Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2026 (Under IFRS)

July 30, 2026

TSUGAMI CORPORATION
Listings: Tokyo Stock Exchange
Stock code: 6101
URL: https://www.tsugami.co.jp
Representative: Nobuhiro Watabe, President and Representative Director
Contact: Tomohiro Yamaguchi, Senior Executive Officer, Accounting Tel: +81-3-3808-1711

Scheduled date of commencement of dividend payments: --
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

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

(1) Consolidated operating results (cumulative totals)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	43,006	35.3	13,466	55.2	13,657	59.8	9,110	45.4
June 30, 2025	31,787	23.5	8,678	49.9	8,547	41.0	6,265	68.0

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Million yen	%	Million yen	%	Yen	Yen
June 30, 2026	6,527	55.0	13,180	166.3	142.10	140.28
June 30, 2025	4,212	55.7	4,949	(34.1)	90.12	88.98

(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	%
June 30, 2026	164,397	117,051	87,144	53.0[71.2]
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	--				
Fiscal year ending March 31, 2027 (forecast)		49.00	--	49.00	98.00

(Note) Revisions to the forecast for dividends announced most recently: None

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
Six months ending September 30, 2026	75,000	24.9	19,500	28.2	9,000	26.0	196.01
Fiscal year ending March 31, 2027	145,000	12.3	36,500	1.1	17,000	1.5	370.28

(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 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 June 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 June 30, 2026	1,498,785 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) :			
	Three months ended June 30, 2026	45,939,068 shares	Three months ended June 30, 2025	46,745,099 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 Three Months Ended June 30, 2026.

Accompanying Documents

Contents

1. Overview of Operating Results, Etc.

(1) Overview of results of operations

During the three 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 China and India markets, and as a result, revenue stood at ¥43,006 million (up 35.3% year on year), operating profit was ¥13,466 million (up 55.2% year on year), and profit attributable to owners of parent was ¥6,527 million (up 55.0% year on year), with both revenue and profit reaching historic highs.

a. In Japan, revenue increased 32.4% year on year, to ¥8,737 million, and segment profit grew 137.5% year on year, to ¥1,316 million.
b. In China, revenue increased 41.4% year on year, to ¥38,013 million, and segment profit grew 50.1% year on year, to ¥11,553 million.
c. In India, revenue increased 38.9% year on year, to ¥1,608 million, and segment profit came to ¥77 million, compared to segment loss of ¥45 million in the same period of the previous fiscal year.
d. In South Korea, revenue increased 13.8% year on year, to ¥456 million, and segment profit decreased 65.9% year on year, to ¥7 million.
e. In other markets, revenue increased 200.5% year on year, to ¥364 million, and segment profit amounted to ¥0 million, compared to a segment loss of ¥14 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 ¥164,397 million at the end of the three months under review, an increase of ¥10,341 million from the end of the previous fiscal year.

The result was mainly due to increases of ¥2,515 million in cash and cash equivalents, ¥5,813 million in trade and other receivables, and ¥1,828 million in other financial assets.

Liabilities totaled ¥47,345 million at the end of the three months under review, a decrease of ¥233 million from the end of the previous fiscal year.

The result was mainly due to a decrease of ¥5,457 million in trade and other payables, despite increases of ¥776 million in income taxes payable, etc. ¥2,220 million in contract liabilities, ¥564 million in other current liabilities, and ¥1,612 million in deferred tax liabilities.

Equity totaled ¥117,051 million at the end of the three months under review, an increase of ¥10,574 million from the end of the previous fiscal year.

The result was mainly due to the recording of ¥9,110 million in profit and ¥4,069 million in other comprehensive income, despite a decrease of ¥2,412 million from dividends.

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

Cash and cash equivalents at the end of the three months under review increased ¥2,515 million from the end of the previous fiscal year, to ¥44,695 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥4,808 million (cash generated of ¥5,674 million in the same period of the previous fiscal year).

The result principally reflected an increase in cash attributable to profit before tax of ¥13,657 million, depreciation and amortization of ¥614 million, an increase in contract liabilities of ¥1,992 million, and government grant received of ¥706 million, which was partly offset by an increase in trade and other receivables of ¥3,798 million, a decrease in trade and other payables of ¥5,679 million, and income taxes paid of ¥2,914 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥501 million (cash used of ¥704 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 ¥177 million, purchase of property, plant and equipment of ¥229 million, and payments for investments in capital of ¥111 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥2,934 million (cash used of ¥3,072 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 ¥299 million, dividends paid of ¥2,282 million, and dividends paid to non-controlling interests of ¥129 million.

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

While current business performance remains strong, there is evident uncertainty in the overall market. As a result, the consolidated financial results forecasts for the six months ending September 30, 2026 and the fiscal year ending March 31, 2027, and the dividend forecast remain unchanged from the initial forecasts (announced on May 13, 2026). 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, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalents	42,180	44,695
Trade and other receivables	50,321	56,135
Other financial assets	62	207
Inventories	32,724	32,977
Other current assets	1,206	826
Total current assets	126,496	134,843
Non-current assets		
Property, plant and equipment	17,440	17,591
Right-of-use assets	2,816	2,827
Intangible assets	142	148
Retirement benefit asset	2	--
Other financial assets	6,182	7,865
Deferred tax assets	635	783
Other non-current assets	341	337
Total non-current assets	27,559	29,553
Total assets	154,055	164,397

(Million yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	20,073	14,615
Borrowings	9,010	8,933
Other financial liabilities	206	188
Income taxes payable, etc.	3,794	4,570
Provisions	652	728
Contract liabilities	6,407	8,628
Other current liabilities	941	1,505
Total current liabilities	41,086	39,170
Non-current liabilities		
Other financial liabilities	158	127
Retirement benefit liability	931	930
Provisions	5	5
Deferred tax liabilities	4,752	6,365
Other non-current liabilities	644	746
Total non-current liabilities	6,492	8,175
Total liabilities	47,578	47,345
Equity		
Share capital	12,345	12,345
Capital surplus	706	700
Treasury shares	(2,767)	(3,066)
Other components of equity	16,412	19,515
Retained earnings	53,405	57,650
Total equity attributable to owners of parent	80,102	87,144
Non-controlling interests	26,374	29,907
Total equity	106,477	117,051
Total liabilities and equity	154,055	164,397

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

(Million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	31,787	43,006
Cost of sales	(20,046)	(26,367)
Gross profit	11,741	16,638
Selling, general and administrative expenses	(3,442)	(3,821)
Other income	410	662
Other expenses	(30)	(14)
Operating profit	8,678	13,466
Finance income	173	254
Finance costs	(303)	(62)
Profit before tax	8,547	13,657
Income tax expense	(2,281)	(4,547)
Profit	6,265	9,110
Profit attributable to:		
Owners of parent	4,212	6,527
Non-controlling interests	2,053	2,583
Profit	6,265	9,110
Earnings per share		
Basic earnings per share (yen)	90.12	142.10
Diluted earnings per share (yen)	88.98	140.28

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	6,265	9,110
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	0	1,074
Remeasurements of defined benefit plans	--	--
Total of items that will not be reclassified to profit or loss	0	1,074
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,317)	2,994
Total of items that may be reclassified to profit or loss	(1,317)	2,994
Total other comprehensive income	(1,316)	4,069
Comprehensive income	4,949	13,180
Comprehensive income attributable to:		
Owners of parent	3,334	9,651
Non-controlling interests	1,615	3,528
Comprehensive income	4,949	13,180

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2025 (from April 1, 2025 to June 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				(879)	0
Total comprehensive income	--	--	--	(879)	0
Purchase of treasury shares			(380)		
Disposal of treasury shares					
Dividends					
Capital transactions with non-controlling interests		(230)		38	
Total transactions with owners	--	(230)	(380)	38	--
Balance As of June 30, 2025	12,345	2,648	(1,242)	5,531	2,340

	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, 2025	--	8,712	39,822	62,897	21,217	84,114
Profit		--	4,212	4,212	2,053	6,265
Other comprehensive income		(878)		(878)	(438)	(1,316)
Total comprehensive income	--	(878)	4,212	3,334	1,615	4,949
Purchase of treasury shares		--		(380)		(380)
Disposal of treasury shares		--	4	4		4
Dividends		--	(1,516)	(1,516)		(1,516)
Capital transactions with non-controlling interests		38		(191)	(631)	(823)
Total transactions with owners	--	38	(1,512)	(2,084)	(631)	(2,716)
Balance As of June 30, 2025	--	7,872	42,523	64,146	22,200	86,347

Three months ended June 30, 2026 (from April 1, 2026 to June 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				2,049	1,074
Total comprehensive income	--	--	--	2,049	1,074
Purchase of treasury shares			(298)		
Disposal of treasury shares		5	(0)		
Dividends					
Capital transactions with non-controlling interests		(11)		(21)	
Total transactions with owners	--	(6)	(299)	(21)	--
Balance As of June 30, 2026	12,345	700	(3,066)	15,203	4,312

	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		--	6,527	6,527	2,583	9,110
Other comprehensive income		3,124		3,124	945	4,069
Total comprehensive income	--	3,124	6,527	9,651	3,528	13,180
Purchase of treasury shares		--		(298)		(298)
Disposal of treasury shares		--		4		4
Dividends		--	(2,282)	(2,282)	(129)	(2,412)
Capital transactions with non-controlling interests		(21)		(32)	133	100
Total transactions with owners	--	(21)	(2,282)	(2,610)	4	(2,606)
Balance As of June 30, 2026	--	19,515	57,650	87,144	29,907	117,051

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before tax	8,547	13,657
Depreciation and amortization	528	614
Finance income	(173)	(206)
Finance costs	52	40
Loss on retirement of fixed assets	20	0
Loss (gain) on sale of fixed assets	(7)	4
Government grant income	(308)	(617)
Insurance claim income	(3)	(7)
Decrease (increase) in inventories	157	420
Decrease (increase) in trade and other receivables	43	(3,798)
Increase (decrease) in trade and other payables	347	(5,679)
Increase (decrease) in contract liabilities	(1,962)	1,992
Increase or decrease in retirement benefit asset or liability	(2)	(0)
Increase (decrease) in provisions	27	59
Other	302	374
Subtotal	7,567	6,854
Interest and dividends received	162	193
Interest paid	(52)	(40)
Government grant received	308	706
Insurance received	3	7
Income taxes paid	(2,315)	(2,914)
Income taxes refund	0	1
Net cash provided by (used in) operating activities	5,674	4,808
Cash flows from investing activities		
Payments into time deposits	--	(177)
Proceeds from withdrawal of time deposits	20	32
Purchase of property, plant and equipment	(416)	(229)
Proceeds from sale of property, plant and equipment	10	2
Payments for retirement of property, plant and equipment	(14)	--
Purchase of intangible assets	(6)	(14)
Purchase of right-of-use assets	(294)	--
Payments for investments in capital	--	(111)
Other	(2)	(3)
Net cash provided by (used in) investing activities	(704)	(501)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(187)	(88)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(922)	(60)
Purchase of treasury shares	(381)	(299)
Dividends paid	(1,516)	(2,282)
Payment of dividends to non-controlling interests	--	(129)
Repayments of lease obligations	(64)	(73)
Net cash provided by (used in) financing activities	(3,072)	(2,934)
Effect of exchange rate changes on cash and cash equivalents	(503)	1,143
Net increase (decrease) in cash and cash equivalents	1,393	2,515
Cash and cash equivalents at the beginning of period	27,729	42,180
Cash and cash equivalents at the end of period	29,122	44,695

(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.

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	4,471	25,665	1,157	400	92	31,787	--	31,787
Intersegment revenue	2,126	1,216	--	1	29	3,373	(3,373)	--
Total	6,597	26,882	1,157	401	121	35,160	(3,373)	31,787
Segment profit (loss)	554	7,697	(45)	21	(14)	8,213	85	8,298
Other income and expenses, net	--	--	--	--	--	--	--	379
Operating profit	--	--	--	--	--	--	--	8,678
Finance income and costs, net	--	--	--	--	--	--	--	(130)
Profit before tax	--	--	--	--	--	--	--	8,547

(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 ¥85 million is the adjustment of unrealized profit., etc.

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Million yen)

	Reportable segment						Adjustment	Consolidated
	Japan	China	India	South Korea	Other	Total		
Revenue								
Revenue from external customers	5,139	35,517	1,595	452	302	43,006	--	43,006
Intersegment revenue	3,598	2,496	12	4	62	6,174	(6,174)	--
Total	8,737	38,013	1,608	456	364	49,181	(6,174)	43,006
Segment profit	1,316	11,553	77	7	0	12,955	(138)	12,817
Other income and expenses, net	--	--	--	--	--	--	--	648
Operating profit	--	--	--	--	--	--	--	13,466
Finance income and costs, net	--	--	--	--	--	--	--	191
Profit before tax	--	--	--	--	--	--	--	13,657

(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 ¥ (138) million is the adjustment of unrealized profit., etc.

3. Supplementary Information

(1) Overseas revenue

(Million yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
China	25,644	35,276
Asia	2,415	4,257
America	1,245	742
Europe	1,004	1,232
Overseas revenue	30,310	41,510
Consolidated revenue	31,787	43,006
Ratio of overseas revenue to consolidated revenue (%)	95.4	96.5

(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.

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	3,535	21,763	1,077	342	54	26,773
Grinding machines	53	1,290	--	33	--	1,377
Machining centers, thread and form rolling machines, and specialized machines	211	1,883	32	--	--	2,127
Other	671	728	47	24	37	1,509
Total	4,471	25,665	1,157	400	92	31,787

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

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Million yen)

	Reportable segment					
	Japan	China	India	South Korea	Other	Total
Main product lines						
Automatic lathes	3,650	30,567	1,507	422	258	36,407
Grinding machines	242	1,604	--	--	--	1,846
Machining centers, thread and form rolling machines, and specialized machines	531	2,625	40	--	--	3,198
Other	714	719	46	30	43	1,553
Total	5,139	35,517	1,595	452	302	43,006

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