

# Fiscal Year 2024 First Half Financial Results



November 13, 2024

<https://www.tsugami.co.jp>

(TSE: 6101)

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# 1. Business Performance for the First Half of FY2024 and Outlook for FY2024

## (1) Business Results

### [1H results]

**Revenue:** 49.7 billion yen (up 7.1% from Previous outlook)

Although the overall sense of uncertainty could not be denied despite some movement being observed in China and other markets, we steadily promoted its business in each of its locations, and as a result, recorded a historical high level of revenue in the first half.

### Profits:

**Operating profit:** 9.9 billion yen (up 24.0% from Previous outlook)

**Profit attributable to owners of parent:** 4.8 billion yen (up 37.5% from Previous outlook)

Profitability improved due to the effect of higher revenue.

### [Full-year outlook]

Considering current order trends along with the first half results, we upwardly revised the full-year business performance forecasts.

**Revenue:** 97.0 billion yen (up 7.8% from Previous outlook)

### Profits:

**Operating profit:** 18.5 billion yen (up 23.3% from Previous outlook)

**Profit attributable to owners of parent:** 8.0 billion yen (up 23.1% from Previous outlook)

	Results for 1H					Full-year Outlook				
	Previous outlook	FY24	Changes from previous outlook (%)	FY23	Year-on-year(%)	Previous outlook for FY24	Revised outlook for FY24	Changes from previous outlook (%)	FY23	Year-on-year(%)
Revenue	46.5	49.7	+7.1	40.2	+23.6	90.0	97.0	+7.8	83.9	+15.6
Operating profit (to revenue ratio)	8.0 (17.2%)	9.9 (19.9%)	+24.0 --	5.9 (14.7%)	+66.9 --	15.0 (16.7%)	18.5 (19.1%)	+23.3 --	13.0 (15.6%)	+41.3 --
Profit attributable to owners of parent (to revenue ratio)	3.5 (7.5%)	4.8 (9.7%)	+37.5 --	2.1 (5.4%)	+119.6 --	6.5 (7.2%)	8.0 (8.2%)	+23.1 --	5.3 (6.4%)	+48.8 --
Basic earnings per share	74.00 yen	101.96 yen	--	45.73 yen	--	137.43 yen	169.76 yen	--	112.57 yen	--

## (2) Financial position

RMB/JPY March-end/24 20.84 → Sep.-end/24 20.48  
 INR / JPY March-end/24 1.83 → Sep.-end/24 1.71

Billion yen

	Sep-2023	Mar-2024	Sep-2024	Variance from Sep-2023	Variance from Mar-2024
<b>Total assets</b>	111.4	117.7	118.3	6.9	0.6
<b>Current assets</b>	87.7	92.9	93.7	5.9	0.8
Cash and cash equivalents	29.2	30.4	27.5	-1.6	-2.9
Trade and other receivables	22.1	27.9	28.7	6.6	0.7
Inventories	34.8	32.7	35.8	0.9	*2 3.0
Other	1.4	1.7	1.5	0.1	-0.1
<b>Non-current assets</b>	23.7	24.7	24.6	0.9	-0.1
Property, plant and equipment	15.6	16.3	16.4	0.8	0.1
Right-of-use assets	2.0	2.0	2.0	-0.0	-0.0
Intangible assets	0.4	0.3	0.2	-0.2	-0.1
Other	5.4	6.0	5.8	0.4	-0.1
<b>Total liabilities</b>	42.0	45.3	39.6	-2.4	-5.7
<b>Current liabilities</b>	37.1	40.0	34.9	-2.2	-5.0
Trade and other payables	14.3	17.5	15.9	1.5	-1.6
Borrowings	17.1	16.8	13.1	-3.9	-3.6
Other	5.6	5.6	5.8	0.2	0.2
<b>Non-current liabilities</b>	4.8	5.3	4.6	-0.2	-0.6
Deferred tax liabilities	3.1	3.5	2.9	-0.2	-0.6
Other	1.6	1.7	1.7	0.0	-0.0
<b>Total equity</b>	69.3	72.3	78.7	9.3	6.4
Share capital	12.3	12.3	12.3	0.0	0.0
Capital surplus	2.9	2.8	3.1	0.2	0.3
Treasury shares	-2.3	-3.0	-0.4	1.9	*3 2.5
Other components of equity	9.1	10.3	8.7	-0.4	-1.6
Retained earnings	31.9	34.0	35.0	3.1	1.0
<b>Total equity attributable to owners of parent</b>	54.0	56.6	*1 58.8	4.8	2.2
Non-controlling interests	15.3	15.7	19.8	4.5	4.1

\*1. The financial position is stable.  
 Percentage of equity attributable to owners of parent: 49.7%  
 (Equity ratio for the entire group: 66.5%)

\*2. Inventories increased due to expanded orders and revenue.

\*3. Treasury shares: Cancellation of 2 million shares. (May 2024)

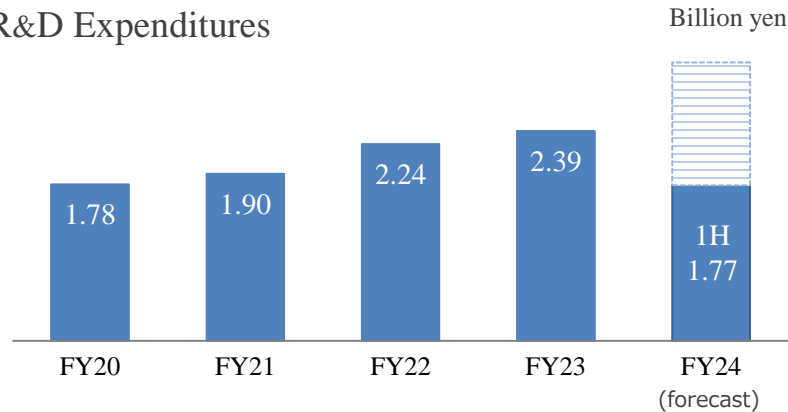
### (3) Cash flows

Billion yen

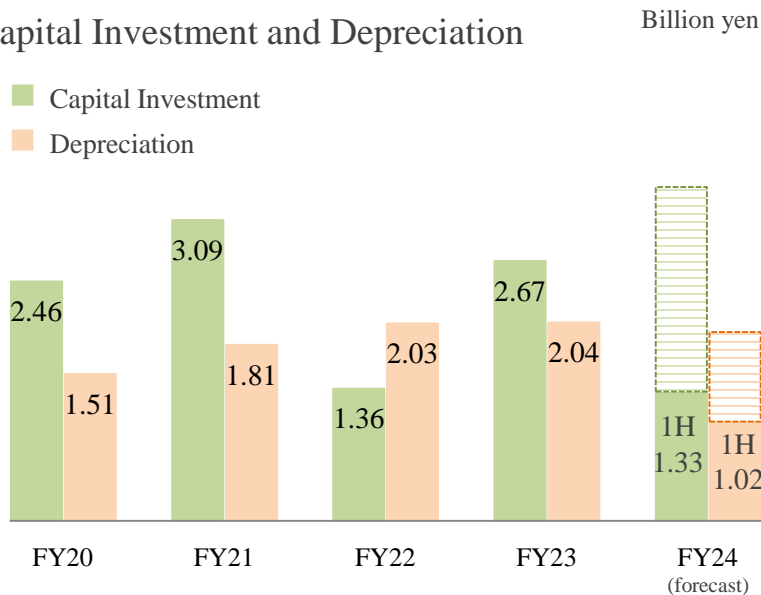
	FY2023 1H	FY2024 1H		
Cash flows from operating activities	6.2	1.8	*1	Increase in trade and other receivables: -1.7
Profit before tax	6.4	9.8		Increase in inventories: -3.8
Depreciation	1.0	1.0		Decrease in trade and other payables: -1.0
Increase/decrease in working capital	1.0	※1 -7.2		Decrease in contract liabilities: -0.5
Income taxes paid, etc.	-2.2	-1.8		The difference from variances in BS was caused by the adjustment of foreign exchange differences, etc.
Cash flows from investing activities	-1.3	-1.2		
Capital investment in factories	-1.3	※2 -1.2	*2	Factory in China: -0.7
Other	-0.0	0.0		New Factory in India: -0.5
Cash flows from financing activities	-3.0	-2.9		
Short-term borrowings	-0.5	-3.5	*3	Income from partial sale of shares of Chinese subsidiaries and associates 3.6
Treasury shares	-0.3	-0.5		
Dividends paid	-1.1	-1.1		
Dividends paid to non-controlling interests	-0.8	-0.9		
Other	-0.1	※3 3.3		
Effect of exchange rate change on cash and cash equivalents	1.5	-0.5		
Net increase (decrease) in cash and cash equivalents	3.5	-2.9		
Cash and cash equivalents at end of period	29.2	27.5		

## 2. R&D Expenditures, Capital Investment and Depreciation

### R&D Expenditures



### Capital Investment and Depreciation



### Capital Investment continued. (in China, India and Japan)

#### China: Precision Nakatsu (China) Corporation

Construction to expand facilities was completed September 2024. It began operation as an assembly plant from October.

Total amount of investment: 2.5 billion yen

Land area: About 50,000m<sup>2</sup>

Production capacity: About 20% increased capacity after expansion

#### New factory in India

We will establish the necessary structures to increase production while expanding our sales network.

The casting plant began operation from April 2024. The processing and assembly plant will begin operation from April 2025.

Total amount of investment: 3.6 billion

Land area: 58,900m<sup>2</sup>

Production capacity: Casting production: 500 tons/month  
Assembly building and others: System to increase production as needed according to market conditions

#### Japan: Nagaoka Factory

Building 8, nearly fifty years after its construction, will be replaced by a new plant building. We will utilize the plant as a production base with an exhibition area for showing the most advanced methods for energy and labor savings, automation and processing technology.

Total amount of investment: Approximately 2.3 billion yen

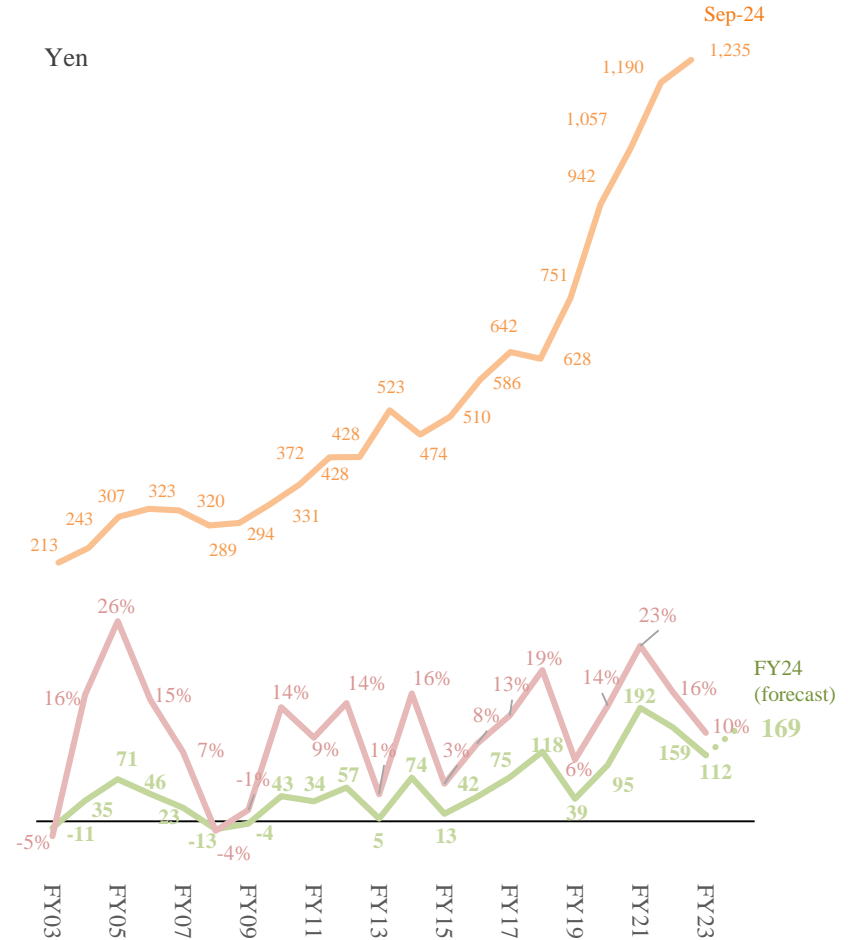
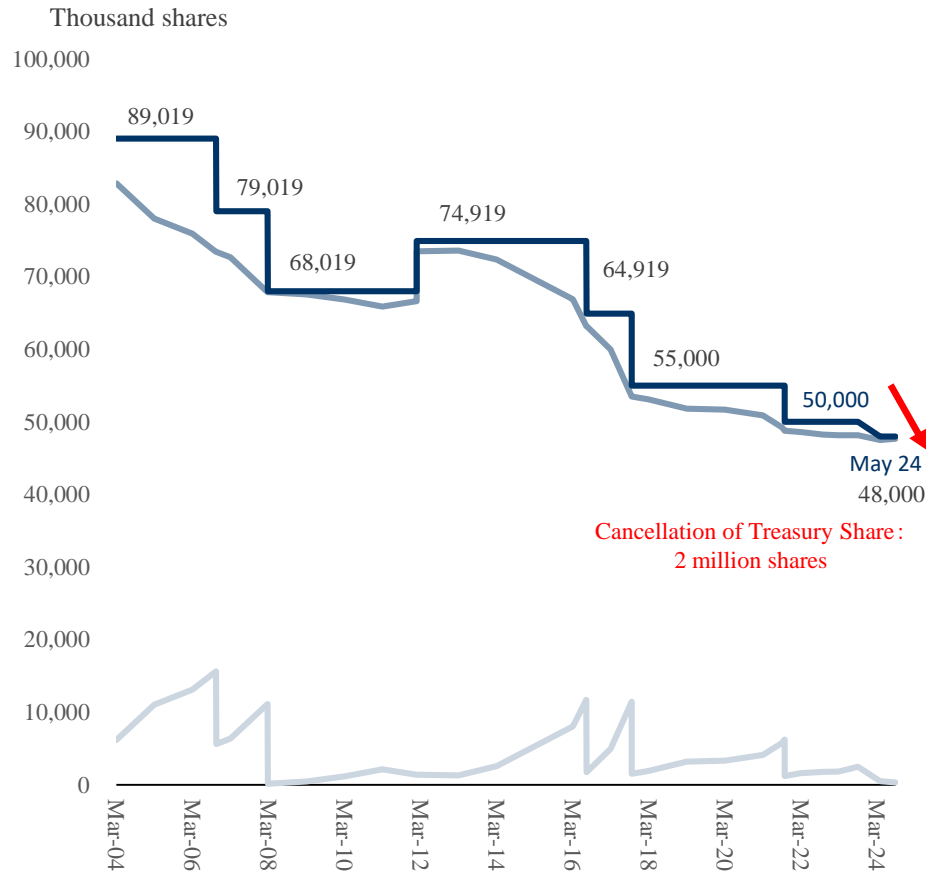
Scheduled to start construction in July 2025, and scheduled to start operation in April 2027

### 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)



## (2) Shareholder Returns

1. The basic policy is stable dividend payment. Based on the full-year business performance forecasts for the fiscal year ending March 31, 2025, the Company plans to increase the dividend to 54 yen per share for the total annual dividends. (Increase of 6 yen from 48 yen of initial forecast announced on May 14, 2024)

2. Treasury shares are flexibly purchased.

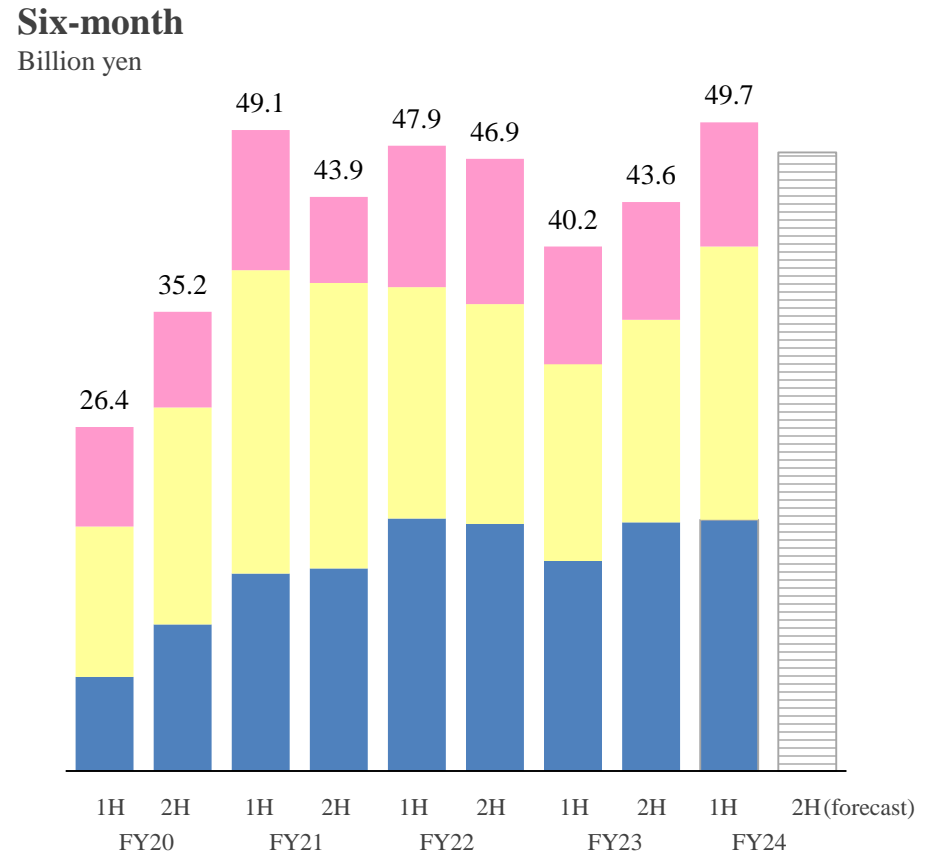
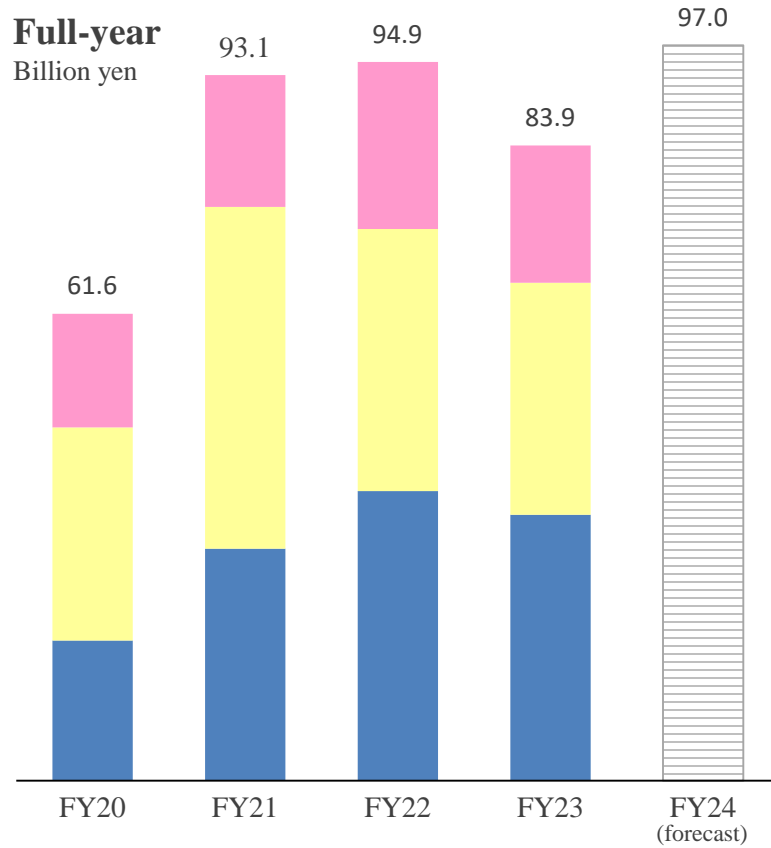
	Mar-2021	Mar-2022	Mar-2023	Mar-2024	Mar-2025 (forecast)
Dividends paid (Full-year, yen/share)	26	40	46	48	54
(Interim, yen/share)	12	18	22	24	27
EPS (yen)	95.21	191.99	159.39	112.57	169.76
Dividend payout ratio	27.3%	20.8%	28.9%	42.6%	31.8%
Total dividends (Billion yen)	1.33	1.95	2.22	2.29	2.57
Purchase 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	8.00
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

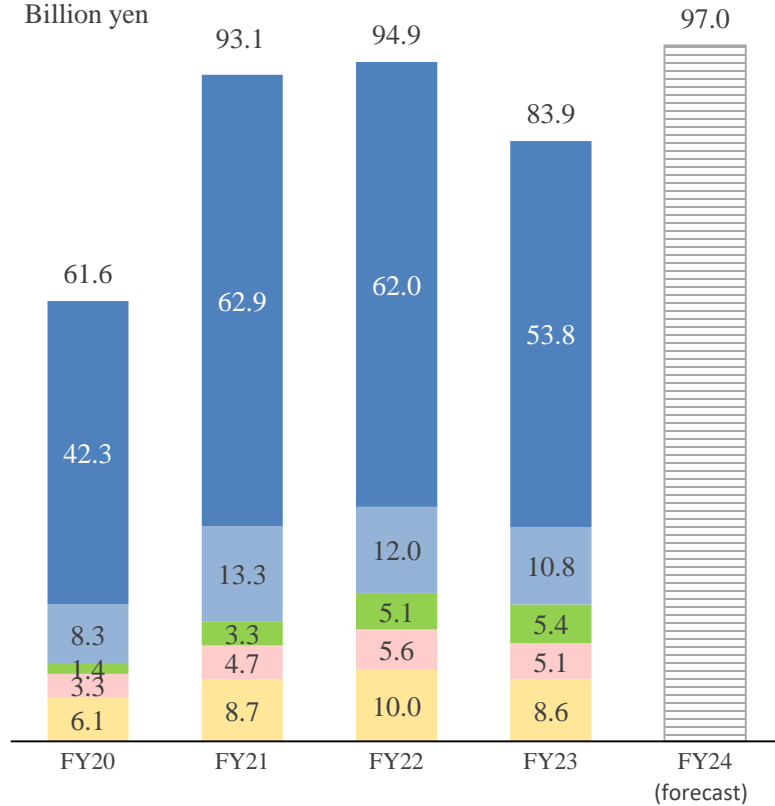


## (2) Revenue by Geographic Segment

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

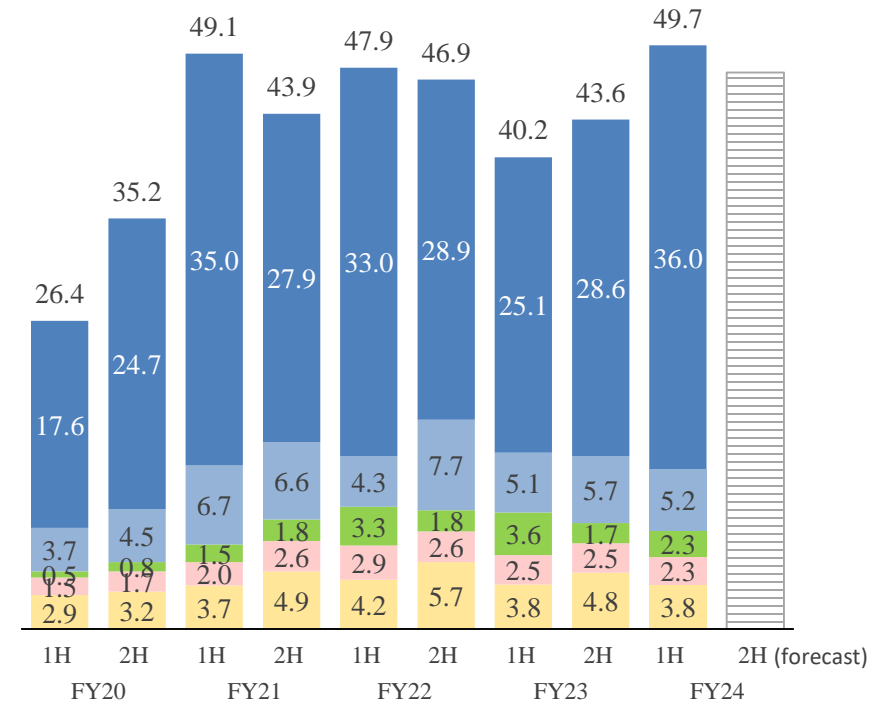
### Full-year

Billion yen



### Six-month

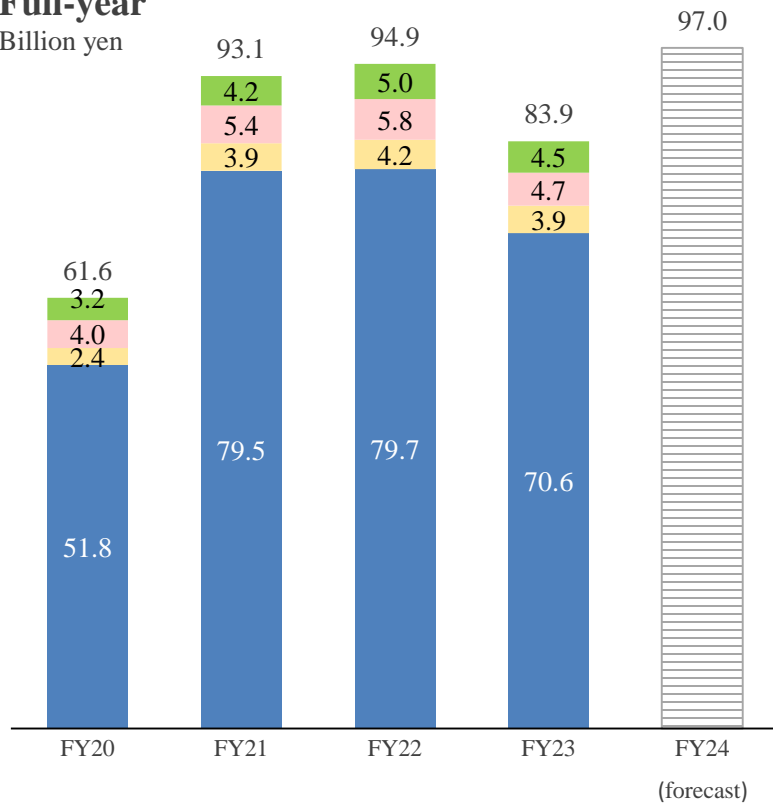
Billion yen



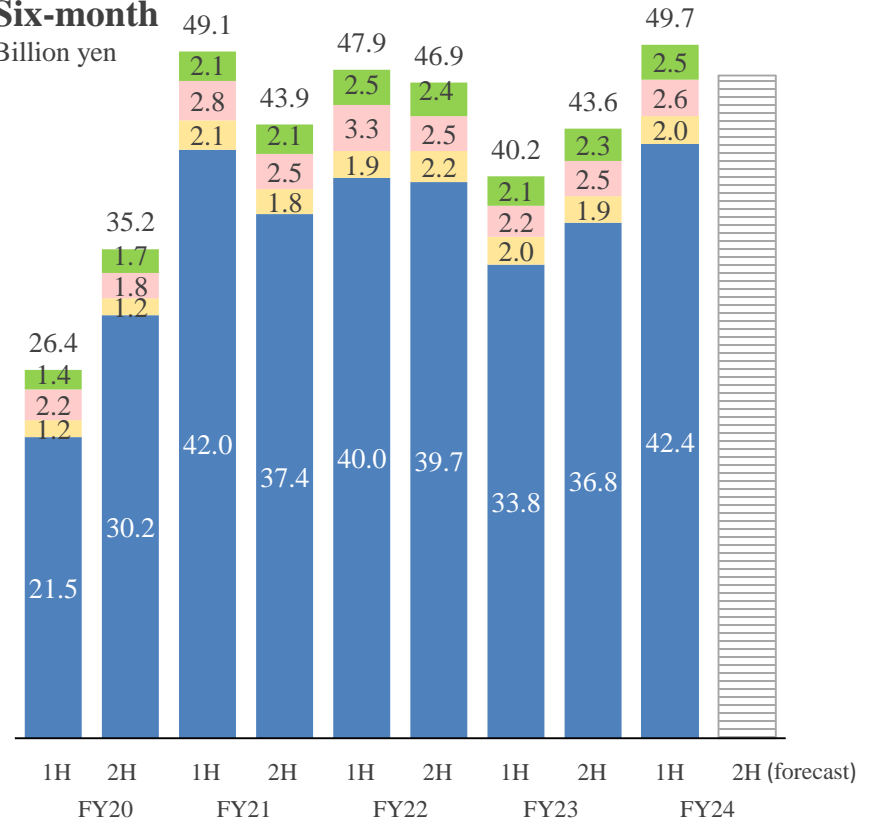
### (3) Revenue by Machinery Category

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

**Full-year**  
Billion yen



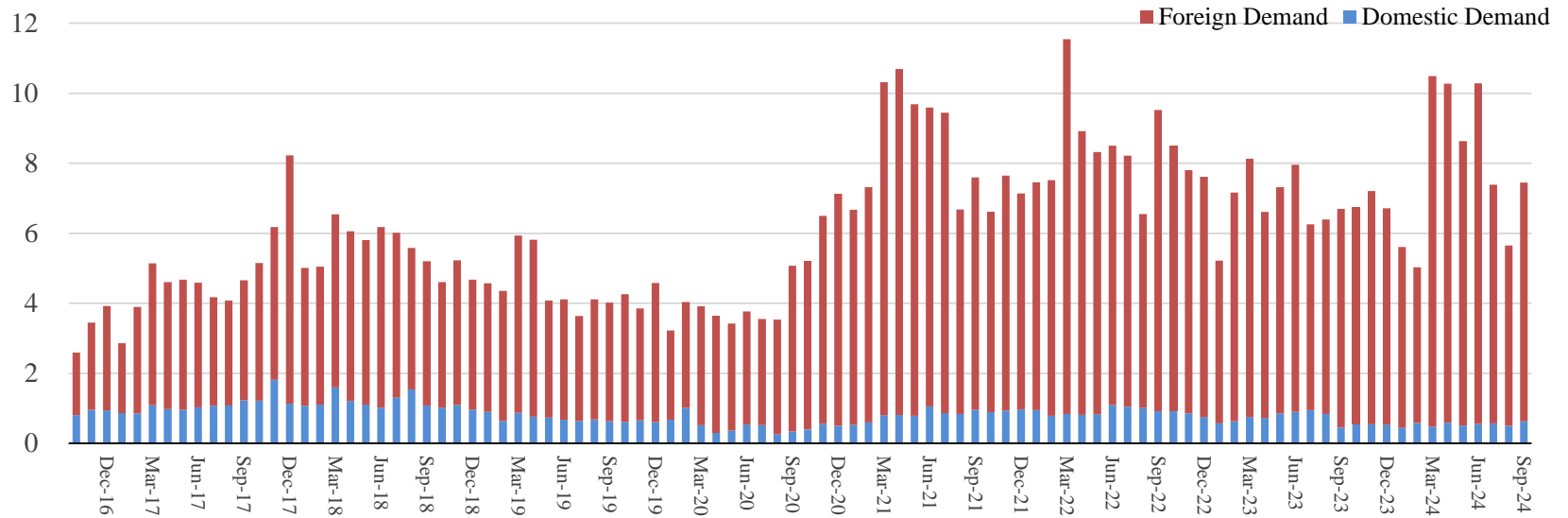
**Six-month**  
Billion yen



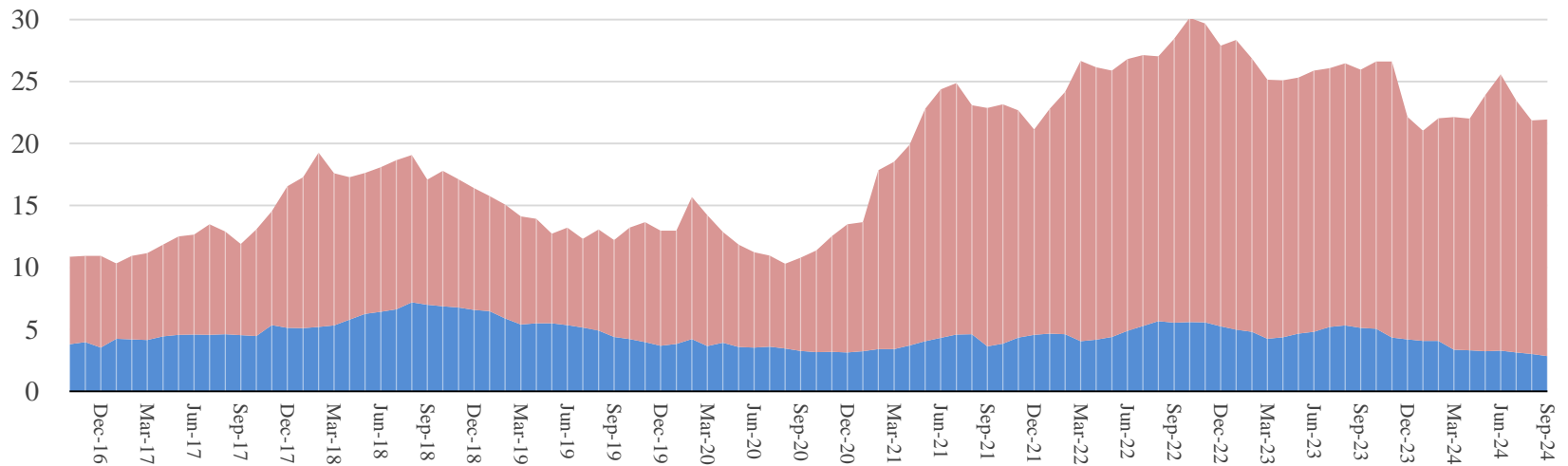
### (4) Orders Received and Order Backlogs

#### Orders

Billion yen



#### Order backlogs



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.