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Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under IFRS)

November 13, 2025

TSUGAMI CORPORATION

Stock code: 6101

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Scheduled date of submission of semi-annual securities report: November 13, 2025

Scheduled date of commencement of dividend payments: November 28, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for securities analysts)

Listings: Tokyo Stock Exchange

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

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025

(from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative totals)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	60,054	20.6	15,208	53.4	14,935	51.5	10,740	58.7
September 30, 2024	49,795	23.6	9,916	66.9	9,856	52.6	6,769	94.8

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Million yen	%	Million yen	%	Yen	Yen
September 30, 2025	7,145	48.4	12,349	133.5	153.40	151.45
September 30, 2024	4,813	119.6	5,289	-20.8	101.96	100.64

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
September 30, 2025	130,122	90,724	68,039	52.3(69.7)
March 31, 2025	127,306	84,114	62,897	49.4(66.1)

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

2. State of dividends

	Annual Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	--	27.00	--	32.00	59.00
Fiscal year ending March 31, 2026	--	36.00			
Fiscal year ending March 31, 2026 (forecast)			--	36.00	72.00

(Note) Revisions to the forecast for dividends announced most recently: Yes

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2026
(from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2026	115,000	7.1	27,000	15.8	12,500	14.7	269.09

(Note) Revisions to the financial results forecasts announced most recently: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS : None
- (ii) Changes in accounting policies due to other reasons : None
- (iii) Changes in accounting estimates : None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares):
As of September 30, 2025 48,000,000 shares As of March 31, 2025 48,000,000 share
- (ii) Number of treasury shares at the end of the period:
As of September 30, 2025 1,067,891 shares As of March 31, 2025 602,760 shares
- (iii) Average number of shares outstanding during the periods (cumulative from the beginning of the fiscal year) :
Six months ended September 30, 2025 46,578,550 shares Six months ended September 30, 2024 47,208,510 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

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

(Forward-looking statements)

Forward-looking statements such as financial results forecasts shown in this document are based on information currently available to the Company and certain assumptions that the Company deems to be rational. These statements are not guarantees of future performance. Actual performance may differ materially from these statements due to a range of factors. For assumptions regarding financial results forecasts and notes on the use of financial results forecasts, please refer to [1. Overview of Operating Results, Etc. (3) Explanation of consolidated financial results forecasts and other forward-looking statements] on page 2 of the accompanying documents of this Consolidated Financial Results for the Six Months Ended September 30, 2025.

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1. Overview of Operating Results, Etc.

(1) Overview of results of operations

During the six months under review, although some movement was observed in China and other markets, the overall sense of uncertainty could not be denied. In this situation, the Group steadily promoted its business in each of its locations, and as a result, revenue stood at ¥60,054 million (up 20.6% year on year), operating profit was ¥15,208 million (up 53.4% year on year), and profit attributable to owners of parent was ¥7,145 million (up 48.4% year on year), with both revenue and profit reaching historically high levels.

Segment results are as follows:

- a. In Japan, revenue decreased 14.6% year on year, to ¥13,039 million, and segment profit grew 457.5% year on year, to ¥632 million.
- b. In China, revenue increased 20.8% year on year, to ¥51,044 million, and segment profit grew 43.6% year on year, to ¥13,844 million.
- c. In India, revenue increased 19.4% year on year, to ¥2,609 million, and segment profit came to ¥42 million, compared to segment loss of ¥127 million in the same period of the previous fiscal year.
- d. In South Korea, revenue decreased 24.8% year on year, to ¥658 million, and segment profit decreased 52.8% year on year, to ¥23 million.
- e. In other markets, revenue increased 264.5% year on year, to ¥652 million, and segment profit amounted to ¥39 million, compared to a segment loss of ¥74 million in the same period of the previous fiscal year.

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

(2) Overview of financial position

(i) State of assets, liabilities and net assets

Assets totaled ¥130,122 million at the end of the six months under review, increasing ¥2,815 million from the end of the previous fiscal year.

The result was mainly due to increases of ¥3,866 million in cash and cash equivalents, ¥263 million in right-of-use assets, and ¥530 million in other financial assets, despite decreases of ¥1,315 million in trade and other receivables and ¥749 million in other current assets.

Liabilities totaled ¥39,397 million at the end of the six months under review, decreasing ¥3,794 million from the end of the previous fiscal year.

The result was mainly due to an increase of ¥610 million in deferred tax liabilities, despite decreases of ¥1,767 million in trade and other payables, ¥631 million in income taxes payable, etc., and ¥1,889 million in contract liabilities.

Equity totaled ¥90,724 million at the end of the six months under review, increasing ¥6,609 million from the end of the previous fiscal year.

The result was mainly due to the recording of ¥10,740 million in profit and ¥1,608 million in other comprehensive income, despite decreases of ¥1,019 million in purchase of treasury shares, ¥2,671 million in dividends, and ¥2,119 million in non-controlling interest resulting from capital transactions.

(ii) State of cash flows during the six months under review

Cash and cash equivalents at the end of the six months under review increased ¥3,866 million from the end of the previous fiscal year, to ¥31,596 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥11,282 million (cash generated of ¥1,808 million in the same period of the previous fiscal year).

The result principally reflected an increase in cash attributable to profit before tax of ¥14,935 million, depreciation and amortization of ¥1,201 million, and a decrease in trade and other receivables of ¥2,546 million, which was partly offset by a decrease in trade and other payables of ¥1,865 million, a decrease in contract liabilities of ¥1,852 million, and income taxes paid of ¥4,786 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,162 million (cash used of ¥1,237 million in the same period of the previous fiscal year).

The cash outflow was primarily attributable to a decrease in cash for the purchase of property, plant and equipment of ¥869 million and acquisition of right-of-use assets of ¥294 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥6,625 million (cash used of ¥2,929 million in the same period of the previous fiscal year).

The results largely reflected a decrease in cash due to payments for acquisition of interests in subsidiaries from non-controlling interests of ¥2,388 million, purchase of treasury shares of ¥1,021 million, dividends paid of ¥1,516 million, and dividends paid to non-controlling interests of ¥1,154 million.

(3) Explanation of consolidated financial results forecasts and other forward-looking statements

Our consolidated financial results forecasts for the fiscal year ending March 31, 2026 have been revised based on our financial results for the six months ended September 30, 2025. For details, please reference our “Notice of Revisions to Financial Results forecasts and Dividend Forecasts.”

Furthermore, regarding our dividend forecast for the fiscal year ending March 31, 2026, based on our fiscal year financial results forecasts, we have increased our fiscal year-end dividend forecast by ¥4 per share to ¥36 per share and revised our annual dividend forecast to ¥72 per share.

(This represents a ¥8 increase from annual dividend forecast of ¥64 per share announced on May 13, 2025.)

2. Condensed Semi-annual Consolidated Financial Statements and Significant Notes

(1) Condensed Semi-annual Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	27,729	31,596
Trade and other receivables	40,695	39,380
Other financial assets	80	60
Inventories	32,629	32,759
Other current assets	1,663	914
Total current assets	102,799	104,711
Non-current assets		
Property, plant and equipment	16,540	16,622
Right-of-use assets	1,999	2,262
Intangible assets	166	159
Retirement benefit asset	0	--
Other financial assets	4,859	5,411
Deferred tax assets	619	630
Other non-current assets	322	325
Total non-current assets	24,507	25,410
Total assets	127,306	130,122

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	17,649	15,881
Borrowings	11,524	11,075
Other financial liabilities	199	186
Income taxes payable, etc.	3,414	2,783
Provisions	469	712
Contract liabilities	4,069	2,179
Other current liabilities	988	1,130
Total current liabilities	38,317	33,950
Non-current liabilities		
Other financial liabilities	163	142
Retirement benefit liability	967	967
Provisions	5	5
Deferred tax liabilities	3,123	3,734
Other non-current liabilities	614	598
Total non-current liabilities	4,874	5,447
Total liabilities	43,192	39,397
Equity		
Share capital	12,345	12,345
Capital surplus	2,878	2,015
Treasury shares	-861	-1,782
Other components of equity	8,712	10,005
Retained earnings	39,822	45,456
Total equity attributable to owners of parent	62,897	68,039
Non-controlling interests	21,217	22,684
Total equity	84,114	90,724
Total liabilities and equity	127,306	130,122

(2) Condensed Semi-annual Consolidated Statement of Profit or Loss and Comprehensive Income
(Condensed Semi-annual Consolidated Statement of Profit or Loss)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	49,795	60,054
Cost of sales	-33,051	-38,231
Gross profit	16,744	21,823
Selling, general and administrative expenses	-7,451	-7,085
Other income	645	515
Other expenses	-21	-44
Operating profit	9,916	15,208
Finance income	254	278
Finance costs	-314	-551
Profit before tax	9,856	14,935
Income tax expense	-3,086	-4,195
Profit	6,769	10,740
Profit attributable to:		
Owners of parent	4,813	7,145
Non-controlling interests	1,955	3,594
Profit	6,769	10,740
Earnings per share		
Basic earnings per share (yen)	101.96	153.40
Diluted earnings per share (yen)	100.64	151.45

(Condensed Semi-annual Consolidated Statement of Comprehensive Income)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	6,769	10,740
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	-150	376
Remeasurements of defined benefit plans	--	--
Total of items that will not be reclassified to profit or loss	-150	376
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-1,329	1,232
Total of items that may be reclassified to profit or loss	-1,329	1,232
Total other comprehensive income	-1,479	1,608
Comprehensive income	5,289	12,349
Comprehensive income attributable to:		
Owners of parent	4,037	8,357
Non-controlling interests	1,251	3,991
Comprehensive income	5,289	12,349

(3) Condensed Semi-annual Consolidated Statement of Changes in Equity
Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	12,345	2,885	-3,008	7,771	2,545
Profit					
Other comprehensive income				-625	-150
Total comprehensive income	--	--	--	-625	-150
Purchase of treasury shares			-551		
Disposal of treasury shares		-52	659		
Cancellation of treasury shares			2,459		
Dividends					
Transfer to retained earnings					-0
Capital transactions with non-controlling interests		365		-828	
Total transactions with owners	--	313	2,567	-828	-0
Balance As of September 30, 2024	12,345	3,199	-441	6,316	2,394

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity					
	Remeasurements of defined benefit plans	Total	Retained earnings	Total		
Balance as of April 1, 2024	--	10,316	34,065	56,605	15,756	72,361
Profit		--	4,813	4,813	1,955	6,769
Other comprehensive income		-775		-775	-704	-1,479
Total comprehensive income	--	-775	4,813	4,037	1,251	5,289
Purchase of treasury shares		--		-551		-551
Disposal of treasury shares		--	-200	406		406
Cancellation of treasury shares		--	-2,459	--		--
Dividends		--	-1,141	-1,141	-986	-2,127
Transfer to retained earnings		-0	0	--		--
Capital transactions with non-controlling interests		-828		-463	3,850	3,387
Total transactions with owners	--	-829	-3,800	-1,749	2,864	1,114
Balance As of September 30, 2024	--	8,711	35,079	58,893	19,872	78,766

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(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, 2025	12,345	2,878	-861	6,372	2,339
Profit					
Other comprehensive income				835	376
Total comprehensive income	--	--	--	835	376
Purchase of treasury shares			-1,019		
Disposal of treasury shares		-32	98		
Dividends					
Capital transactions with non-controlling interests		-831		80	
Total transactions with owners	--	-863	-920	80	--
Balance As of September 30, 2025	12,345	2,015	-1,782	7,289	2,716

	Equity attributable to owners of parent					
	Other components of equity					
	Remeasurements of defined benefit plans	Total	Retained earnings	Total	Non-controlling interests	Total
Balance as of April 1, 2025	--	8,712	39,822	62,897	21,217	84,114
Profit		--	7,145	7,145	3,594	10,740
Other comprehensive income		1,212		1,212	396	1,608
Total comprehensive income	--	1,212	7,145	8,357	3,991	12,349
Purchase of treasury shares		--		-1,019		-1,019
Disposal of treasury shares		--	4	71		71
Dividends		--	-1,516	-1,516	-1,154	-2,671
Capital transactions with non-controlling interests		80		-750	-1,369	-2,119
Total transactions with owners	--	80	-1,512	-3,215	-2,523	-5,739
Balance As of September 30, 2025	--	10,005	45,456	68,039	22,684	90,724

(4) Condensed Semi-annual Consolidated Statement of Cash Flows

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before tax	9,856	14,935
Depreciation and amortization	1,022	1,201
Finance income	-254	-278
Finance costs	125	102
Loss on retirement of fixed assets	4	26
Loss (gain) on sale of fixed assets	0	-12
Government grant income	-598	-315
Insurance claim income	-4	-3
Decrease (increase) in inventories	-3,818	57
Decrease (increase) in trade and other receivables	-1,750	2,546
Increase (decrease) in trade and other payables	-1,090	-1,865
Increase (decrease) in contract liabilities	-570	-1,852
Increase or decrease in retirement benefit asset or liability	20	0
Increase (decrease) in provisions	30	41
Other	841	553
Subtotal	3,814	15,137
Interest and dividends received	237	265
Interest paid	-125	-102
Government grant received	598	315
Insurance received	4	3
Income taxes paid	-3,200	-4,786
Income taxes refund	479	448
Net cash provided by (used in) operating activities	1,808	11,282
Cash flows from investing activities		
Payments into time deposits	-20	-51
Proceeds from withdrawal of time deposits	20	72
Purchase of property, plant and equipment	-1,203	-869
Proceeds from sale of property, plant and equipment	6	21
Payments for retirement of property, plant and equipment	--	-14
Purchase of intangible assets	-41	-20
Purchase of right-of-use assets	--	-294
Purchase of investment securities	-1	-1
Other	1	-4
Net cash provided by (used in) investing activities	-1,237	-1,162
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-3,592	-410
Payments for acquisition of interests in subsidiaries from non-controlling interests	-131	-2,388
Proceeds from sale of treasury shares	0	--
Purchase of treasury shares	-551	-1,021
Dividends paid	-1,141	-1,516
Payment of dividends to non-controlling interests	-986	-1,154
Repayments of lease obligations	-137	-133
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	3,610	--
Net cash provided by (used in) financing activities	-2,929	-6,625
Effect of exchange rate changes on cash and cash equivalents	-548	372
Net increase (decrease) in cash and cash equivalents	-2,906	3,866
Cash and cash equivalents at beginning of period	30,495	27,729
Cash and cash equivalents at end of period	27,588	31,596

(5) Notes relating to Condensed Semi-annual Consolidated Financial Statements

(Notes relating to the going concern assumption)

Not applicable.

(Segment information)

(1) Summary of reportable segments

The Group's reportable segments are those Group's constituent units for which separate financial information is obtainable, and which the Board of Directors subjects to periodic reviews in order to decide the allocation of management resources and evaluate business results. Meanwhile, these operating segments are not aggregated.

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 intersegment revenues. Intersegment revenues are based on market prices.

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

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	10,353	36,253	2,184	869	134	49,795	--	49,795
Intersegment revenue	4,922	5,988	--	6	44	10,961	-10,961	--
Total	15,275	42,241	2,184	875	179	60,757	-10,961	49,795
Segment profit (loss)	113	9,642	-127	49	-74	9,603	-309	9,293
Other income and expenses, net	--	--	--	--	--	--	--	623
Operating profit	--	--	--	--	--	--	--	9,916
Finance income and costs, net	--	--	--	--	--	--	--	-60
Profit before tax	--	--	--	--	--	--	--	9,856

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

2. "Adjustment" of segment profit of - ¥309 million is the adjustment of unrealized profit., etc.

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	8,173	48,076	2,589	638	578	60,054	--	60,054
Intersegment revenue	4,865	2,968	20	20	74	7,949	-7,949	--
Total	13,039	51,044	2,609	658	652	68,004	-7,949	60,054
Segment profit (loss)	632	13,844	42	23	39	14,583	153	14,737
Other income and expenses, net	--	--	--	--	--	--	--	471
Operating profit	--	--	--	--	--	--	--	15,208
Finance income and costs, net	--	--	--	--	--	--	--	-273
Profit before tax	--	--	--	--	--	--	--	14,935

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

2. "Adjustment" of segment profit of ¥153 million is the adjustment of unrealized profit., etc.

3. Supplementary Information

(1) Overseas revenue

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
China	36,001	47,946
Asia	5,251	5,351
America	2,300	2,151
Europe	2,368	1,444
Overseas revenue	45,921	56,893
Consolidated revenue	49,795	60,054
Ratio of overseas revenue to consolidated revenue (%)	92.2	94.7

(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 main product lines and reportable segments is as follows.

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	7,975	31,575	2,104	753	74	42,484
Grinding machines	298	1,760	--	--	--	2,059
Machining centers, thread and form rolling machines, and specialized machines	751	1,906	5	--	--	2,663
Other	1,327	1,010	74	116	60	2,588
Total	10,353	36,253	2,184	869	134	49,795

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

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	5,923	40,086	2,329	557	475	49,371
Grinding machines	336	2,527	83	33	--	2,980
Machining centers, thread and form rolling machines, and specialized machines	512	4,134	71	--	--	4,719
Other	1,401	1,327	104	47	102	2,983
Total	8,173	48,076	2,589	638	578	60,054

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

(3) Changes in officers (scheduled to take effect on November 13, 2025)

The Company resolved on the following change to the Representative Director at the Board of Directors meeting held on November 13, 2025.

(i) Change in Representative Director

Retiring Representative Director (1 person)
Shoichiro Haga (New position: Director)

*To assume the position of Executive Director (CFO) at Precision Tsugami (China) Corporation Limited.

(ii) Other

The number of the Company's Representative Directors was three, but with this change, it will be reduced to two.

For further details, please see the "Notice of Change in Representative Director (Due to Retirement)" separately released today (November 13, 2025).