

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

## Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: PEGASUS SEWING MACHINE MFG. CO., LTD.

Stock exchange listing: Tokyo

Code number: 6262

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

Representative: Shigemi Mima

Representative Director

Contact: Takashi Kaneko

Senior Executive Officer

Phone: 06(6451)1351

Scheduled date of Annual General Meeting of Shareholders: June 22, 2022

Scheduled date of commencing dividend payments: June 23, 2022

Scheduled date of filing annual securities report: June 23, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	20,498	65.0	1,847	257.4	1,941	184.7	1,572	122.3
March 31, 2021	12,422	(17.0)	516	3.5	681	40.8	707	-

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 3,718 million [ 639.8%]  
Fiscal year ended March 31, 2021: ¥ 502 million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2022	63.37	-	6.8	6.0	9.0
March 31, 2021	28.50	-	3.3	2.3	4.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million  
Fiscal year ended March 31, 2021: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	35,133	25,366	70.0	991.49
March 31, 2021	29,846	22,061	71.6	861.77

(Reference) Equity: As of March 31, 2022: ¥ 24,599 million  
As of March 31, 2021: ¥ 21,381 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2022	1,880	(432)	(673)	9,733
March 31, 2021	2,257	643	(145)	8,313

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2021	-	0.00	-	7.00	7.00	173	24.6	0.8
March 31, 2022	-	7.00	-	13.00	20.00	496	31.6	2.2
Fiscal year ending March 31, 2023 (Forecast)	-	15.00	-	-	-		-	

(Note) The year-end dividend forecast for the fiscal year ending March 2023 is undecided because it is difficult to forecast at this time.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ended September 30, 2022	11,580	21.0	1,110	55.1	930	32.5	730	55.0	29.42
Full year	21,500	4.9	1,900	2.9	1,800	(7.3)	1,300	(17.3)	52.40

## \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- New - (Company name: )
- Exclusion: - (Company name: )
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- March 31, 2022: 24,828,600 shares
- March 31, 2021: 24,828,600 shares
- 2) Total number of treasury shares at the end of the period:
- March 31, 2022: 17,976 shares
- March 31, 2021: 17,976 shares
- 3) Average number of shares during the period:
- Fiscal Year ended March 31, 2022: 24,810,624 shares
- Fiscal Year ended March 31, 2021: 24,810,654 shares

## (Reference) Summary of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

## (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2022	9,431	89.2	532	-	1,031	-	988	-
March 31, 2021	4,984	(21.6)	(778)	-	(349)	-	(180)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2022	39.83	-
March 31, 2021	(7.27)	-

## (2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2022	21,484	14,314	66.6	576.95
March 31, 2021	19,910	13,673	68.7	551.12

(Reference) Equity: As of March 31, 2022: ¥ 14,314 million  
As of March 31, 2021: ¥ 13,673 million

(Note) 1 Quarterly summary of financial statements is not subject to the quarterly reviews by a certified public accountant or an audit corporation.

## 2 Forward-looking statements

Statements contained in this summary regarding the Company's plans, strategies, and expectations for future performance, which are based on information available to the Company at the time of writing.

They are therefore subject to a number of uncertainties and unknowable factors, and actual results may thus differ substantially from those projected.

## Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of March 31,2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,659,115	9,773,167
Notes and accounts receivable - trade	3,619,713	5,676,044
Merchandise and finished goods	4,442,859	4,675,908
Work in process	738,116	1,063,678
Raw materials and supplies	3,453,410	3,787,567
Accounts receivable - other	93,215	92,441
Other	264,453	439,031
Allowance for doubtful accounts	(13,082)	(35,551)
<b>Total current assets</b>	<b>21,257,801</b>	<b>25,472,287</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	7,561,977	8,413,916
Accumulated depreciation	(2,886,583)	(3,371,336)
Buildings and structures, net	4,675,393	5,042,579
Machinery, equipment and vehicles	6,792,053	7,719,089
Accumulated depreciation	(4,786,275)	(5,280,883)
Machinery, equipment and vehicles, net	2,005,778	2,438,206
Tools, furniture and fixtures	867,536	937,278
Accumulated depreciation	(725,028)	(777,195)
Tools, furniture and fixtures, net	142,508	160,082
Land	111,536	118,720
Leased assets	173,158	177,008
Accumulated depreciation	(59,538)	(80,892)
Leased assets, net	113,620	96,116
Right of use asset	479,998	753,744
Accumulated depreciation for right of use asset	(128,333)	(217,275)
Right of use asset-net	351,664	536,469
Construction in progress	218,376	120,514
<b>Total property, plant and equipment</b>	<b>7,618,878</b>	<b>8,512,689</b>
Intangible assets	505,654	535,822
<b>Investments and other assets</b>		
Investment securities	144,280	144,630
Retirement benefit asset	149,517	163,732
Deferred tax assets	64,037	188,265
Other	105,917	116,074
<b>Total investments and other assets</b>	<b>463,753</b>	<b>612,702</b>
<b>Total non-current assets</b>	<b>8,588,285</b>	<b>9,661,215</b>
<b>Total assets</b>	<b>29,846,087</b>	<b>35,133,503</b>

(Thousand yen)

	As of March 31,2021	As of March 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,115,489	2,396,454
Short-term borrowings	2,103,670	2,620,705
Current portion of long-term borrowings	412,036	375,236
Lease liabilities	91,027	131,117
Income taxes payable	52,829	206,741
Provision for bonuses	127,129	163,041
Other	614,307	807,213
Total current liabilities	4,516,490	6,700,511
Non-current liabilities		
Long-term borrowings	1,888,745	1,556,909
Lease liabilities	393,265	534,427
Long-term guarantee deposits	117,000	117,000
Retirement benefit liability	528,847	509,426
Deferred tax liabilities	251,749	230,163
Other	88,046	118,101
Total non-current liabilities	3,267,654	3,066,028
Total liabilities	7,784,144	9,766,540
Net assets		
Shareholders' equity		
Share capital	2,255,553	2,255,553
Capital surplus	2,983,084	2,988,857
Retained earnings	15,703,763	16,928,634
Treasury shares	(5,365)	(5,365)
Total shareholders' equity	20,937,036	22,167,680
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,512	12,455
Foreign currency translation adjustment	367,086	2,353,722
Remeasurements of defined benefit plans	64,390	65,715
Total accumulated other comprehensive income	443,989	2,431,893
Non-controlling interests	680,917	767,388
Total net assets	22,061,942	25,366,962
Total liabilities and net assets	29,846,087	35,133,503

Consolidated Statements of Income and Comprehensive Income  
 Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	12,422,454	20,498,367
Cost of sales	7,949,162	13,860,381
Gross profit	4,473,291	6,637,986
Selling, general and administrative expenses	3,956,345	4,790,656
Operating profit	516,945	1,847,329
Non-operating income		
Interest income	9,670	11,329
Dividend income	2,678	2,452
Foreign exchange gains	-	50,334
Subsidy income	249,939	68,499
Other	15,848	42,490
Total non-operating income	278,137	175,106
Non-operating expenses		
Interest expenses	70,815	75,051
Foreign exchange losses	28,373	-
Other	13,932	6,059
Total non-operating expenses	113,120	81,111
Ordinary profit	681,962	1,941,324
Extraordinary income		
Gain on sale of non-current assets	437,311	10,112
Gain on redemption of investment securities	22,090	-
Total extraordinary income	459,401	10,112
Extraordinary losses		
Loss on sale of non-current assets	303,327	92
Impairment losses	-	20,765
Total extraordinary losses	303,327	20,857
Profit before income taxes	838,036	1,930,579
Income taxes - current	116,712	450,159
Income taxes - deferred	(15,265)	(134,870)
Total income taxes	101,447	315,289
Profit	736,588	1,615,289
Profit attributable to non-controlling interests	29,416	43,069
Profit attributable to owners of parent	707,171	1,572,220

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	736,588	1,615,289
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,354)	(57)
Foreign currency translation adjustment	(376,225)	2,075,539
Remeasurements of defined benefit plans, net of tax	151,663	1,325
Total other comprehensive income	(233,916)	2,076,807
Comprehensive income	502,672	3,692,096
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	484,462	3,560,124
Comprehensive income attributable to non-controlling interests	18,209	131,971

## Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,255,553	2,983,084	15,170,265	(5,350)	20,403,553
Changes during period					
Purchase of shares of consolidated subsidiaries					
Dividends of surplus			(173,674)		(173,674)
Profit attributable to owners of parent			707,171		707,171
Purchase of treasury shares				(14)	(14)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	533,497	(14)	533,483
Balance at end of period	2,255,553	2,983,084	15,703,763	(5,365)	20,937,036

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	21,867	732,104	(87,273)	666,698	667,390	21,737,641
Changes during period						
Purchase of shares of consolidated subsidiaries						
Dividends of surplus						(173,674)
Profit attributable to owners of parent						707,171
Purchase of treasury shares						(14)
Net changes in items other than shareholders' equity	(9,354)	(365,018)	151,663	(222,709)	13,526	(209,182)
Total changes during period	(9,354)	(365,018)	151,663	(222,709)	13,526	324,300
Balance at end of period	12,512	367,086	64,390	443,989	680,917	22,061,942



For the fiscal year ended March 31,2022

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,255,553	2,983,084	15,703,763	(5,365)	20,937,036
Changes during period					
Purchase of shares of consolidated subsidiaries		5,772			5,772
Dividends of surplus			(347,348)		(347,348)
Profit attributable to owners of parent			1,572,220		1,572,220
Purchase of treasury shares				-	-
Net changes in items other than shareholders' equity					
Total changes during period	-	5,772	1,224,871	-	1,230,644
Balance at end of period	2,255,553	2,988,857	16,928,634	(5,365)	22,167,680

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	12,512	367,086	64,390	443,989	680,917	22,061,942
Changes during period						
Purchase of shares of consolidated subsidiaries						5,772
Dividends of surplus						(347,348)
Profit attributable to owners of parent						1,572,220
Purchase of treasury shares						-
Net changes in items other than shareholders' equity	(57)	1,986,636	1,325	1,987,904	86,470	2,074,375
Total changes during period	(57)	1,986,636	1,325	1,987,904	86,470	3,305,020
Balance at end of period	12,455	2,353,722	65,715	2,431,893	767,388	25,366,962

## Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	838,036	1,930,579
Depreciation	760,840	832,542
Impairment losses	-	20,765
Increase (decrease) in allowance for doubtful accounts	(21,347)	20,798
Increase (decrease) in retirement benefit liability	159,607	(23,306)
Decrease (increase) in retirement benefit asset	(149,517)	(14,214)
Interest and dividend income	(12,349)	(13,781)
Subsidy income	(249,939)	(68,499)
Interest expenses	70,815	75,051
Foreign exchange losses (gains)	76,342	155,104
Loss (gain) on sale of non-current assets	(133,984)	(10,019)
Loss (gain) on valuation of investment securities	(22,090)	-
Decrease (increase) in trade receivables	131,260	(1,582,917)
Decrease (increase) in inventories	710,633	(124,144)
Increase (decrease) in trade payables	25,124	1,010,983
Increase (decrease) in accounts payable - other	(141,680)	10,811
Other, net	86,641	(50,803)
Subtotal	2,128,393	2,168,948
Interest and dividends received	11,754	14,123
Interest paid	(65,012)	(74,248)
Subsidies received	230,865	65,008
Proceeds from insurance income	47,747	-
Income taxes paid	(96,600)	(293,126)
Net cash provided by (used in) operating activities	2,257,149	1,880,706
<b>Cash flows from investing activities</b>		
Payments into time deposits	(540,791)	(149,866)
Proceeds from withdrawal of time deposits	536,923	478,008
Purchase of property, plant and equipment	(456,415)	(755,837)
Proceeds from sale of property, plant and equipment	1,061,209	10,577
Purchase of intangible assets	(10,714)	(6,607)
Proceeds from redemption of investment securities	42,965	-
Other, net	10,216	(8,378)
Net cash provided by (used in) investing activities	643,393	(432,104)

(Thousand yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(50,000)	300,000
Proceeds from long-term borrowings	847,000	39,777
Repayments of long-term borrowings	(660,336)	(452,036)
Dividends paid	(173,674)	(347,348)
Dividends paid to non-controlling interests	(4,683)	(37,107)
Repayments of lease liabilities	(96,374)	(103,304)
Other, net	(7,921)	(73,531)
Net cash provided by (used in) financing activities	(145,990)	(673,551)
Effect of exchange rate change on cash and cash equivalents	(88,996)	644,194
Net increase (decrease) in cash and cash equivalents	2,665,555	1,419,245
Cash and cash equivalents at beginning of period	5,648,359	8,313,915
Cash and cash equivalents at end of period	8,313,915	9,733,160