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Precision Tsugami (China) Corporation Limited

津上精密機床(中國)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1651)

INSIDE INFORMATION
FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER, TSUGAMI CORPORATION FOR THE HALF YEAR ENDED 30 SEPTEMBER 2025

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 13 November 2025 (at 12:00 p.m. Hong Kong time), the Company's controlling shareholder, Tsugami Japan will announce and file its financial results for the half year ended 30 September 2025.

This announcement is issued by Precision Tsugami (China) Corporation Limited (the "**Company**") pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company's controlling shareholder, Tsugami Corporation ("**Tsugami Japan**"), is a company listed on the Tokyo Stock Exchange. As at the date of this announcement, Tsugami Japan beneficially owns approximately 65.89% of the issued shares in the capital of the Company.

Tsugami Japan publishes quarterly and annual financial results announcements (hereinafter collectively referred to as "**Tsugami Japan's Disclosures**") with financial information on, among other things, sales of its China segment, comprising those contributed by operations of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**"). Tsugami Japan's Disclosures include periodic financial results and explanatory statements on final accounts released by Tsugami Japan pursuant to the requirements under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended). Tsugami Japan's financial reports are available in the public domain.

Tsugami Japan will announce and file its financial results for the half year ended 30 September 2025 ("**Tsugami Japan's Interim Financial Results**") on 13 November 2025 (at 12:00 p.m. Hong Kong time). Tsugami Japan will hold 1H of FY2026 Financial Results Briefing for Analysts/Institutional Investors and post the material for the results briefing ("**Tsugami Japan's Results Briefing**") on its website on the same day. In addition, Tsugami Japan will file the interim securities report for the half year ended 30 September 2025 ("**Tsugami Japan's Interim Securities Report**") on 13 November 2025, and publish the business report for the half year ended 30 September 2025 ("**Tsugami Japan's Business Report**") on 28 November 2025. If you wish to review Tsugami Japan's Interim Financial Results, Tsugami Japan's Results Briefing, Tsugami Japan's Interim Securities Report and Tsugami Japan's Business Report prepared by Tsugami Japan, please visit the following websites:

Tsugami Japan's Interim Financial Results (in Japanese):

https://www.tsugami.co.jp/ir/earnings/

Tsugami Japan's Results Briefing (in Japanese):

https://www.tsugami.co.jp/ir/presentation/

Tsugami Japan's Interim Securities Report (in Japanese):

https://www.tsugami.co.jp/ir/security-report/

Tsugami Japan's Business Report (in Japanese):

https://www.tsugami.co.jp/ir/business-report/

Except for Tsugami Japan's Interim Securities Report, you can find the English translation of the document above at:

https://www.tsugami.co.jp/eng/ir/

The financial results of Tsugami Japan and its subsidiaries, including those contained in Tsugami Japan's Interim Financial Results, Tsugami Japan's Results Briefing, Tsugami Japan's Interim Securities Report and Tsugami Japan's Business Report, have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**"). Although Tsugami Japan adopts the same accounting standard as the Group adopted for the preparation and presentation of its consolidated financial results and related financial information, the difference in entities comprising Tsugami Japan's consolidation and the Group's consolidation makes the financial results and related information set forth in Tsugami Japan's Interim Financial Results, Tsugami Japan's Results Briefing, Tsugami Japan's Interim Securities Report and Tsugami Japan's Business Report not directly comparable to the financial results and related financial information that the Company discloses. For example, any inter-company transactions between Tsugami Japan and the Group would be eliminated for Tsugami Japan's Interim Financial Results but remain recorded for the Group's financial results.

Translated from Tsugami Japan's Interim Financial Results

– Released by Tsugami Japan and prepared under IFRS

1. Qualitative Information Relating to Consolidated Quarterly Results, Etc.

(1) Information Relating to Consolidated Operating Results

② In China, revenue was ¥51,044 million, up 20.8% year on year. Segment profit was ¥13,844 million, up 43.6% year on year.

2. Quarterly Consolidated Financial Statements and Significant Notes

(5) Notes relating to Condensed Quarterly Consolidated Financial Statements

(Segment information)

(2) Segment revenues and operating results

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

Previous consolidated first half year (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment China
Revenue	
External	36,253
Inter-segment	5,988
Total	42,241
Segment profit (loss)	9,642

(Note)

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

Consolidated first half year under review (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment China
Revenue	
External	48,076
Inter-segment	2,968
Total	51,044
Segment profit (loss)	13,844

(Note)

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

3. Supplementary Information

(1) Overseas revenue

(Million yen)

	Previous consolidated first half year (April 1, 2024 to September 30, 2024)	Consolidated first half year under review (April 1, 2025 to September 30, 2025)
China	36,001	47,946

(Note) Revenues are classified by country or region based on the customer's location.

(2) Revenue by machinery category

The relationship between the breakdown of revenue by major product line and the reportable segments is as follows.

Previous consolidated first half year (from April 1, 2024 to September 30, 2024)

(Million yen)

	Reportable segment China
Major product lines	
Automatic lathes	31,575
Grinding machines	1,760
Machining centers, Rolling machines and Specialized machines	1,906
Other	1,010
Total	36,253

(Note) Other in the major product lines includes parts and services.

Consolidated first half year under review (from April 1, 2025 to September 30, 2025)

(Million yen)

	Reportable segment China
Major product lines	
Automatic lathes	40,086
Grinding machines	2,527
Machining centers, Rolling machines and Specialized machines	4,134
Other	1,327
Total	48,076

(Note) Other in the major product lines includes parts and services.

(3) Change of director (November 13, 2025)

The Company made the following resolutions in respect of the change of representative director at a Board meeting held on November 13, 2025:

① Change of representative director

Retiring representative director (1 director)
Shoichiro Haga (はがしょういちろう)
(New role: a director)

※ He will assume the position of Executive Director (CFO) of Precision Tsugami (China) Corporation Limited

② Other explanations

The Company originally had 3 representative directors, and the number has been reduced to 2 after such adjustment.

For details, please refer to the Notice on Change (Retirement) of Representative Director separately issued today (i.e. on November 13, 2025).

Translated from Tsugami Japan's Interim Securities Report

– Released by Tsugami Japan and prepared under IFRS

Condensed Quarterly Consolidated Financial Statements

9. Other income and expenses

(1) Other income

The breakdown of other income is as follows.

(Million yen)

	Previous consolidated first half year (April 1, 2024 to September 30, 2024)	**Consolidated first half year under review (April 1, 2025 to September 30, 2025)**
Subsidy income	598	315

(Note) Subsidy income mainly comes from government grants of Chinese Subsidiaries.

12. Significant subsidiaries

Changes in parent company's ownership interests in subsidiaries not resulting in a loss of control

Previous consolidated first half year (from April 1, 2024 to September 30, 2024)

The Company has disposed of part of the shares it held in its consolidated subsidiary, Precision Tsugami (China) Corporation Limited. In addition, Precision Tsugami (China) Corporation Limited, which is a consolidated subsidiary of the Company, has acquired its own shares through the repurchases. As a result of these transactions, during this interim accounting period, the Group's non-controlling interest in Precision Tsugami (China) Corporation Limited increased by ¥3,837 million and capital surplus increased by ¥319 million.

Consolidated first half year under review (from April 1, 2025 to September 30, 2025)

Precision Tsugami (China) Corporation Limited, which is a consolidated subsidiary of the Company, has acquired its own shares through the repurchases and subsequently cancelled the repurchased shares. As a result of these transactions, during this interim accounting period, the Group's non-controlling interest in Precision Tsugami (China) Corporation Limited decreased by ¥1,458 million and capital surplus decreased by ¥1,010 million.

Tsugami Japan's Disclosures contain forward-looking information. Tsugami Japan has full and independent discretion as to the determination of such forward-looking information by considering factors which Tsugami Japan considers appropriate and relevant for its reporting and disclosure purposes. Forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, the Company's results may differ from those expressed in any forward-looking statements made by Tsugami Japan, including the Tsugami Japan's Disclosures. In light of the risks and uncertainties, the forward-looking information in the Tsugami Japan's Disclosures should not be regarded as representations by the board of directors of the Company or the Company, or that the plans and objectives will be achieved by the Company. The Company's shareholders and potential investors are advised not to place undue reliance on the contents of Tsugami Japan's Disclosures and to exercise caution in dealing in the securities of the Company.

By Order of the Board
Precision Tsugami (China) Corporation Limited
Dr. Wang Xiaokun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 13 November 2025

As at the date of this announcement, the executive directors of the Company are Dr. Wang Xiaokun, Dr. Tang Donghao, Mr. Shoichiro Haga and Mr. Li Junying; the non-executive directors of the Company are Mr. Nobuhiro Watabe and Ms. Mami Matsushita; and the independent non-executive directors of the Company are Mr. Kunimasa Ota, Dr. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.