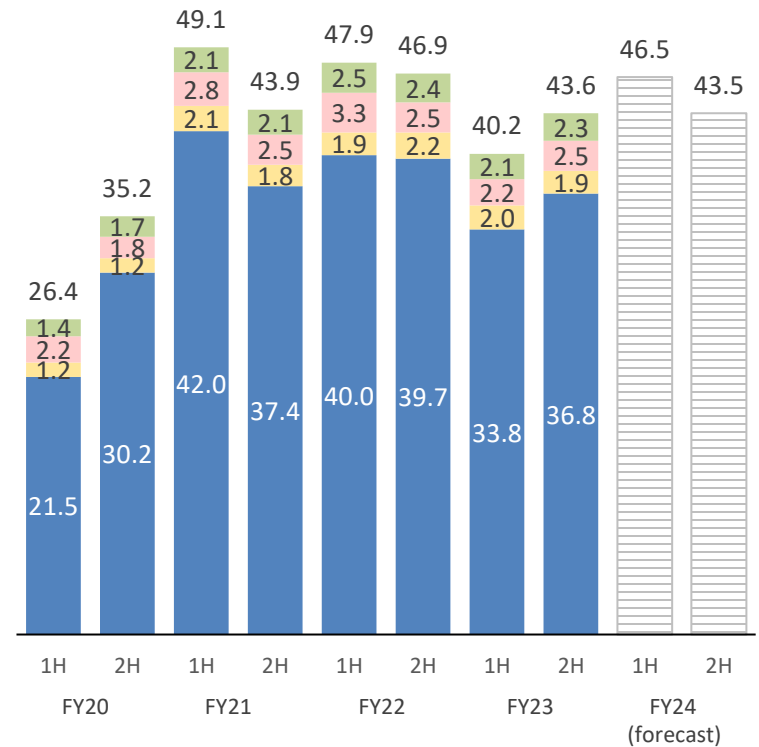
(3) Revenue by Machinery Category

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

Full-year
Billion yen

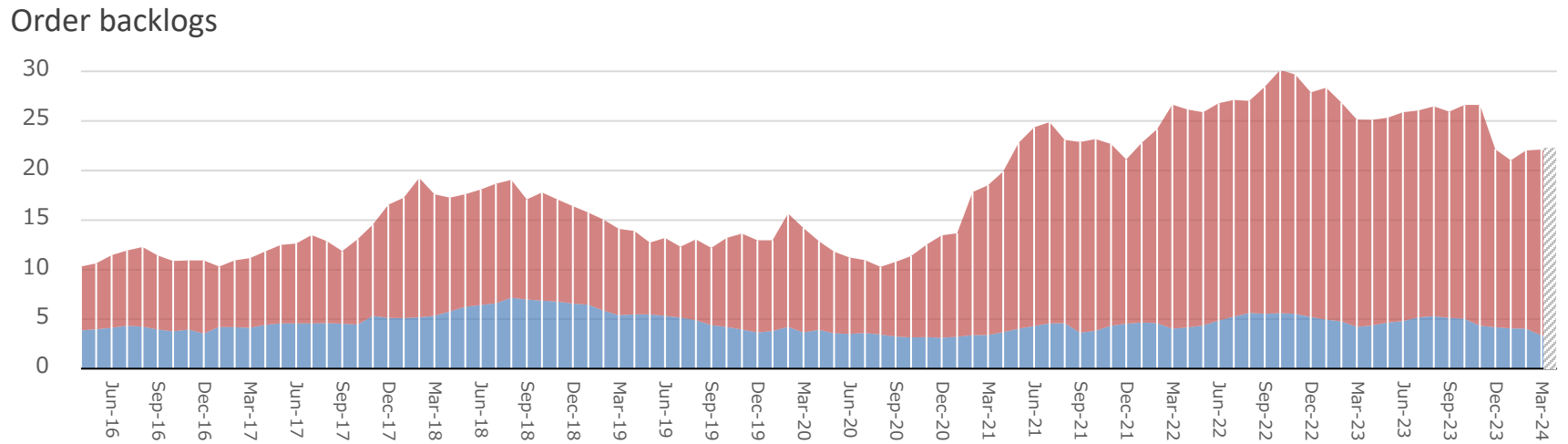
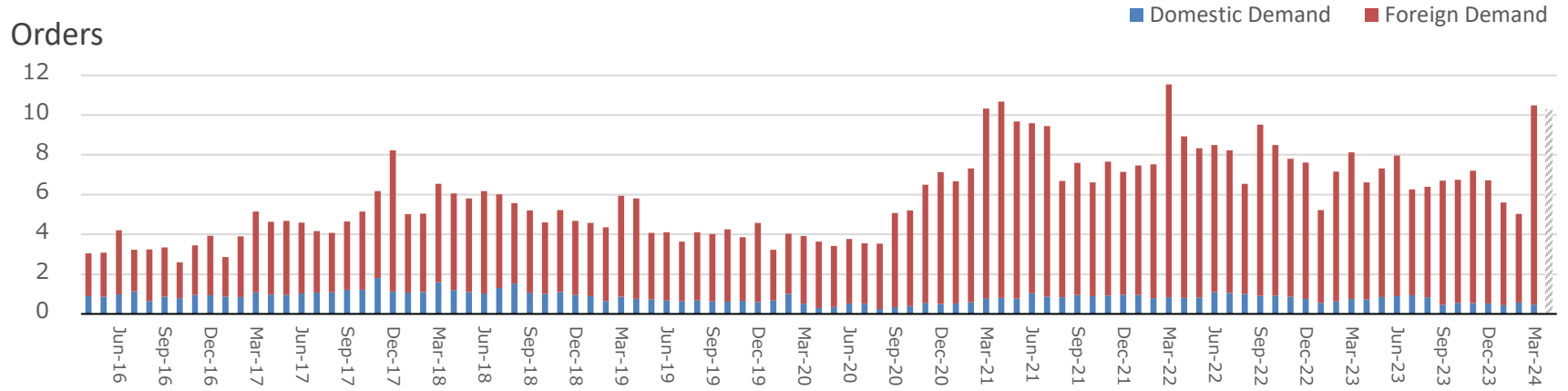


Six-month
Billion yen



(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.