

Fiscal Year Ending March 31, 2023

Financial Results Briefing Materials for 3Q

Announced on January 26, 2023



PEGASUS SEWING MACHINE MFG. CO., LTD.

【Code : 6262, Tokyo stock exchange in Japan】

- Overview for 3Q of FY2023 3
- Reference 13
- Corporate Profile 16

Overview for 3Q of FY2023

- ✓ Easing of the COVID 19 movement restrictions
- ✓ Slowdown in consumption recovery due to the restrictions on activities in China under the zero-COVID policy
- ✓ Prolonged progressing inflation caused by factors such as elevated prices of goods and energy due to the situation in Russia and Ukraine
- ✓ Sharp exchange rate fluctuations due to tightening monetary policy in various countries

Industrial sewing machine

- ✓ Downward demand for apparel due to progressing inflation
- ✓ Uneven capital investments in the sewing industry

Automotive parts (formerly, die casting auto parts)

- ✓ Persistently high raw material prices
- ✓ Impact of decrease in automobile production due to factors such as semiconductor shortages
- ✓ Continuing demand for small- and medium-sized die casting auto parts

Overview of Net Sales by Business

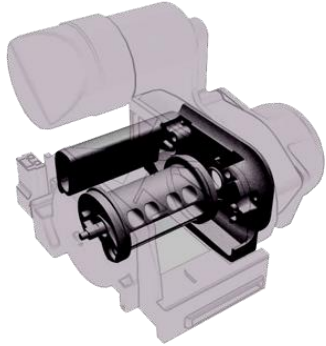
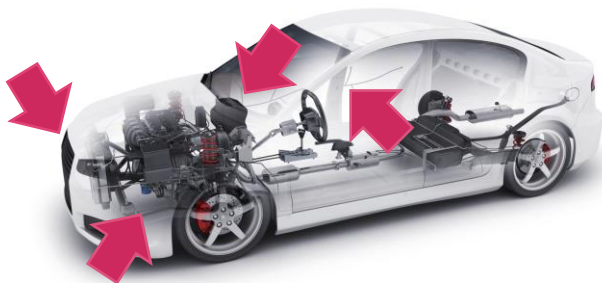


Image of die casting products

Examples use of die casting products



Automotive parts
23.7%

Net sales
19,723
million yen

Industrial sewing machine
76.3%



Overedger stitch machines



Interlock stitch machines

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)

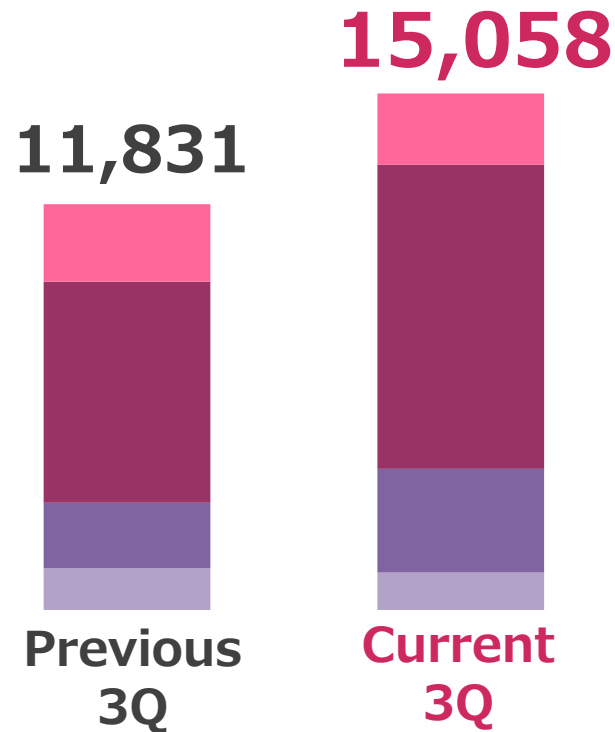
	Previous 3Q	Current 3Q	Change	Percentage change
Net sales	14,722	19,723	+5,001 (+2,328)	+34.0% (+15.8%)
Industrial sewing machines	11,831	15,058	+3,226 (+1,225)	+27.3% (+10.4%)
Automotive parts	2,890	4,665	+1,774 (+1,102)	+61.4% (+38.2%)
Operating profit	1,272	2,300	+1,027	+80.7%
Ordinary profit	1,312	2,621	+1,309	+99.8%
Profit before income taxes	1,305	2,622	+1,316	+100.9%
Profit attributable to owners of parent	1,037	1,847	+809	+78.0%

Net Sales by Business and Location



Industrial sewing machine

While posting lower net sales year on year in China with its continued zero-COVID policy, as well as in Europe with its economic slowdown due to the prolonged situation in Russia and Ukraine, sales in other regions remained strong.



- Qty. of units sold : +6.7%
- Average unit price : +18.5%
- (Excluding the effects of foreign exchange : +2.8%)

China

2,083 million yen
YoY change : Δ 7.7%

Japan
Asia

8,861 million yen
YoY change : +37.3%

Americas

3,027 million yen
YoY change : +58.5%

Europe

1,085 million yen
YoY change : Δ 10.2%

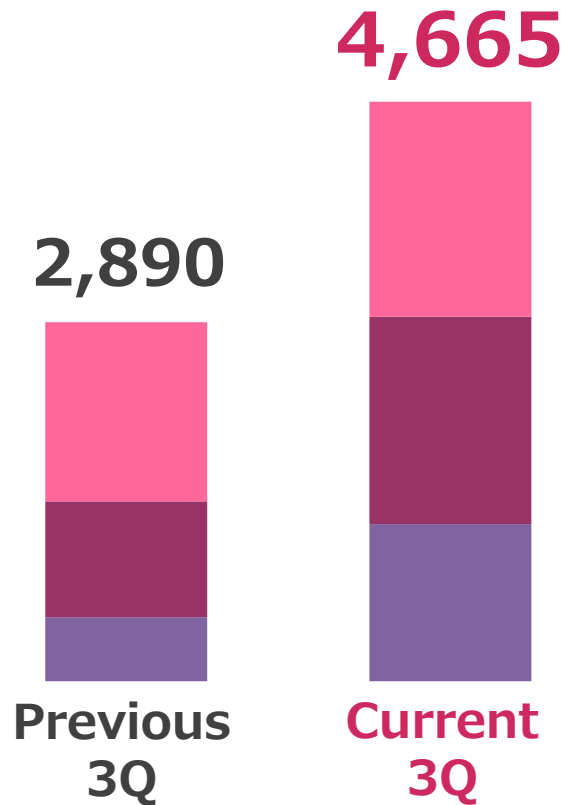
(Million yen: Amounts of less than one million yen are rounded down)

Net Sales by Business and Location



Automotive parts

Achieved higher net sales year on year at all locations continuing from the previous quarter, enjoying strong performance from newly launched parts. Recorded remarkable increases in the Americas, in particular, with their continued local procurement.



China

1,731 million yen
YoY change : +20.0%

Asia

1,668 million yen
YoY change : +79.0%

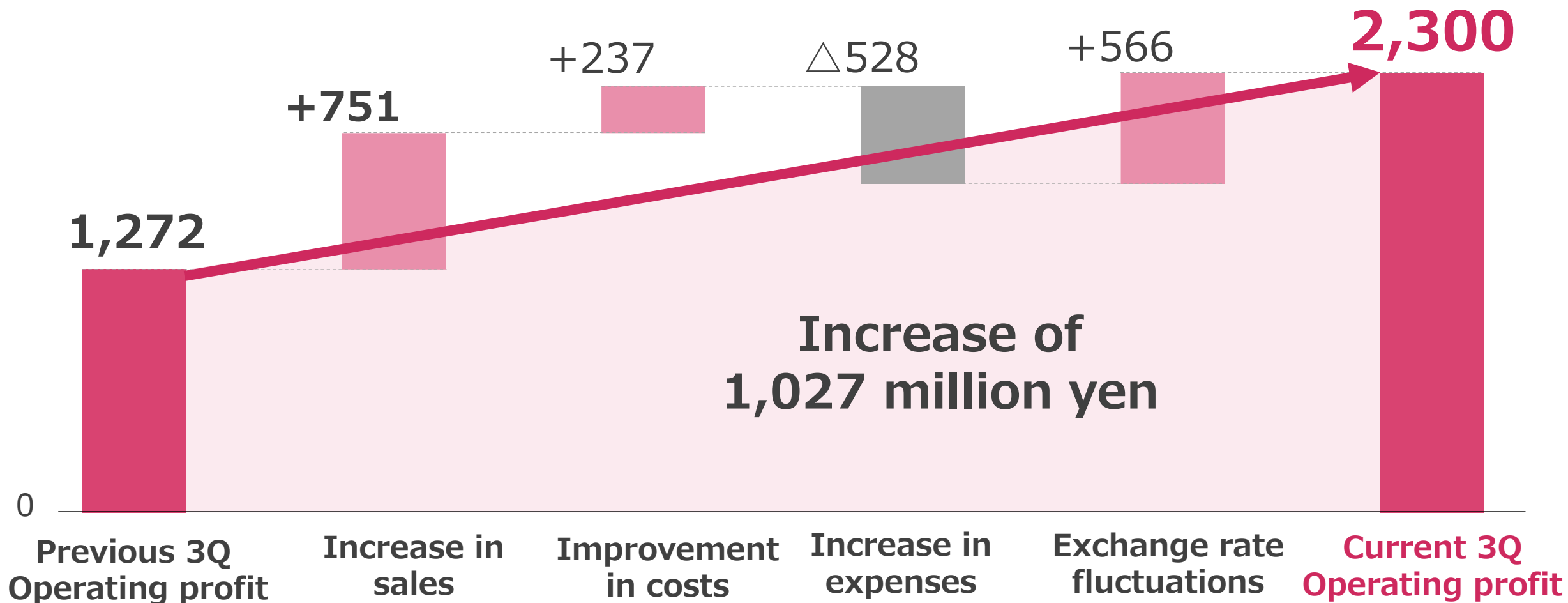
Americas

1,265 million yen
YoY change : +145.4%

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

Changes in Operating Profit

- ✓ Increase in net sales, the effects of foreign exchange, and other factors offset the increase in expense, 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	25,472	31,017	+5,544	<ul style="list-style-type: none"> •Cash and deposits +358 •Notes and accounts receivable - trade +2,132
Non-current assets	9,661	11,662	+2,001	<ul style="list-style-type: none"> •Property, plant and equipment +1,768 •Intangible assets +83 •Investments and other assets +149
Total assets	35,133	42,679	+7,545	

	End of previous year	Current 3Q	Change	Main factors contributing to changes
Current liabilities	6,700	9,228	+2,528	<ul style="list-style-type: none"> •Notes and accounts payable - trade +1,508 •Short-term borrowings +389
Non-current liabilities	3,066	2,692	△373	<ul style="list-style-type: none"> •Long-term borrowings △293
Net assets	25,366	30,758	+5,391	<ul style="list-style-type: none"> •Retained earnings +1,152 •Foreign currency translation adjustment +4,065
Total liabilities and net assets	35,133	42,679	+7,545	

Consolidated Financial Position



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

	End of previous year	Current 3Q
Capital (million yen)	24,599	29,818
Capital adequacy ratio (%)	70.0	69.9

	End of previous year	Current 3Q
BVPS (yen)	991.49	1,201.83
Year-end share price (yen)	595	775
PBR (times)	0.60	0.64

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

	Previous 3Q	Current 3Q
Profit attributable to owners of parent (million yen)	1,037	1,847
EPS (yen)	41.82	74.45

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	539	927	+388
Depreciation	614	675	+60
R&D expenses	284	371	+87

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

Company name	Details	Total investment
PEGASUS VIETNAM SEWING MACHINE CO., LTD.	Acquired land-use rights to strengthen production, etc.	224
PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Installation of production facilities, etc.	207
NANTONG PEGASUS AUTO PARTS MFG. CO.,LTD.	Installation of production facilities, etc.	211

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		China	Japan Asia	Americas	Europe	Total
Current 3Q	Net sales (million yen)	2,083	8,861	3,027	1,085	15,058
	YoY change (%)	△7.7	+37.3	+58.5	△10.2	+27.3
	YoY change excluding the effects of foreign exchange (%)	△19.9	+18.4	+34.4	△14.2	+10.4
Previous 3Q	Net sales (million yen)	2,256	6,455	1,910	1,209	11,831

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

Automotive parts		China	Asia	Americas	Total
Current 3Q	Net sales (million yen)	1,731	1,668	1,265	4,665
	YoY change (%)	+20.0	+79.0	+145.4	+61.4
	YoY change excluding the effects of foreign exchange (%)	+4.2	+51.8	+108.5	+38.2
Previous 3Q	Net sales (million yen)	1,442	932	515	2,890

Reference



Effects of foreign exchange (based on consolidated net sales for 3Q of FY2023)

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	–	¥128.03	¥136.04	¥19.33	¥6.33	–	–	–	–
Exchange rates for the previous period	–	¥108.57	¥129.96	¥16.78	¥5.38	–	–	–	–
Difference (yen)	–	19.46	6.08	2.55	0.95	–	–	–	–
Net sales	847	12,710	1,085	3,814	1,265	19,723	17,050	14,722	2,328
Ratio (%)	4.3	64.4	5.5	19.3	6.4	100.0	–	–	–
Change in foreign exchange	–	1,931	48	503	189	2,673	–	–	–
Cost of sales	622	4,002	26	7,383	1,009	13,044	11,309	9,970	1,338
Ratio (%)	4.8	30.7	0.2	56.6	7.7	100.0	–	–	–
Change in foreign exchange	–	608	1	974	151	1,735	–	–	–
Selling and administrative expenses	1,675	1,546	202	834	120	4,379	4,006	3,478	528
Ratio (%)	38.3	35.3	4.6	19.1	2.8	100.0	–	–	–
Change in foreign exchange	–	235	9	110	18	372	–	–	–
Operating profit	△1,450	7,162	857	△4,404	135	2,300	1,733	1,272	461
Change in foreign exchange	–	1,088	38	△581	20	566	–	–	–
Cost of sales ratio (%)	–	–	–	–	–	66.1	66.3	67.7	–

(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



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,2022)

Sales

20,498.36million yen (From April 1, 2021 to March 31, 2022)

Number of
employees

1,521 [consolidated]
200 [non-consolidated] (as of March,2022)

Business

- Manufacture and sale of industrial chain stitching sewing machines and parts
- Manufacture and sale of die casting auto parts and other automotive parts

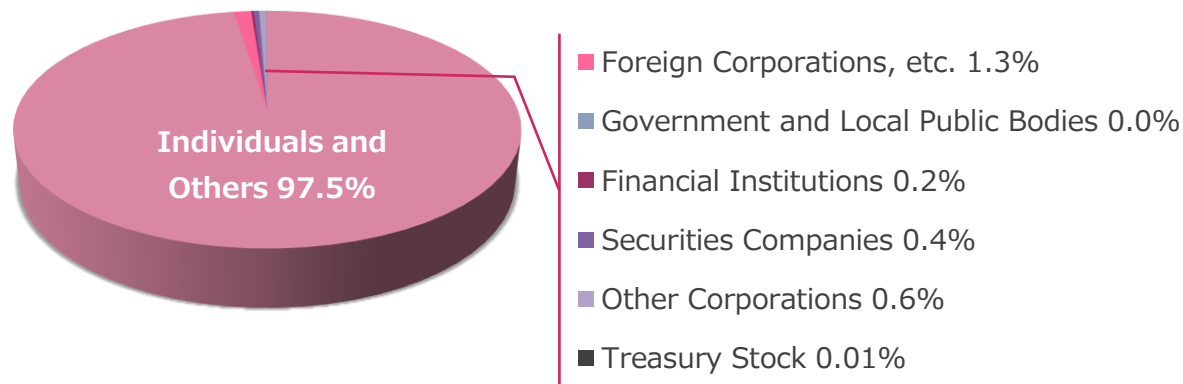
Shareholders Information as of September 2022



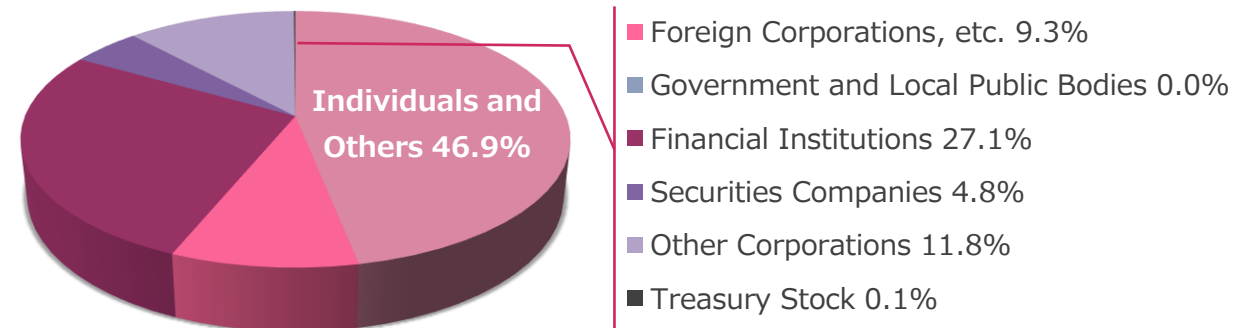
◆ Principal Shareholders

Shareholder's Name	Holding Ratio
Custody Bank of Japan, Ltd. (Trust Account)	10.86%
The Master Trust Bank of Japan Ltd. (Trust Account)	10.28%
MIMA Co.,LTD.	6.26%
Sumitomo Mitsui Banking Co.	3.35%
Keizo Bando	2.99%
Takako Yoshida	2.86%
Shigemi Mima	2.54%
JPMorgan Securities Japan Co., Ltd.	1.98%
Masamichi Mima	1.91%
Masako Tamura	1.49%

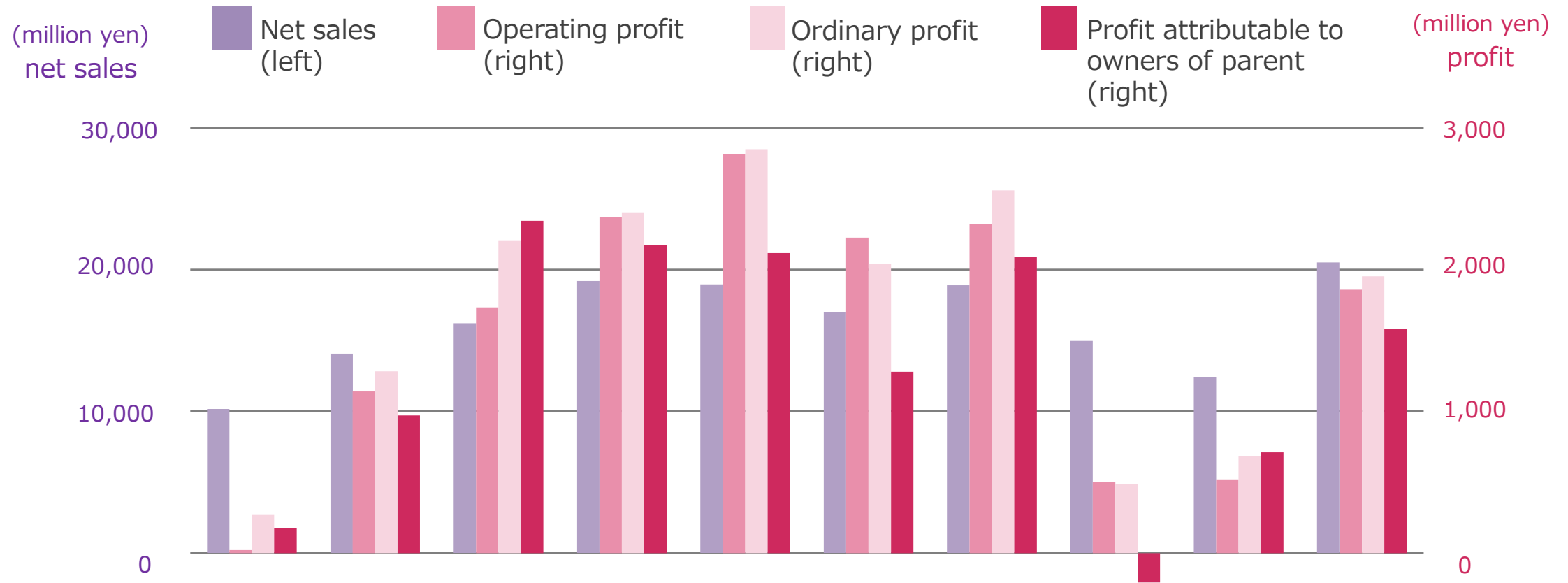
◆ Breakdown of Shareholders by Type (%)



◆ Breakdown of Shares by Type of Shareholder (%)



Changes in Consolidated Financial Results



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	10,170	14,067	16,206	19,188	18,961	16,978	18,891	14,969	12,422	20,498
Operating profit	21	1,118	1,723	2,356	2,798	2,212	2,306	499	516	1,847
Ordinary profit	266	1,260	2,189	2,388	2,831	2,030	2,542	484	681	1,941
Profit attributable to owners of parent	174	953	2,328	2,160	2,103	1,270	2,079	▲206	707	1,572

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

PEGASUS SEWING MACHINE MFG. CO., LTD. will change its corporate name to “PEGASUS CO., LTD.” on April 1, 2023.



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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.