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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under IFRS)

November 12, 2026

TSUGAMI CORPORATION
Listings: Tokyo Stock Exchange
Stock code: 6101
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Scheduled date of submission of semi-annual securities report: November 12, 2026
Scheduled date of commencement of dividend payments: November 30, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts)

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(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, 2026	81,207	35.2	25,220	65.8	25,460	70.5	17,327	61.3
September 30, 2025	60,054	20.6	15,208	53.4	14,935	51.5	10,740	58.7

	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, 2026	12,304	72.2	19,244	55.8	268.23	264.90
September 30, 2025	7,145	48.4	12,349	133.5	153.40	151.45

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Racio of equity attributable to owners of parent to total assets
As of	Million yen	Million yen	Million yen	%
September 30, 2026	165,226	119,610	90,118	54.5[72.4]
March 31, 2026	154,055	106,477	80,102	52.0[69.1]

(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, 2026	--	36.00	--	49.00	85.00
Fiscal year ending March 31, 2027	--	61.00			
Fiscal year ending March 31, 2027 (forecast)			--	61.00	122.00

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

3. Consolidated financial results forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2027	160,000	23.9	48,000	33.0	22,500	34.4	492.66

(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, 2026	48,000,000 shares	As of March 31, 2026	48,000,000 shares
(ii)	Number of treasury shares at the end of the period:			
	As of September 30, 2026	1,751,287 shares	As of March 31, 2026	1,412,422 shares
(iii)	Average number of shares outstanding during the periods (cumulative from the beginning of the fiscal year) :			
	Six months ended September 30, 2026	45,872,479 shares	Six months ended September 30, 2025	46,578,550 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, 2026.

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1. Overview of Operating Results, Etc.

(1) Overview of results of operations

During the six months under review, while the overall market's sense of uncertainty could not be denied, the Group steadily promoted its business in each of its locations, including Chinese and Indian markets, and as a result, revenue stood at ¥81,207 million (up 35.2% year on year), operating profit was ¥25,220 million (up 65.8% year on year), and profit attributable to owners of parent was ¥12,304 million (up 72.2% year on year), with both revenue and profit reaching historic highs.

Segment results are as follows:

a. In Japan, revenue increased 33.7% year on year, to ¥17,428 million, and segment profit grew 274.8% year on year, to ¥2,371 million.
b. In China, revenue increased 40.2% year on year, to ¥71,572 million, and segment profit grew 55.1% year on year, to ¥21,477 million.
c. In India, revenue increased 33.2% year on year, to ¥3,475 million, and segment profit grew 287.9% year on year, to ¥165 million.
d. In South Korea, revenue increased 32.8% year on year, to ¥874 million, and segment profit decreased 54.1% year on year, to ¥10 million.
e. In other markets, revenue decreased 16.2% year on year, to ¥547 million, and segment profit was ¥5 million (compared to ¥39 million in the same period of the previous 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 ¥165,226 million at the end of the six months under review, an increase of ¥11,170 million from the end of the previous fiscal year.

The result was mainly due to increases of ¥6,401 million in cash and cash equivalents, ¥2,022 million in inventories, and ¥2,072 million in other financial assets.

Liabilities totaled ¥45,616 million at the end of the six months under review, a decrease of ¥1,962 million from the end of the previous fiscal year.

The result was mainly due to a decrease of ¥6,653 million in trade and other payables, despite increases of ¥2,408 million in contract liabilities, ¥427 million in other current liabilities, and ¥1,485 million in deferred tax liabilities.

Equity totaled ¥119,610 million at the end of the six months under review, an increase of ¥13,133 million from the end of the previous fiscal year.

The result was mainly due to the recording of ¥17,327 million in profit and ¥1,917 million in other comprehensive income, despite decreases of ¥1,793 million from the purchase of treasury shares and ¥4,610 million from dividends.

(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 ¥6,401 million from the end of the previous fiscal year, to ¥48,582 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥14,444 million (cash generated of ¥11,282 million in the same period of the previous fiscal year).

The result principally reflected an increase in cash attributable to profit before tax of ¥25,460 million, depreciation and amortization of ¥1,119 million, an increase in contract liabilities of ¥2,321 million, and government grants received of ¥1,411 million, which was partly offset by an increase in inventories of ¥1,858 million, a decrease in trade and other payables of ¥6,685 million, and income taxes paid of ¥7,559 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥1,749 million (cash used of ¥1,162 million in the same period of the previous fiscal year).

The cash outflow was primarily attributable to a decrease in cash for payments into time deposits of ¥515 million, purchase of property, plant and equipment of ¥1,293 million, and payments for investments in capital of ¥111 million, which was partly offset by an increase of ¥145 million in proceeds from sale of property, plant and equipment and right-of-use assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥6,436 million (cash used of ¥6,625 million in the same period of the previous fiscal year).

The results largely reflected a decrease in cash due to purchase of treasury shares of ¥1,794 million, dividends paid of ¥2,282 million, and dividends paid to non-controlling interests of ¥2,256 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, 2027 have been revised based on our financial results for the six months ended September 30, 2026. 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, 2027, based on our fiscal year financial results forecasts, we have increased our fiscal year-end dividend forecast by ¥12 per share to ¥61 per share and revised our annual dividend forecast to ¥122 per share.

(The annual dividend forecast has been increased by ¥24 from the initial forecast of ¥98 per share announced on May 13, 2026.)

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, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	42,180	48,582
Trade and other receivables	50,321	50,106
Other financial assets	62	502
Inventories	32,724	34,747
Other current assets	1,206	1,509
Total current assets	126,496	135,449
Non-current assets		
Property, plant and equipment	17,440	17,897
Right-of-use assets	2,816	2,822
Intangible assets	142	134
Retirement benefit asset	2	--
Other financial assets	6,182	7,814
Deferred tax assets	635	775
Other non-current assets	341	333
Total non-current assets	27,559	29,777
Total assets	154,055	165,226

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,073	13,419
Borrowings	9,010	9,077
Other financial liabilities	206	236
Income taxes payable, etc.	3,794	3,909
Provisions	652	713
Contract liabilities	6,407	8,816
Other current liabilities	941	1,369
Total current liabilities	41,086	37,542
Non-current liabilities		
Other financial liabilities	158	167
Retirement benefit liability	931	935
Provisions	5	5
Deferred tax liabilities	4,752	6,238
Other non-current liabilities	644	727
Total non-current liabilities	6,492	8,073
Total liabilities	47,578	45,616
Equity		
Share capital	12,345	12,345
Capital surplus	706	810
Treasury shares	(2,767)	(4,513)
Other components of equity	16,412	18,049
Retained earnings	53,405	63,426
Total equity attributable to owners of parent	80,102	90,118
Non-controlling interests	26,374	29,491
Total equity	106,477	119,610
Total liabilities and equity	154,055	165,226

(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, 2025	Six months ended September 30, 2026
Revenue	60,054	81,207
Cost of sales	(38,231)	(49,706)
Gross profit	21,823	31,501
Selling, general and administrative expenses	(7,085)	(7,760)
Other income	515	1,504
Other expenses	(44)	(24)
Operating profit	15,208	25,220
Finance income	278	381
Finance costs	(551)	(140)
Profit before tax	14,935	25,460
Income tax expense	(4,195)	(8,133)
Profit	10,740	17,327
Profit attributable to:		
Owners of parent	7,145	12,304
Non-controlling interests	3,594	5,022
Profit	10,740	17,327
Earnings per share		
Basic earnings per share (yen)	153.40	268.23
Diluted earnings per share (yen)	151.45	264.90

(Condensed Semi-annual Consolidated Statement of Comprehensive Income)

(Million yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit	10,740	17,327
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	376	1,042
Remeasurements of defined benefit plans	--	--
Total of items that will not be reclassified to profit or loss	376	1,042
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,232	875
Total of items that may be reclassified to profit or loss	1,232	875
Total other comprehensive income	1,608	1,917
Comprehensive income	12,349	19,244
Comprehensive income attributable to:		
Owners of parent	8,357	13,962
Non-controlling interests	3,991	5,282
Comprehensive income	12,349	19,244

(3) Condensed Semi-annual Consolidated Statement of Changes in Equity

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

(Million yen)

	Equity attributable to owners of parent				
				Other components of equity	
	Share capital	Capital surplus	Treasury shares	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

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(Million yen)

	Equity attributable to owners of parent				
				Other components of equity	
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2026	12,345	706	(2,767)	13,175	3,237
Profit					
Other comprehensive income				615	1,042
Total comprehensive income	--	--	--	615	1,042
Purchase of treasury shares			(1,793)		
Disposal of treasury shares		55	47		
Dividends					
Capital transactions with non-controlling Interests		48		(21)	
Total transactions with owners	--	104	(1,746)	(21)	--
Balance As of September 30, 2026	12,345	810	(4,513)	13,769	4,279

	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, 2026	--	16,412	53,405	80,102	26,374	106,477
Profit		--	12,304	12,304	5,022	17,327
Other comprehensive income		1,657		1,657	260	1,917
Total comprehensive income	--	1,657	12,304	13,962	5,282	19,244
Purchase of treasury shares		--		(1,793)		(1,793)
Disposal of treasury shares		--		103		103
Dividends		--	(2,282)	(2,282)	(2,327)	(4,610)
Capital transactions with non-controlling Interests		(21)		27	161	189
Total transactions with owners	--	(21)	(2,282)	(3,945)	(2,165)	(6,111)
Balance As of September 30, 2026	--	18,049	63,426	90,118	29,491	119,610

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

(Million yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Cash flows from operating activities		
Profit before tax	14,935	25,460
Depreciation and amortization	1,201	1,119
Finance income	(278)	(352)
Finance costs	102	88
Loss on retirement of fixed assets	26	4
Loss (gain) on sale of fixed assets	(12)	(108)
Government grant income	(315)	(1,322)
Insurance claim income	(3)	(7)
Decrease (increase) in inventories	57	(1,858)
Decrease (increase) in trade and other receivables	2,546	550
Increase (decrease) in trade and other payables	(1,865)	(6,685)
Increase (decrease) in contract liabilities	(1,852)	2,321
Increase or decrease in retirement benefit asset or liability	0	6
Increase (decrease) in provisions	41	57
Other	553	407
Subtotal	15,137	19,681
Interest and dividends received	265	354
Interest paid	(102)	(88)
Government grants received	315	1,411
Insurance received	3	7
Income taxes paid	(4,786)	(7,559)
Income taxes refund	448	638
Net cash provided by (used in) operating activities	11,282	14,444
Cash flows from investing activities		
Payments into time deposits	(51)	(515)
Proceeds from withdrawal of time deposits	72	52
Purchase of property, plant and equipment	(869)	(1,293)
Purchase of intangible assets	(20)	(25)
Purchase of right-of-use assets	(294)	--
Proceeds from sale of property, plant and equipment and right-of-use assets	21	145
Payments for retirement of property, plant and equipment	(14)	(0)
Purchase of investment securities	(1)	(1)
Payments for investments in capital	--	(111)
Other	(4)	(1)
Net cash provided by (used in) investing activities	(1,162)	(1,749)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(410)	99
Payments for acquisition of interests in subsidiaries from non-controlling interests	(2,388)	(60)
Purchase of treasury shares	(1,021)	(1,794)
Dividends paid	(1,516)	(2,282)
Payment of dividends to non-controlling interests	(1,154)	(2,256)
Repayments of lease obligations	(133)	(141)
Net cash provided by (used in) financing activities	(6,625)	(6,436)
Effect of exchange rate changes on cash and cash equivalents	372	143
Net increase (decrease) in cash and cash equivalents	3,866	6,401
Cash and cash equivalents at beginning of period	27,729	42,180
Cash and cash equivalents at end of period	31,596	48,582

(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, 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	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.

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	10,440	66,027	3,455	869	414	81,207	--	81,207
Intersegment revenue	6,988	5,544	20	4	132	12,690	(12,690)	--
Total	17,428	71,572	3,475	874	547	93,897	(12,690)	81,207
Segment profit	2,371	21,477	165	10	5	24,031	(291)	23,740
Other income and expenses, net	--	--	--	--	--	--	--	1,479
Operating profit	--	--	--	--	--	--	--	25,220
Finance income and costs, net	--	--	--	--	--	--	--	240
Profit before tax	--	--	--	--	--	--	--	25,460

(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 ¥ (291) million is the adjustment of unrealized profit., etc.

(Important subsequent events)

(Cancellation of Treasury Shares)

At a meeting of the Company's Board of Directors held on October 20, 2026, the Board of Directors resolved to carry out a cancellation of treasury shares as shown below, pursuant to Article 178 of the Companies Act, and said treasury shares have been cancelled.

(1) Class of shares cancelled: Common shares of the Company
(2) Total number of shares cancelled: 1,500,000 shares
(Ratio to the total number of issued shares before cancellation: 3.13%)
(3) Date of cancellation: October 27, 2026
(4) Total number of issued shares after cancellation: 46,500,000 shares

3. Supplementary Information

(1) Overseas revenue

(Million yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
China	47,946	65,731
Asia	5,351	7,872
America	2,151	1,854
Europe	1,444	1,874
Overseas revenue	56,893	77,332
Consolidated revenue	60,054	81,207
Ratio of overseas revenue to consolidated revenue (%)	94.7	95.2

(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, 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.

Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	7,678	56,315	3,214	813	330	68,353
Grinding machines	383	2,685	--	--	--	3,069
Machining centers, thread and form rolling machines, and specialized machines	904	5,268	132	--	--	6,305
Other	1,473	1,757	108	56	83	3,478
Total	10,440	66,027	3,455	869	414	81,207

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