

Fiscal Year Ending March 31, 2024

Financial Results Briefing Materials for 3Q

Announced on January 31, 2024



PEGASUS CO., LTD.

【Code : 6262, Tokyo stock exchange in Japan】

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Overview for 3Q of FY2024

- ✓ Global inflation due to the prolonged situation in Russia and Ukraine and unrest over the Middle East region
- ✓ Risk of exchange rate fluctuations due to monetary policies of various countries
- ✓ Downside risks to China's economy due to a sluggish real estate market

Industrial sewing machine

- ✓ Despite lingering caution about rising prices, consumer confidence in clothing is recovering
- ✓ Product inventory adjustments in the apparel industry prevented a recovery in orders
- ✓ Deteriorating exchange rate situations in the countries to which our products are supplied

Automotive parts

- ✓ Regional variations in automobile sales recovery
- ✓ Concentration of the automotive industry in Mexico
- ✓ Shift to electric vehicles (EVs) in response to environmental issues

Overview of Net Sales by Business

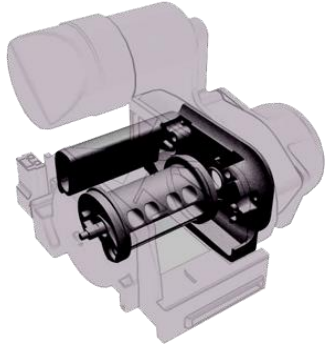
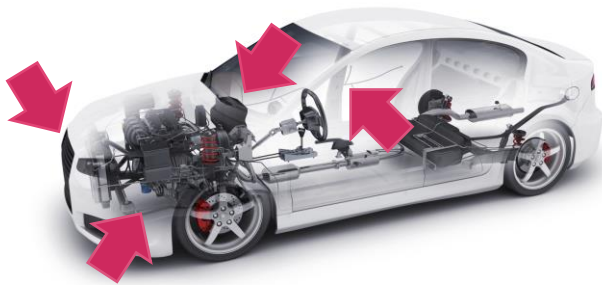


Image of die casting products

Examples use of die casting products



Automotive parts
44.2%

Net sales
13,014
million yen

Industrial sewing machine
55.8%



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	19,723	13,014	△6,709 (△7,678)	△34.0% (△38.9%)
Industrial sewing machines	15,058	7,267	△7,790 (△8,235)	△51.7% (△54.7%)
Automotive parts	4,665	5,746	+1,081 (+556)	+23.2% (+11.9%)
Operating profit	2,300	100	△2,199	△95.6%
Ordinary profit	2,621	333	△2,287	△87.3%
Profit before income taxes	2,622	333	△2,288	△87.3%
Profit attributable to owners of parent	1,847	△ 129	△1,976	—

Net Sales by Business and Location



Industrial sewing machine

Sales in Asia continued to decline from the previous year due in part to the deteriorating exchange rate situations. In the Americas, capital investment demand declined in the Central America region, where it had been strong in the previous fiscal year. Sales in China declined due to the economic slowdown caused in part by the prolonged slump in the real estate market. Overall, apparel product inventory adjustments significantly affected the results.

15,058



Previous
3Q

7,267



Current
3Q

- Qty. of units sold : $\Delta 53.1\%$
- Average unit price : $+3.8\%$
- (Excluding the effects of foreign exchange : $\Delta 2.4\%$)

China

1,619 million yen
YoY change : $\Delta 22.3\%$

Japan
Asia

3,521 million yen
YoY change : $\Delta 60.3\%$

Americas

967 million yen
YoY change : $\Delta 68.1\%$

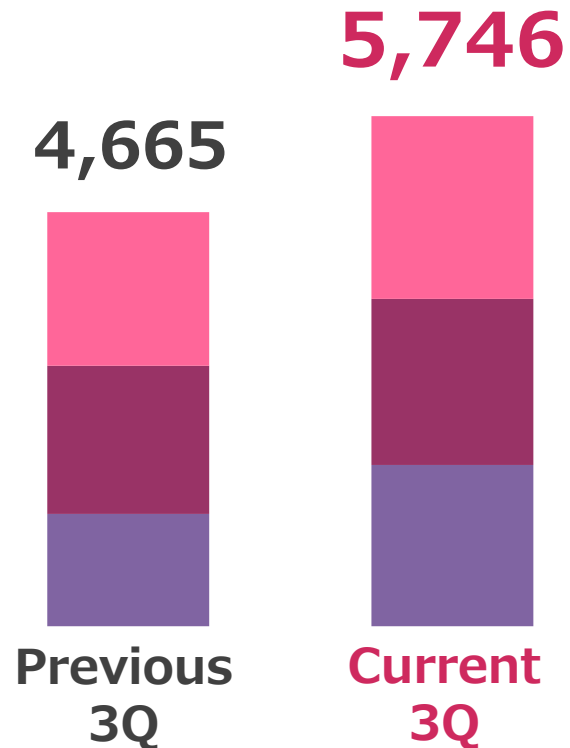
Europe

1,160 million yen
YoY change : $+6.8\%$

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

Automotive parts

Sales increased year on year in all regions. Particularly in the Americas, as in the previous quarter, our ongoing efforts to acquire new customers and receive new orders from existing customers bore fruit, resulting in a significant increase in sales compared to the previous fiscal year.



China

2,059 million yen
YoY change : +19.0%

Asia

1,869 million yen
YoY change : +12.0%

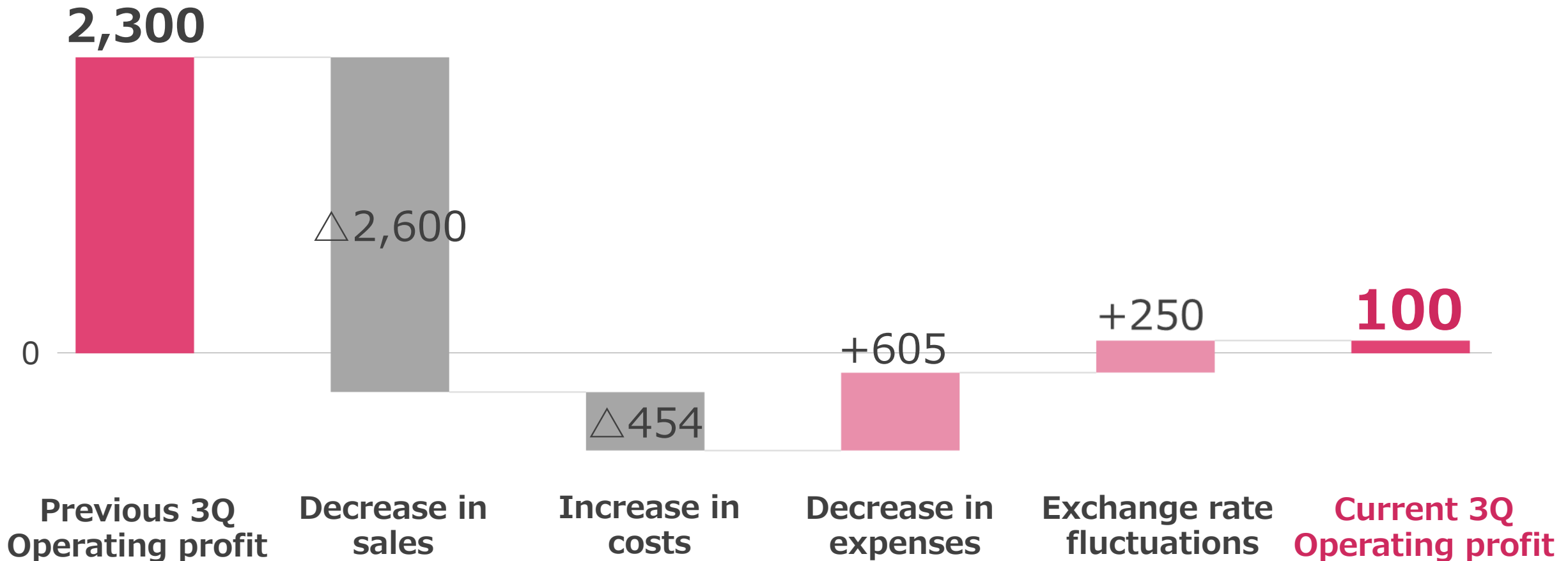
Americas

1,818 million yen
YoY change : +43.7%

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

Changes in Operating Profit

- ✓ Decrease in revenue and profit from the previous year due to significant decrease in net sales



(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	28,372	29,091	+719	<ul style="list-style-type: none"> •Notes and accounts receivable - trade +2 •Merchandise and finished goods +1,223
Non-current assets	11,135	14,397	+3,262	<ul style="list-style-type: none"> •Property, plant and equipment +2,698 •Intangible assets Δ7 •Investments and other assets +571
Total assets	39,507	43,489	+3,981	

	End of previous year	Current 3Q	Change	Main factors contributing to changes
Current liabilities	7,863	8,318	+455	<ul style="list-style-type: none"> •Notes and accounts payable - trade Δ734 •Short-term borrowings +765
Non-current liabilities	2,444	3,700	+1,256	<ul style="list-style-type: none"> •Long-term borrowings +1,542
Net assets	29,199	31,469	+2,269	<ul style="list-style-type: none"> •Retained earnings Δ551 •Foreign currency translation adjustment +2,841
Total liabilities and net assets	39,507	43,489	+3,981	

(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
Equity (million yen)	28,300	30,470
Capital adequacy ratio (%)	71.6	70.1

	End of previous year	Current 3Q
BVPS (yen)	1,140.65	1,228.11
Year-end share price (yen)	634	447
PBR (times)	0.56	0.36

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

	Previous 3Q	Current 3Q
Profit attributable to owners of parent (million yen)	1,847	△129
EPS (yen)	74.45	△5.22

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	927	1,903	+975
Depreciation	675	832	+157
R&D expenses	371	387	+15

<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.	Construction costs of new factory, etc.	804
PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Expansion of production facilities, etc.	753
PEGASUS(TIANJIN) SEWING MACHINE CO., LTD.	Installation of production facilities, etc.	147

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)	1,619	3,521	967	1,160	7,267
	YoY change (%)	△22.3	△60.3	△68.1	+6.8	△51.7
	YoY change excluding the effects of foreign exchange (%)	△23.6	△62.9	△70.5	△3.3	△54.7
Previous 3Q	Net sales (million yen)	2,083	8,861	3,027	1,085	15,058

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

Automotive parts		China	Asia	Americas	Total
Current 3Q	Net sales (million yen)	2,059	1,869	1,818	5,746
	YoY change (%)	+19.0	+12.0	+43.7	+23.2
	YoY change excluding the effects of foreign exchange (%)	+17.0	+3.3	+16.5	+11.9
Previous 3Q	Net sales (million yen)	1,731	1,668	1,265	4,665

Reference



Effects of foreign exchange (based on consolidated net sales for 3Q of FY2024)

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	–	¥138.87	¥150.22	¥19.66	¥7.81	–	–	–	–
Exchange rates for the previous period	–	¥128.03	¥136.04	¥19.33	¥6.33	–	–	–	–
Difference (yen)	–	10.84	14.18	0.33	1.48	–	–	–	–
Net sales	551	5,806	1,160	3,678	1,818	13,014	12,044	19,723	△7,678
Ratio (%)	4.2	44.6	8.9	28.3	14.0	100.0	–	–	–
Change in foreign exchange	–	454	109	61	344	969	–	–	–
Cost of sales	417	2,570	35	4,457	1,504	8,984	8,420	13,044	△4,623
Ratio (%)	4.6	28.6	0.4	49.6	16.7	100.0	–	–	–
Change in foreign exchange	–	200	3	74	285	563	–	–	–
Selling and administrative expenses	1,597	1,202	251	744	134	3,929	3,774	4,379	△605
Ratio (%)	40.7	30.6	6.4	18.9	3.4	100.0	–	–	–
Change in foreign exchange	–	93	23	12	25	155	–	–	–
Operating profit	△1,463	2,033	873	△1,522	180	100	△149	2,300	△2,449
Change in foreign exchange	–	159	82	△25	34	250	–	–	–
Cost of sales ratio (%)	–	–	–	–	–	69.0	69.9	66.1	–

(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 CO., LTD.

Representative

Representative Director and President Shigemi Mima

Founded

January, 1914

Location

Fukushima-ku, Osaka, Japan

Capital

2,255.55million yen (as of March,2023)

Sales

25,288.50million yen (From April 1, 2022 to March 31, 2023)

Number of employees

1,485 [consolidated] (as of March,2023)
197 [non-consolidated] (as of March,2023)

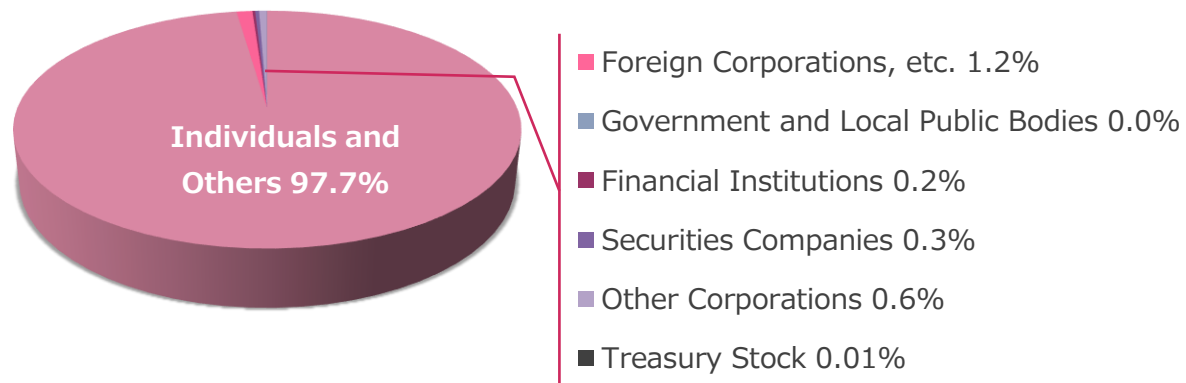
Business

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

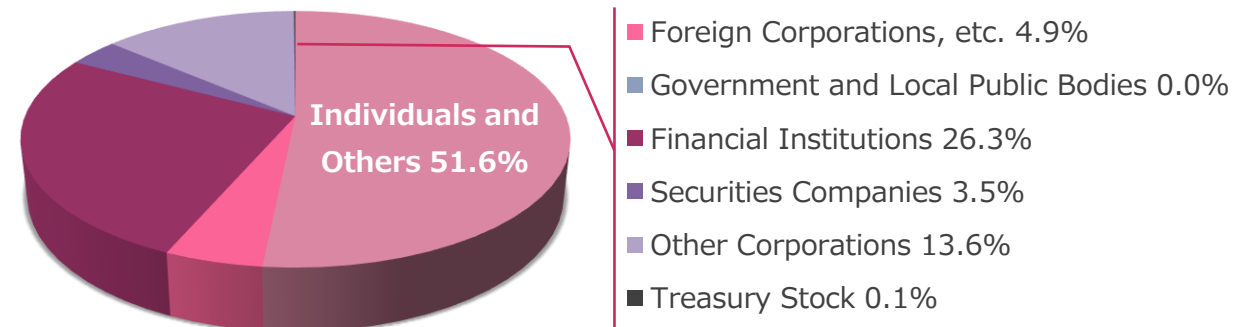
◆Principal Shareholders

Shareholder's Name	Holding Ratio
Custody Bank of Japan, Ltd. (Trust Account)	11.89%
The Master Trust Bank of Japan Ltd. (Trust Account)	8.24%
MIMA Co.,LTD.	6.26%
Sumitomo Mitsui Banking Corporation	3.35%
Keizo Bando	2.99%
Takako Yoshida	2.86%
Shigemi Mima	2.56%
Masamichi Mima	1.92%
Nomura Securities Co.,Ltd.	1.71%
JUKI CORPORATION	1.61%

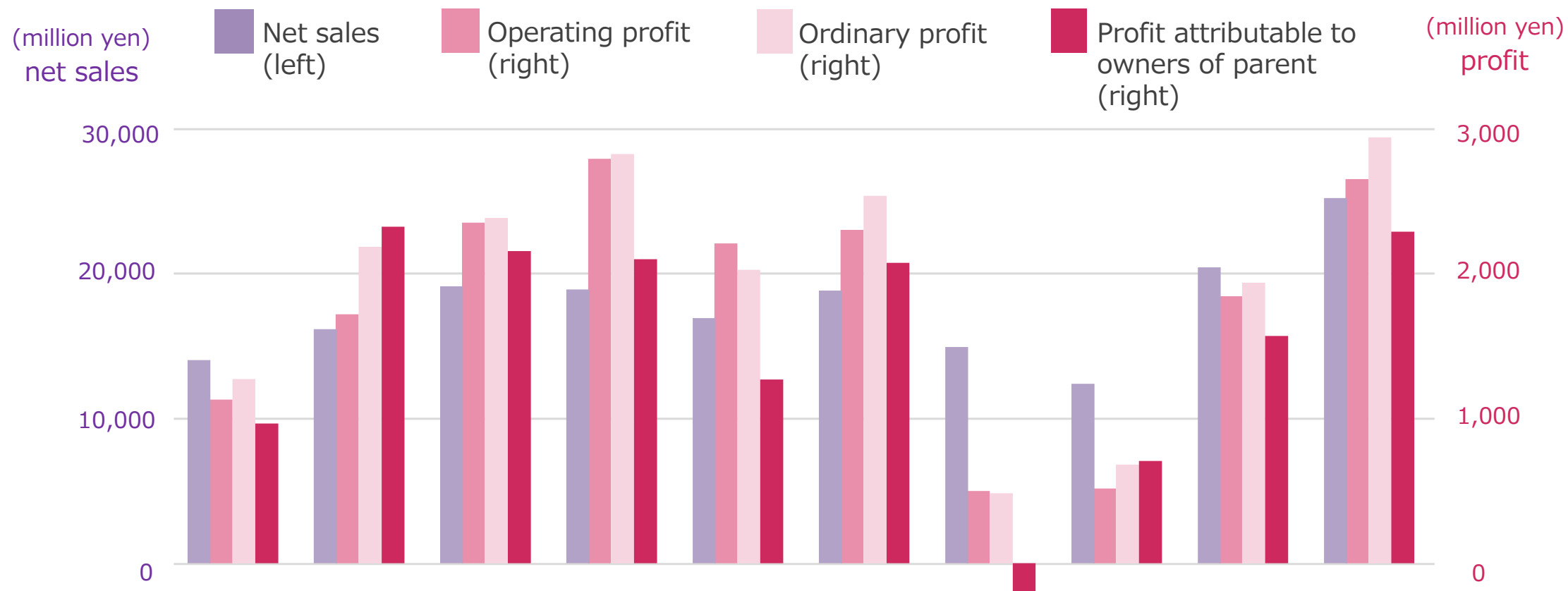
◆Breakdown of Shareholders by Type (%)



◆Breakdown of Shares by Type of Shareholder (%)



Changes in Consolidated Financial Results



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Net sales	14,067	16,206	19,188	18,961	16,978	18,891	14,969	12,422	20,498	25,288
Operating profit	1,118	1,723	2,356	2,798	2,212	2,306	499	516	1,847	2,657
Ordinary profit	1,260	2,189	2,388	2,831	2,030	2,542	484	681	1,941	2,946
Profit attributable to owners of parent	953	2,328	2,160	2,103	1,270	2,079	△206	707	1,572	2,294

(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.

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