

Fiscal Year Ending March 31, 2022

Financial Results Briefing Materials for 3Q

Announced on January 27, 2022



PEGASUS SEWING MACHINE MFG. CO., LTD.

【Code : 6262, Tokyo stock exchange in Japan】

- Overview for 3Q of FY2022 3
- Reference 14
- Corporate Profile 17

Overview for 3Q of FY2022

- ✓ COVID-19
- ✓ Rise in marine transportation costs and delay in transportation due to shortage of containers
- ✓ President Biden's policy toward China (human rights issues, etc.)

Industrial sewing machine

- ✓ Increase in capital investment due to recovery in global demand for apparel
- ✓ Increase in orders from countries around consumption areas

Die casting auto parts

- ✓ Restrictions on commuting to work to contain the COVID-19 infections in Vietnam
- ✓ Rise in raw material prices
- ✓ Decrease in automobile production due to delay in procurement of parts (semiconductors, harnesses, etc.)

Overview of Consolidated Financial Results



(Million yen: Amounts of less than one million yen are rounded down)
 (※Results excluding the effects of foreign exchange are indicated in parentheses)

	Previous 3Q	Current 3Q	Change	Percentage change
Net sales	8,299	14,722	+6,422 (+5,896)	+77.4% (+71.0%)
Industrial sewing machines	6,475	11,831	+5,356 (+4,999)	+82.7% (+77.2%)
Die casting auto parts	1,824	2,890	+1,065 (+897)	+58.4% (+49.2%)
Operating profit	180	1,272	+1,092	+604.9%
Ordinary profit	323	1,312	+988	+306.0%
Profit before income taxes	42	1,305	+1,262	+2,946.2%
Profit (loss) attributable to owners of parent	▲ 106	1,037	+1,144	—

Overview of Net Sales by Business

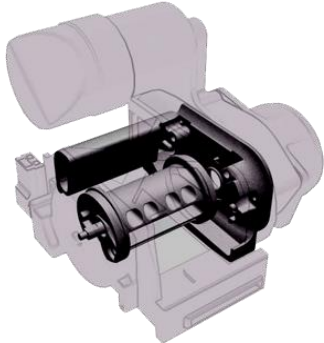
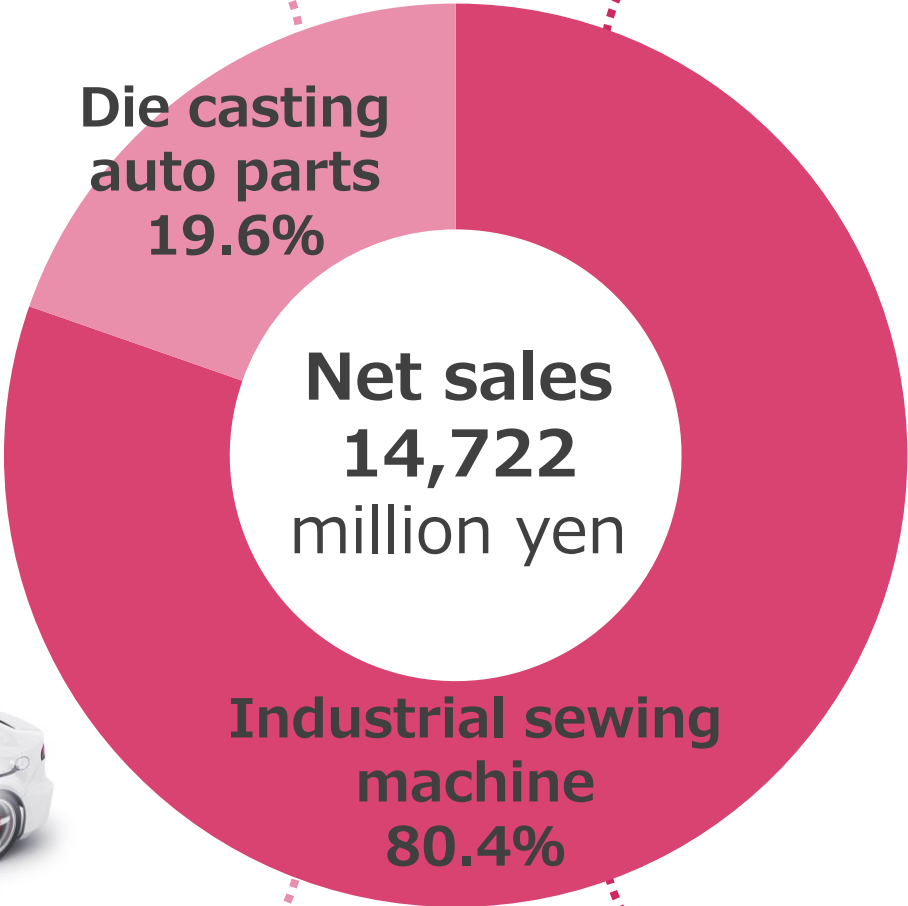
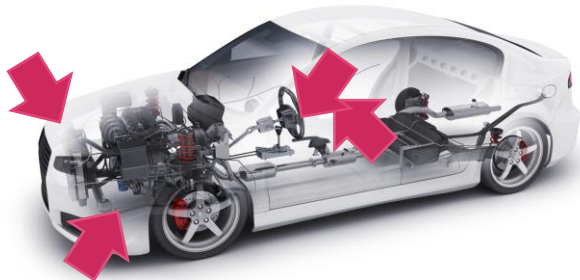


Image of die casting products

Examples use of die casting products



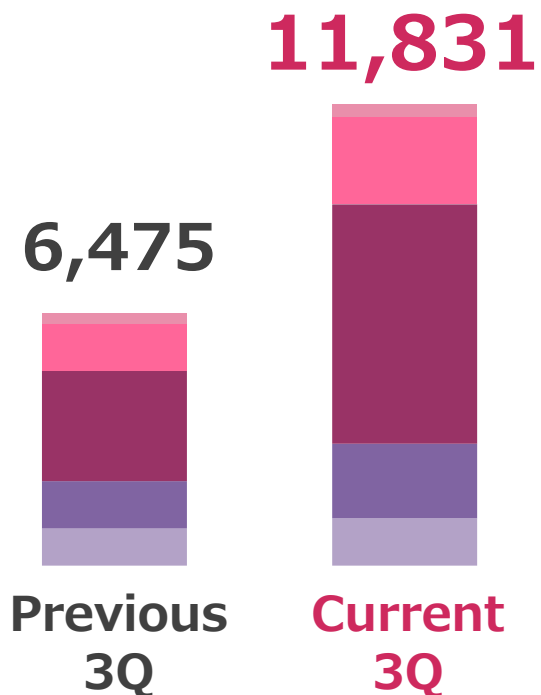
Overlocker stitch machines



Interlock stitch machines

Industrial sewing machine

Strong sales in Asia, driven by market recovery in Bangladesh and India.



Qty. of units sold	: +68.0%
Average unit price	: +10.3%
Excluding the effects of foreign exchange	: +6.6%

Japan

314 million yen
YoY change : +16.9%

China

2,256 million yen
YoY change : +86.3%

Asia

6,140 million yen
YoY change : +116.9%

Americas

1,910 million yen
YoY change : +57.2%

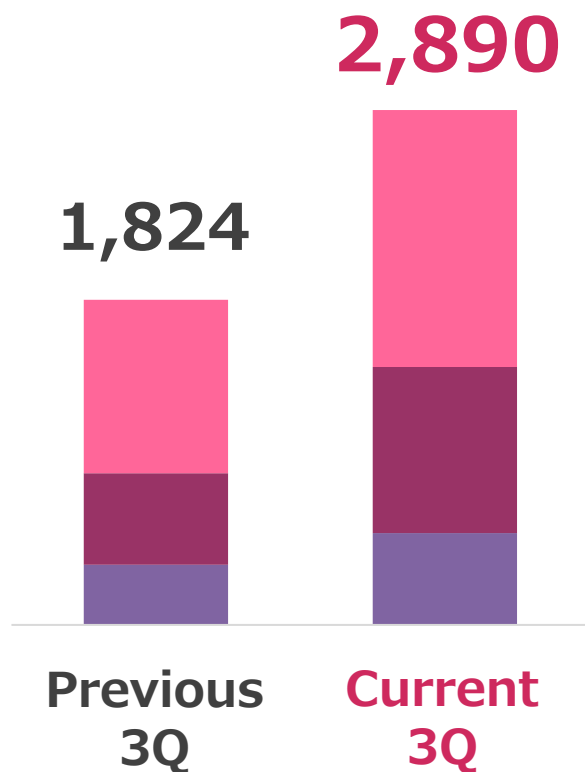
Europe

1,209 million yen
YoY change : +27.5%

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

Die casting auto parts

Record-high sales owing to a good return on investment in newly launched parts, despite adverse impacts of decrease in automobile production due to semiconductor shortage, etc.



China

1,442 million yen
YoY change : +48.3%

Asia

932 million yen
YoY change : +81.3%

Americas

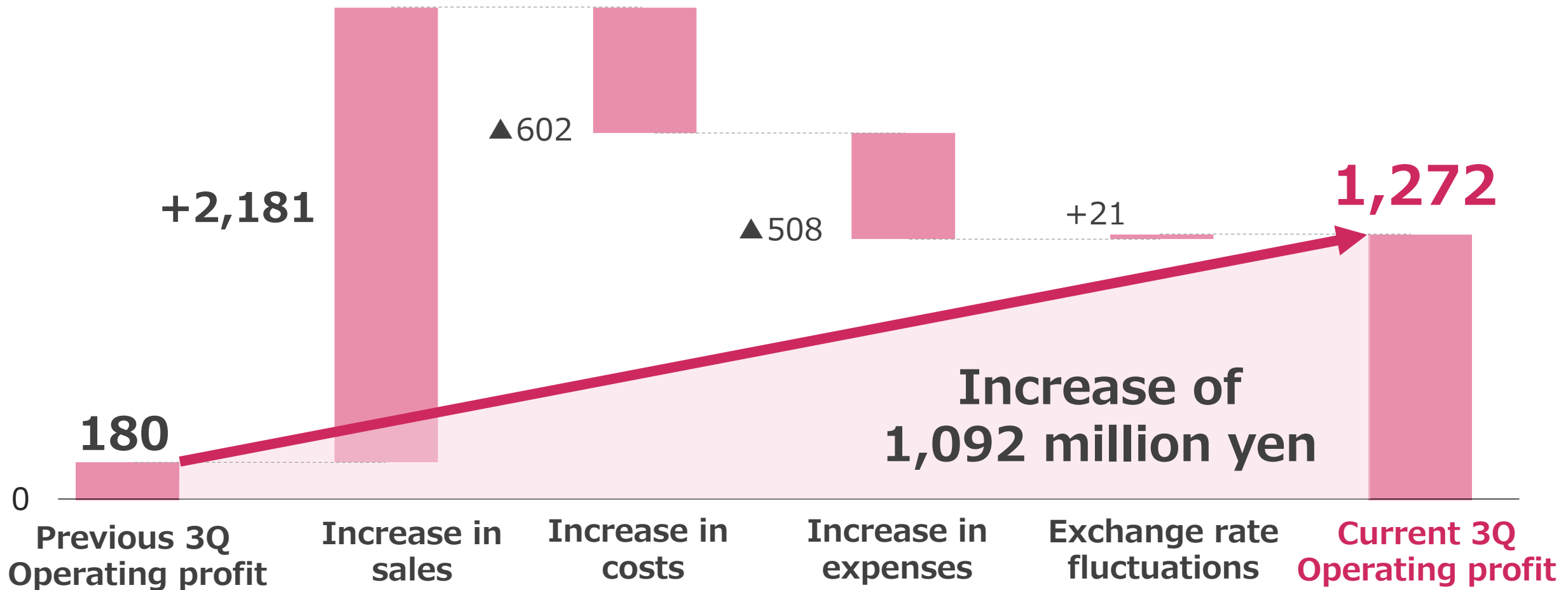
515 million yen
YoY change : +52.6%

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

Changes in Operating Profit



- ✓ Increase in net sales offset the impacts of rise in material and transportation costs, etc., leading to higher revenue and profit.



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

Consolidated Balance Sheets



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

	End of previous year	Current 3Q	Change	Main factors contributing to changes
Current assets	21,257	23,957	+2,699	<ul style="list-style-type: none"> •Cash and deposits +850 •Notes and accounts receivable - trade +1,477
Non-current assets	8,588	9,351	+763	<ul style="list-style-type: none"> •Property, plant and equipment +608 •Intangible assets +20 •Investments and other assets +134
Total assets	29,846	33,309	+3,463	

	End of previous year	Current 3Q	Change	Main factors contributing to changes
Current liabilities	4,516	5,995	+1,479	<ul style="list-style-type: none"> •Notes and accounts payable - trade +736 •Short-term borrowings +379
Non-current liabilities	3,267	3,161	▲106	<ul style="list-style-type: none"> •Long-term borrowings ▲225
Net assets	22,061	24,151	+2,089	<ul style="list-style-type: none"> •Retained earnings +690 •Foreign currency translation adjustment +1,338
Total liabilities and net assets	29,846	33,309	+3,463	

(Major changes in primary accounts are presented above)

Consolidated Financial Position



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

	End of previous year	Current 3Q
Capital (million yen)	21,381	23,417
Capital adequacy ratio (%)	71.6	70.3

	End of previous year	Current 3Q
BVPS (yen)	861.77	943.84
Year-end share price (yen)	458	533
PBR (times)	0.53	0.56

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

	Previous 3Q	Current 3Q
Profit (loss) attributable to owners of parent (million yen)	▲106	1,037
EPS (yen)	▲4.29	41.82

Consolidated Statements of Cash Flows



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

	Previous 3Q	Current 3Q	Main factors contributing to changes
Cash flows from operating activities	1,235	1,439	<ul style="list-style-type: none"> • Profit before income taxes 1,305 • Decrease (increase) in trade receivables ▲1,157
Cash flows from investing activities	201	▲278	<ul style="list-style-type: none"> • Purchase of property, plant and equipment ▲539
Cash flows from financing activities	▲193	▲491	<ul style="list-style-type: none"> • Net increase (decrease) in short-term borrowings 300 • Repayments of long-term borrowings ▲339 • Dividends paid ▲347
Effect of exchange rate change on cash and cash equivalents	▲195	414	—
Net increase (decrease) in cash and cash equivalents	1,047	1,083	—
Cash and cash equivalents at beginning of period	5,648	8,273	—
Cash and cash equivalents at end of period	6,695	9,357	—

(Major changes in primary accounts are presented above)

Capital investment・Depreciation・R&D expenses



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

	Previous 3Q	Current 3Q	Change
Capital investment	352	539	+187
Depreciation	561	614	+53
R&D expenses	308	284	▲23

<Main capital investments> (Million yen: Amounts of less than one million yen are rounded down)

Company name	Details	Total investment
PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD.	Expansion of production facilities, etc.	197
PEGASUS(TIANJIN) SEWING MACHINE CO., LTD.	Repair of buildings, etc.	154

Reference

Net Sales by Business and Location (YoY change excluding the effects of foreign exchange)

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

Industrial sewing machine		Japan	China	Asia	Americas	Europe	Total
Current 3Q	Net sales (million yen)	314	2,256	6,140	1,910	1,209	11,831
	YoY change (%)	16.9	86.3	116.9	57.2	27.5	82.7
	YoY change excluding the effects of foreign exchange (%)	16.9	70.3	114.7	55.6	19.0	77.2
Previous 3Q	Net sales (million yen)	269	1,211	2,831	1,215	948	6,475

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

Die casting auto parts		China	Asia	Americas	Total
Current 3Q	Net sales (million yen)	1,442	932	515	2,890
	YoY change (%)	48.3	81.3	52.6	58.4
	YoY change excluding the effects of foreign exchange (%)	35.6	79.4	42.1	49.2
Previous 3Q	Net sales (million yen)	972	514	337	1,824

Reference



Effects of foreign exchange (based on consolidated net sales for 3Q of FY2022)

Currencies	JPY	USD	EUR	RMB	MXN	Results for the current year	Excluding the effects of foreign exchange	Results for the previous year	YoY change excluding the effects of foreign exchange
Exchange rates for the period	–	¥108.57	¥129.96	¥16.78	¥5.38	–	–	–	–
Exchange rates for the previous period	–	¥107.46	¥121.25	¥15.34	¥5.01	–	–	–	–
Difference (yen)	–	1.11	8.71	1.44	0.37	–	–	–	–
Net sales	314	8,983	1,209	3,698	515	14,722	14,196	8,299	5,896
Ratio (%)	2.1	61.0	8.2	25.1	3.5	100.0	–	–	–
Change in foreign exchange	–	91	81	317	35	525	–	–	–
Cost of sales	2,040	3,276	39	4,129	484	9,970	9,546	5,229	4,317
Ratio (%)	20.5	32.9	0.4	41.4	4.9	100.0	–	–	–
Change in foreign exchange	–	33	2	354	33	423	–	–	–
Selling and administrative expenses	1,485	1,144	139	623	85	3,478	3,398	2,889	508
Ratio (%)	42.7	32.9	4.0	17.9	2.4	100.0	–	–	–
Change in foreign exchange	–	11	9	53	5	80	–	–	–
Operating profit	▲3,211	4,562	1,029	▲1,054	▲53	1,272	1,251	180	1,070
Change in foreign exchange	–	46	69	▲90	▲3	21	–	–	–
Cost of sales ratio (%)	–	–	–	–	–	67.7	67.2	63.0	–

(Million yen: Amounts of less than one million yen are rounded down except for Exchange rates, ratio, Cost of sales ratio)

Corporate Profile

Corporate Philosophy

Through our people & technology, we strive to provide better Products, Service and Quality and make a positive contribution to the world of "social development"

Basic Policy for Business

- We deepen exchanges with people throughout the world, and develop reliable business activities. Deploying people and products throughout the world we plan our activities with respect for universal values.
- Always striving to master Pegasus's core technology we aim for superior global quality manufacturing. Striving to attain the position of the "true, leading manufacturer of chain-stitch sewing machines", we supply our products at optimum quality, optimum price and with optimum lead times.
- We always learn from our customers, form their needs into tangible shape, and utilizing this offer services and information. Constantly learning from customers and always maintaining the truth is the spirit that supports all of Pegasus's business activities.
- By building on the relations with our associates and employees we aim for mutual growth and development. By the handing down of our predecessors' originality and ingenuity we oversee the creation of new ideas. And these endeavors lead to personal development of our employees and, needless to say of course, also our associates.

Corporate Profile

as of March, 2021

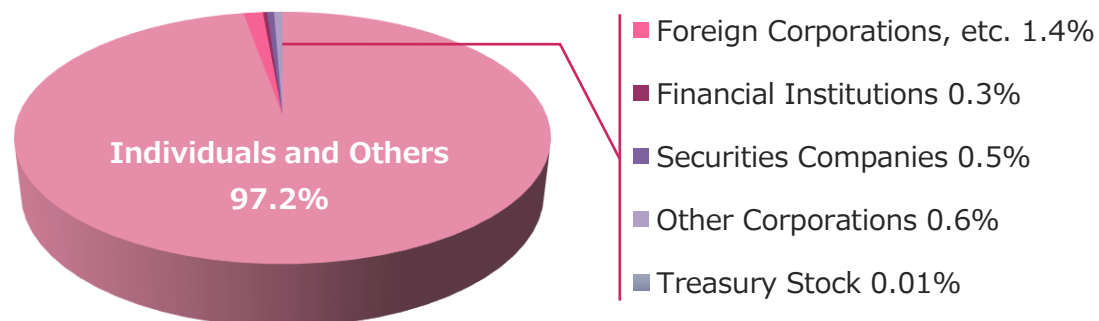


Name	PEGASUS SEWING MACHINE MFG. CO., LTD.
Representative	President Shigemi Mima
Founded	January, 1914
Location	Fukushima-ku, Osaka, Japan
Capital	2,255.55million yen (as of March,2021)
Sales	12,422million yen (From April 1, 2020 to March 31, 2021)
Number of employees	1,281 [consolidated] 212 [non-consolidated] (as of March,2021)
Business	Manufacture and sale of industrial chain stitching sewing machines and parts Manufacture and sale of die casting auto parts and other die casting parts

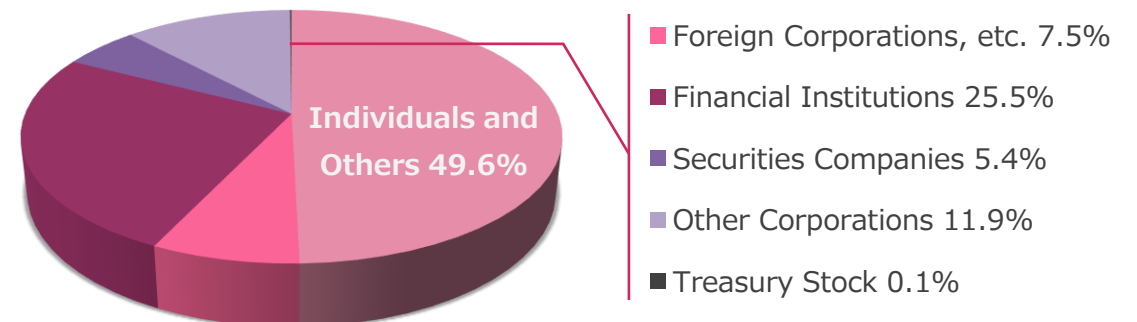
◆Principal Shareholders

Shareholder's Name	Holding Ratio
The Master Trust Bank of Japan Ltd. (Trust Account)	9.8%
Custody Bank of Japan, Ltd. (Trust Account)	9.2%
MIMA Co.,LTD.	6.3%
Sumitomo Mitsui Banking Co.	3.3%
Keizo Bando	3.0%
Takako Yoshida	2.9%
Shigemi Mima	2.5%
Masamichi Mima	1.9%
Takehiro Bando	1.7%
PEGASUS SEWING MACHINE Shareholding Association	1.6%
Total	42.2%

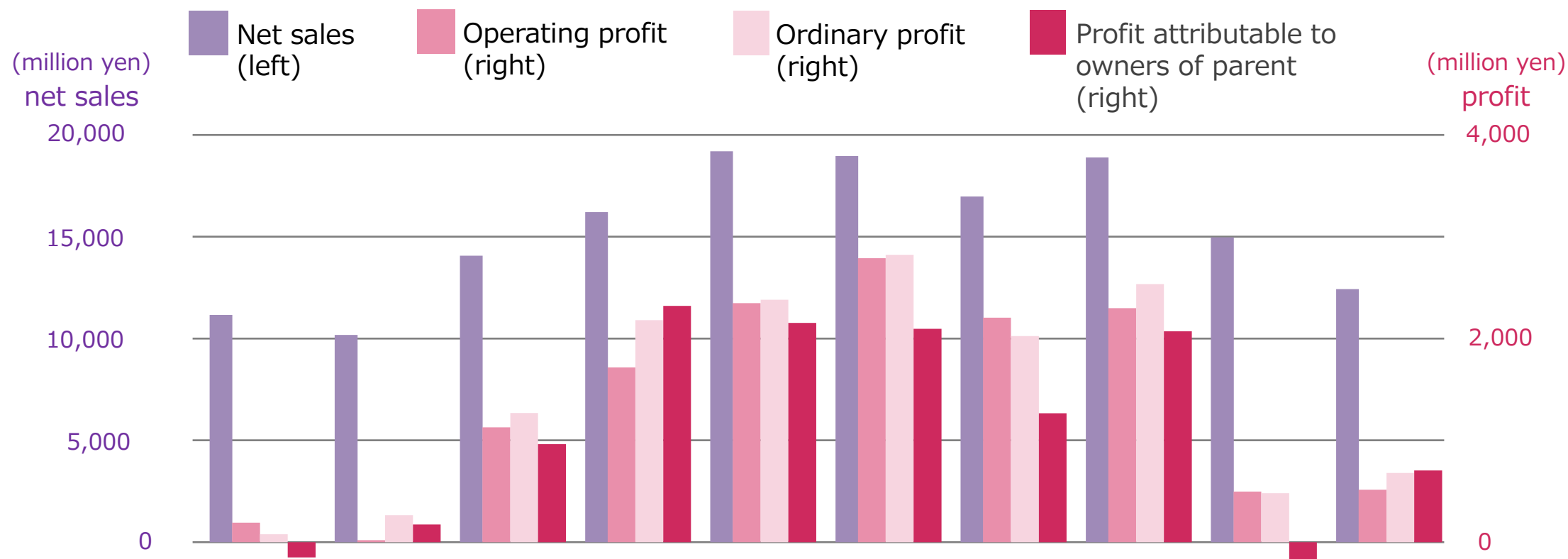
◆Shareholders Breakdown (%)



◆Shareholding Breakdown by Ownership (%)



Changes in Consolidated Financial Results



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales	11,152	10,170	14,067	16,206	19,188	18,961	16,978	18,891	14,969	12,422
Operating profit	192	21	1,118	1,723	2,356	2,798	2,212	2,306	499	516
Ordinary profit	78	266	1,260	2,189	2,388	2,831	2,030	2,542	484	681
Profit attributable to owners of parent	▲149	174	953	2,328	2,160	2,103	1,270	2,079	▲206	707

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



Notes regarding this document:

Financial results forecast and other forward-looking information contained in this document are based on information currently available to the Company as well as estimates on the economic environment, and are therefore subject to a number of uncertainties.

Actual results may differ from these forecasts due to a variety of factors.

The Company does not guarantee the accuracy of any information provided in this document.