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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Under IFRS)

January 30, 2026

TSUGAMI CORPORATION

Stock code: 6101

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Scheduled date of commencement of dividend payments: --

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

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 nine months ended December 31, 2025

(from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative totals)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	94,137	25.7	25,554	62.8	25,355	56.8	17,475	58.7
December 31, 2024	74,889	19.2	15,699	61.0	16,169	60.1	11,013	92.5
	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
Nine months ended	Million yen	%	Million yen	%	Yen		Yen	
December 31, 2025	11,913	53.4	25,377	89.4	256.45		253.12	
December 31, 2024	7,764	113.7	13,400	77.7	164.69		162.56	

(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	%
December 31, 2025	144,654	97,974	74,075	51.2(67.7)
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: None

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: None

* Notes

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

(2) Changes in accounting policy and 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 December 31, 2025 | 48,000,000 shares | As of March 31, 2025 | 48,000,000 shares |
| (ii) | Number of treasury shares at the end of the terms: | | | |
| | As of December 31, 2025 | 1,311,478 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) : | | | |
| | Nine months ended December 31, 2025 | 46,455,004 shares | Nine months ended December 31, 2024 | 47,145,085 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 Nine Months Ended December 31, 2025.

Accompanying Documents

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1. Overview of Operating Results, Etc.

(1) Overview of results of operations

During the nine months under review, despite undeniable ongoing uncertainty in the overall market, the Group steadily promoted its business in each of its locations, including China. As a result, the Group's performance was solid and revenue stood at ¥94,137 million (up 25.7% year on year), operating profit was ¥25,554 million (up 62.8% year on year), and profit attributable to owners of parent was ¥11,913 million (up 53.4% year on year), reaching a historically high level for the nine months.

Segment results are as follows:

- a. In Japan, revenue decreased 10.2% year on year, to ¥20,379 million, and segment profit grew 155.6% year on year, to ¥1,443 million.
- b. In China, revenue increased 28.3% year on year, to ¥81,580 million, and segment profit grew 51.2% year on year, to ¥22,534 million.
- c. In India, revenue increased 36.6% year on year, to ¥4,191 million, and segment profit came to ¥77 million, compared to segment loss of ¥292 million in the same period of the previous fiscal year.
- d. In South Korea, revenue decreased 31.7% year on year, to ¥889 million, and segment profit decreased 93.0% year on year, to ¥6 million.
- e. In other markets, revenue increased 146.3% year on year, to ¥955 million, and segment profit amounted to ¥25 million, compared to a segment loss of ¥35 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 ¥144,654 million at the end of the nine months under review, an increase of ¥17,348 million from the end of the previous fiscal year.

The result was mainly due to increases of ¥11,849 million in cash and cash equivalents, ¥2,998 million in trade and other receivables, ¥963 million in property, plant and equipment, and ¥1,389 million in other financial assets, despite a decrease of ¥526 million in other current assets.

Liabilities totaled ¥46,680 million at the end of the nine months under review, an increase of ¥3,488 million from the end of the previous fiscal year.

The result was mainly due to increases of ¥2,401 million in trade and other payables, ¥507 million in income taxes payable, etc., and ¥1,480 million in deferred tax liabilities, despite a decrease of ¥1,219 million in contract liabilities.

Equity totaled ¥97,974 million at the end of the nine months under review, an increase of ¥13,859 million from the end of the previous fiscal year.

The result was mainly due to the recording of ¥17,475 million in profit and ¥7,901 million in other comprehensive income, despite decreases of ¥1,675 million from the purchase of treasury shares, ¥5,781 million from dividends, and ¥4,162 million from capital transactions with non-controlling interests.

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

Cash and cash equivalents at the end of the nine months under review increased ¥11,849 million from the end of the previous fiscal year, to ¥39,578 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥21,634 million (cash generated of ¥6,127 million in the same period of the previous fiscal year).

The result principally reflected an increase in cash attributable to profit before tax of ¥25,355 million, depreciation and amortization of ¥1,683 million and a decrease in inventories of ¥1,587 million, which was partly offset by a decrease in contract liabilities of ¥1,336 million and income taxes paid of ¥6,951 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,610 million (cash used of ¥1,690 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 ¥1,184 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥10,808 million (cash used of ¥5,133 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 ¥4,527 million, purchase of treasury shares of ¥1,677 million, dividends paid of ¥3,206 million, and dividends paid to non-controlling interests of ¥1,154 million.

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

While current business performance remains solid, the consolidated financial results forecasts for the fiscal year ending March 31, 2026 have not changed from the "Notice of Revisions to Financial Results Forecasts and Dividend Forecasts" released on November 13, 2025. If modifications are necessary, the Company will announce them promptly.

Additionally, our dividend forecast for the fiscal year ending March 31, 2026, as announced on November 13, 2025, remains unchanged at ¥36 per share, representing an annual dividend of ¥72 per share, which includes the interim dividend of ¥36 per share. If modifications are necessary, the Company will announce them promptly.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	27,729	39,578
Trade and other receivables	40,695	43,694
Other financial assets	80	62
Inventories	32,629	32,813
Other current assets	1,663	1,137
Total current assets	102,799	117,286
Non-current assets		
Property, plant and equipment	16,540	17,504
Right-of-use assets	1,999	2,377
Intangible assets	166	169
Retirement benefit asset	0	--
Other financial assets	4,859	6,268
Deferred tax assets	619	714
Other non-current assets	322	334
Total non-current assets	24,507	27,368
Total assets	127,306	144,654

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	17,649	20,051
Borrowings	11,524	11,457
Other financial liabilities	199	188
Income taxes payable, etc.	3,414	3,922
Provisions	469	657
Contract liabilities	4,069	2,850
Other current liabilities	988	1,174
Total current liabilities	38,317	40,301
Non-current liabilities		
Other financial liabilities	163	139
Retirement benefit liability	967	1,000
Provisions	5	5
Deferred tax liabilities	3,123	4,604
Other non-current liabilities	614	629
Total non-current liabilities	4,874	6,379
Total liabilities	43,192	46,680
Equity		
Share capital	12,345	12,345
Capital surplus	2,878	1,067
Treasury shares	(861)	(2,438)
Other components of equity	8,712	14,566
Retained earnings	39,822	48,534
Total equity attributable to owners of parent	62,897	74,075
Non-controlling interests	21,217	23,898
Total equity	84,114	97,974
Total liabilities and equity	127,306	144,654

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income
(Condensed Quarterly Consolidated Statement of Profit or Loss)

	(Million yen)	
	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Revenue	74,889	94,137
Cost of sales	(49,260)	(59,312)
Gross profit	25,628	34,824
Selling, general and administrative expenses	(10,887)	(10,633)
Other income	985	1,468
Other expenses	(27)	(105)
Operating profit	15,699	25,554
Finance income	726	444
Finance costs	(256)	(643)
Profit before tax	16,169	25,355
Income tax expense	(5,156)	(7,879)
Profit	11,013	17,475
Profit attributable to:		
Owners of parent	7,764	11,913
Non-controlling interests	3,249	5,562
Profit	11,013	17,475
Earnings per share		
Basic earnings per share (yen)	164.69	256.45
Diluted earnings per share (yen)	162.56	253.12

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	11,013	17,475
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(38)	960
Remeasurements of defined benefit plans	--	--
Total of items that will not be reclassified to profit or loss	(38)	960
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,425	6,941
Total of items that may be reclassified to profit or loss	2,425	6,941
Total other comprehensive income	2,387	7,901
Comprehensive income	13,400	25,377
Comprehensive income attributable to:		
Owners of parent	9,588	17,590
Non-controlling interests	3,811	7,787
Comprehensive income	13,400	25,377

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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				1,862	(38)
Total comprehensive income	--	--	--	1,862	(38)
Purchase of treasury shares			(774)		
Disposal of treasury shares		(52)	653		
Cancellation of treasury shares			2,459		
Dividends					
Transfer to retained earnings					(22)
Capital transactions with non-controlling interests		274		(785)	
Total transactions with owners	--	222	2,338	(785)	(22)
Balance As of December 31, 2024	12,345	3,108	(669)	8,848	2,484

	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, 2024	--	10,316	34,065	56,605	15,756	72,361
Profit	--	--	7,764	7,764	3,249	11,013
Other comprehensive income		1,824		1,824	562	2,387
Total comprehensive income	--	1,824	7,764	9,588	3,811	13,400
Purchase of treasury shares		--		(774)		(774)
Disposal of treasury shares		--	(174)	426		426
Cancellation of treasury shares		--	(2,459)	--		--
Dividends		--	(2,428)	(2,428)	(2,132)	(4,560)
Transfer to retained earnings		(22)	22	--		--
Capital transactions with non-controlling interests		(785)		(510)	3,472	2,962
Total transactions with owners	--	(807)	(5,040)	(3,286)	1,340	(1,946)
Balance As of December 31, 2024	--	11,333	36,790	62,907	20,908	83,816

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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				4,716	960
Total comprehensive income	--	--	--	4,716	960
Purchase of treasury shares			(1,675)		
Disposal of treasury shares		(1)	98		
Dividends					
Capital transactions with non-controlling interests		(1,809)		177	
Total transactions with owners	--	(1,811)	(1,576)	177	--
Balance As of December 31, 2025	12,345	1,067	(2,438)	11,267	3,299

	Equity attributable to owners of parent				Non-controlling interests	Total
	Other components of equity		Retained earnings	Total		
	Remeasurements of defined benefit plans	Total				
Balance as of April 1, 2025	--	8,712	39,822	62,897	21,217	84,114
Profit		--	11,913	11,913	5,562	17,475
Other comprehensive income		5,676		5,676	2,225	7,901
Total comprehensive income	--	5,676	11,913	17,590	7,787	25,377
Purchase of treasury shares		--		(1,675)		(1,675)
Disposal of treasury shares		--	4	101		101
Dividends		--	(3,206)	(3,206)	(2,575)	(5,781)
Capital transactions with non-controlling interests		177		(1,632)	(2,530)	(4,162)
Total transactions with owners	--	177	(3,201)	(6,412)	(5,105)	(11,517)
Balance As of December 31, 2025	--	14,566	48,534	74,075	23,898	97,974

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before tax	16,169	25,355
Depreciation and amortization	1,548	1,683
Finance income	(528)	(444)
Finance costs	183	147
Loss on retirement of fixed assets	7	19
Loss (gain) on sale of fixed assets	0	(3)
Government grant income	(869)	(1,206)
Insurance claim income	(36)	(48)
Decrease (increase) in inventories	(4,948)	1,587
Decrease (increase) in trade and other receivables	(1,338)	628
Increase (decrease) in trade and other payables	(1,755)	(417)
Increase (decrease) in contract liabilities	(445)	(1,336)
Increase or decrease in retirement benefit asset or liability	22	32
Increase (decrease) in provisions	38	85
Other	681	524
Subtotal	8,732	26,607
Interest and dividends received	502	422
Interest paid	(183)	(147)
Government grant received	869	1,206
Insurance received	36	48
Income taxes paid	(4,308)	(6,951)
Income taxes refund	479	448
Net cash provided by (used in) operating activities	6,127	21,634
Cash flows from investing activities		
Payments into time deposits	(183)	(51)
Proceeds from withdrawal of time deposits	129	72
Purchase of property, plant and equipment	(1,613)	(1,184)
Proceeds from sale of property, plant and equipment	6	30
Payments for retirement of property, plant and equipment	--	(131)
Purchase of intangible assets	(62)	(43)
Purchase of right-of-use assets	--	(294)
Purchase of investment securities	(1)	(1)
Proceeds from sale of investment securities	43	--
Other	(7)	(5)
Net cash provided by (used in) investing activities	(1,690)	(1,610)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,746)	(47)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(588)	(4,527)
Proceeds from sale of treasury shares	0	--
Purchase of treasury shares	(775)	(1,677)
Dividends paid	(2,428)	(3,206)
Payment of dividends to non-controlling interests	(986)	(1,154)
Repayments of lease obligations	(219)	(194)
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	(5,133)	(10,808)
Effect of exchange rate changes on cash and cash equivalents	802	2,633
Net increase (decrease) in cash and cash equivalents	106	11,849
Cash and cash equivalents at beginning of period	30,495	27,729
Cash and cash equivalents at end of period	30,601	39,578

(5) Notes relating to Condensed Quarterly 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.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	15,221	55,068	3,067	1,286	245	74,889	--	74,889
Intersegment revenue	7,462	8,528	1	14	142	16,149	(16,149)	--
Total	22,683	63,597	3,068	1,300	387	91,038	(16,149)	74,889
Segment profit (loss)	564	14,901	(292)	91	(35)	15,230	(489)	14,741
Other income and expenses, net	--	--	--	--	--	--	--	958
Operating profit	--	--	--	--	--	--	--	15,699
Finance income and costs, net	--	--	--	--	--	--	--	469
Profit before tax	--	--	--	--	--	--	--	16,169

(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 ¥(489) million is the adjustment of unrealized profit, etc.

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	12,066	76,194	4,171	864	840	94,137	--	94,137
Intersegment revenue	8,313	5,386	20	24	114	13,858	(13,858)	--
Total	20,379	81,580	4,191	889	955	107,996	(13,858)	94,137
Segment profit (loss)	1,443	22,534	77	6	25	24,088	103	24,191
Other income and expenses, net	--	--	--	--	--	--	--	1,362
Operating profit	--	--	--	--	--	--	--	25,554
Finance income and costs, net	--	--	--	--	--	--	--	(199)
Profit before tax	--	--	--	--	--	--	--	25,355

(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 ¥103 million is the adjustment of unrealized profit, etc.

3. Supplementary Information

(1) Overseas revenue

(Million yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
China	54,738	76,013
Asia	8,167	8,332
America	3,135	3,066
Europe	3,132	2,065
Overseas revenue	69,173	89,477
Consolidated revenue	74,889	94,137
Ratio of overseas revenue to consolidated revenue (%)	92.4	95.0

(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 major product lines and reportable segments is as follows.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	11,667	47,059	2,938	1,123	148	62,936
Grinding machines	480	3,094	--	24	--	3,598
Machining centers, thread and form rolling machines, and specialized machines	1,033	3,360	12	--	--	4,405
Other	2,040	1,555	116	138	96	3,948
Total	15,221	55,068	3,067	1,286	245	74,889

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

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	8,787	64,645	3,805	747	697	78,683
Grinding machines	412	3,625	83	33	--	4,155
Machining centers, thread and form rolling machines, and specialized machines	753	5,831	123	--	5	6,713
Other	2,113	2,091	159	84	137	4,584
Total	12,066	76,194	4,171	864	840	94,137

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