

Fiscal Year Ending March 31, 2025

Financial Results Briefing Materials for 1Q

Announced on July 31, 2024



PEGASUS CO., LTD.

【Code : 6262, Tokyo stock exchange in Japan】

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Overview for 1Q of FY3/2025

- ✓ Gradual recovery in global economy
 - ↳ Favorable employment/income environment in US
 - ↳ Recovery of IT-related demand in Asia
 - ↳ Transfer of production bases due to supply chain reorganization, etc.
- ✓ Protracted Russia-Ukraine situation and intensifying Middle East situation
- ✓ Global monetary tightening and slowdown of Chinese economy

Apparel machinery (formerly, Industrial sewing machine)

- ✓ Sewing companies remain cautious about capital investment in Americas and Europe due to unstable political and economic situation
- ✓ Improvement in foreign currency situations in client countries

Automotive

- ✓ Concerns about economic slowdown in China, the world's largest automobile market
- ✓ Major U.S. automaker agrees to wage hike with labor union
- ✓ Impact of production suspension at some Japanese automakers
- ✓ Shift to electric vehicles (EVs) in response to environmental issues

Overview of Net Sales by Business

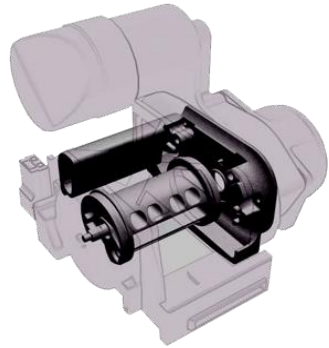
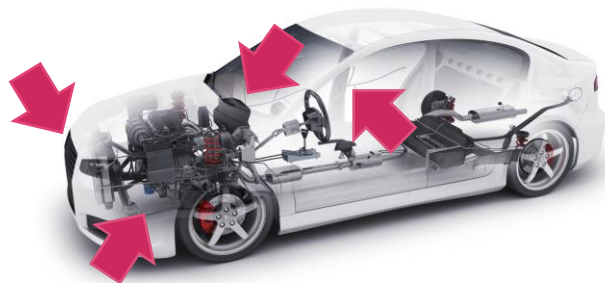


Image of die casting products

Examples use of die casting products



Automotive
38.9%

Net sales
5,142
million yen

Apparel machinery
61.1%



Overedger stitch machines



Interlock stitch machines

Overview of Consolidated Financial Results



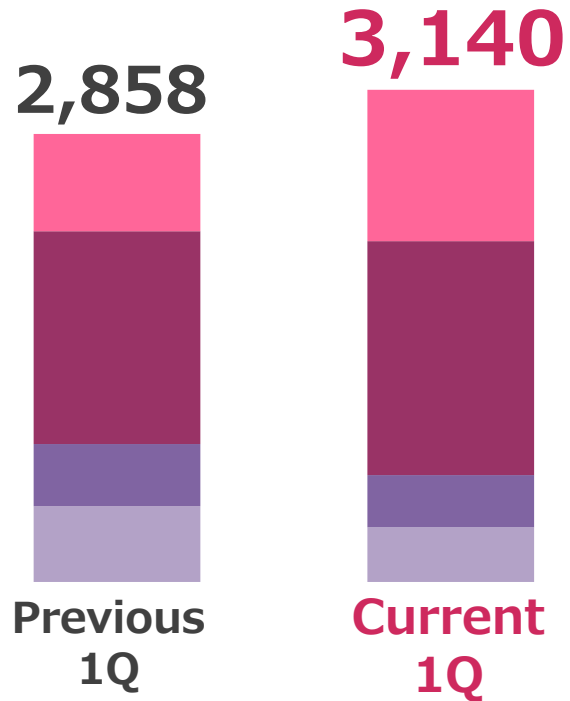
(Million yen: Amounts of less than one million yen are rounded down)
 (※Results excluding the effects of foreign exchange are indicated in parentheses)

	Previous 1Q	Current 1Q	Change	Percentage change
Net sales	4,661	5,142	+480 (△0)	+10.3% (△0.0%)
Apparel machinery	2,858	3,140	+281 (+16)	+9.9% (+0.6%)
Automotive	1,803	2,002	+199 (△16)	+11.0% (△0.9%)
Operating profit	250	323	+72	+29.0%
Ordinary profit	586	478	△108	△18.5%
Profit before income taxes	586	478	△108	△18.5%
Profit attributable to owners of parent	391	381	△10	△2.7%

Net Sales by Business and Location

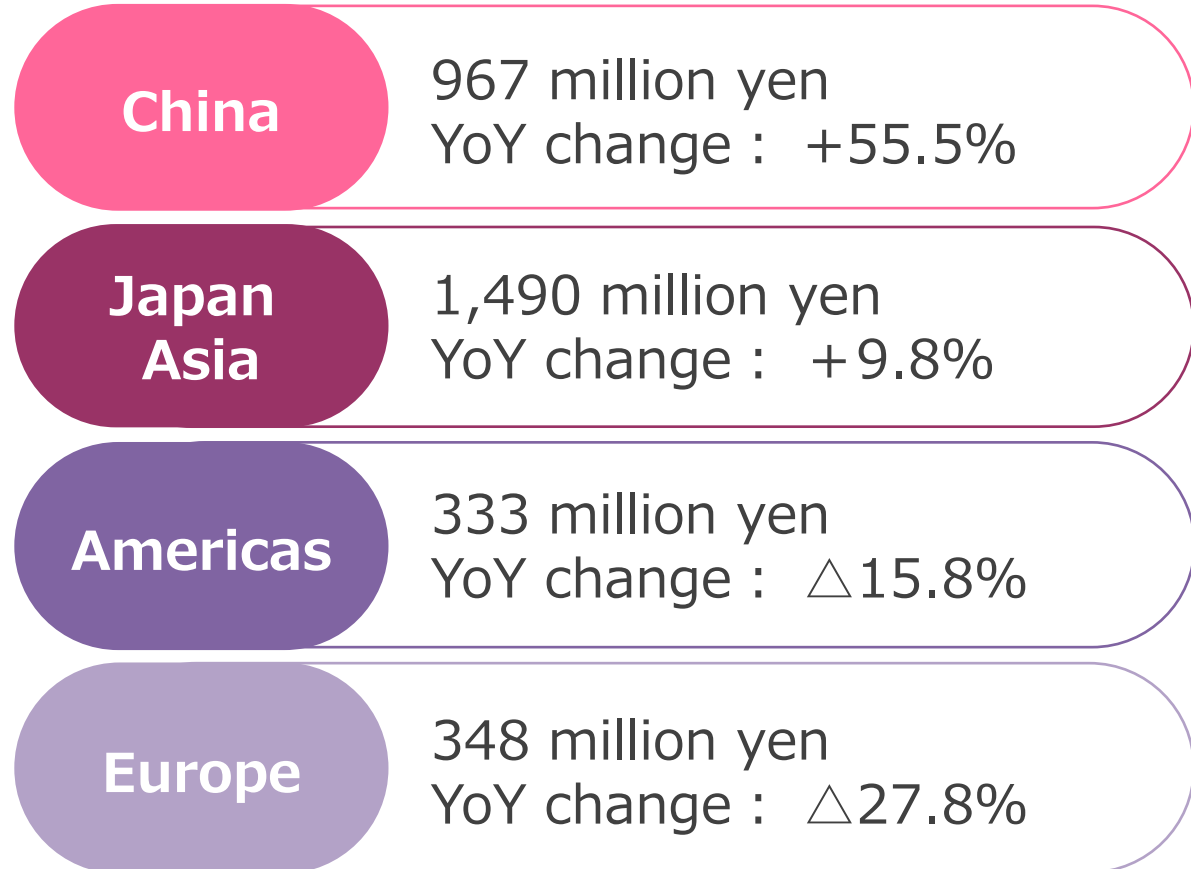


Apparel machinery



•Qty. of units sold : +2.9%
 •Average unit price : +10.6%
 (Excluding the effects of foreign exchange : +1.3%)

In China, sales increased year-on-year due to recovery in domestic demand. In Japan and other parts of Asia, there are some encouraging signs, such as an increase in business negotiations, notwithstanding lingering concerns about shortage of foreign currency. On the other hand, in the Americas and Europe, sales declined year-on-year due to political instability and inflation, resulting in an uneven recovery.



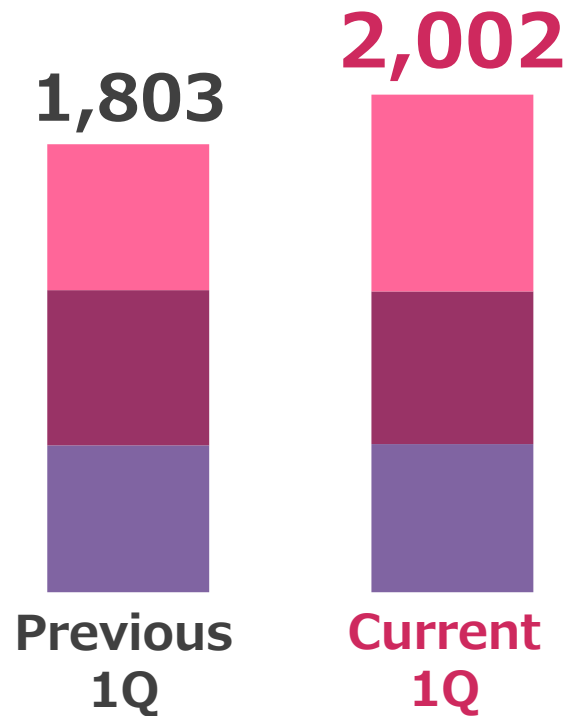
(Million yen: Amounts of less than one million yen are rounded down)

Net Sales by Business and Location



Automotive

In China, sales increased year-on-year due to strong new orders. In other Asian countries, sales decreased year-on-year due in part to production suspension at some Japanese automakers. In the Americas, sales remained stable year-on-year.

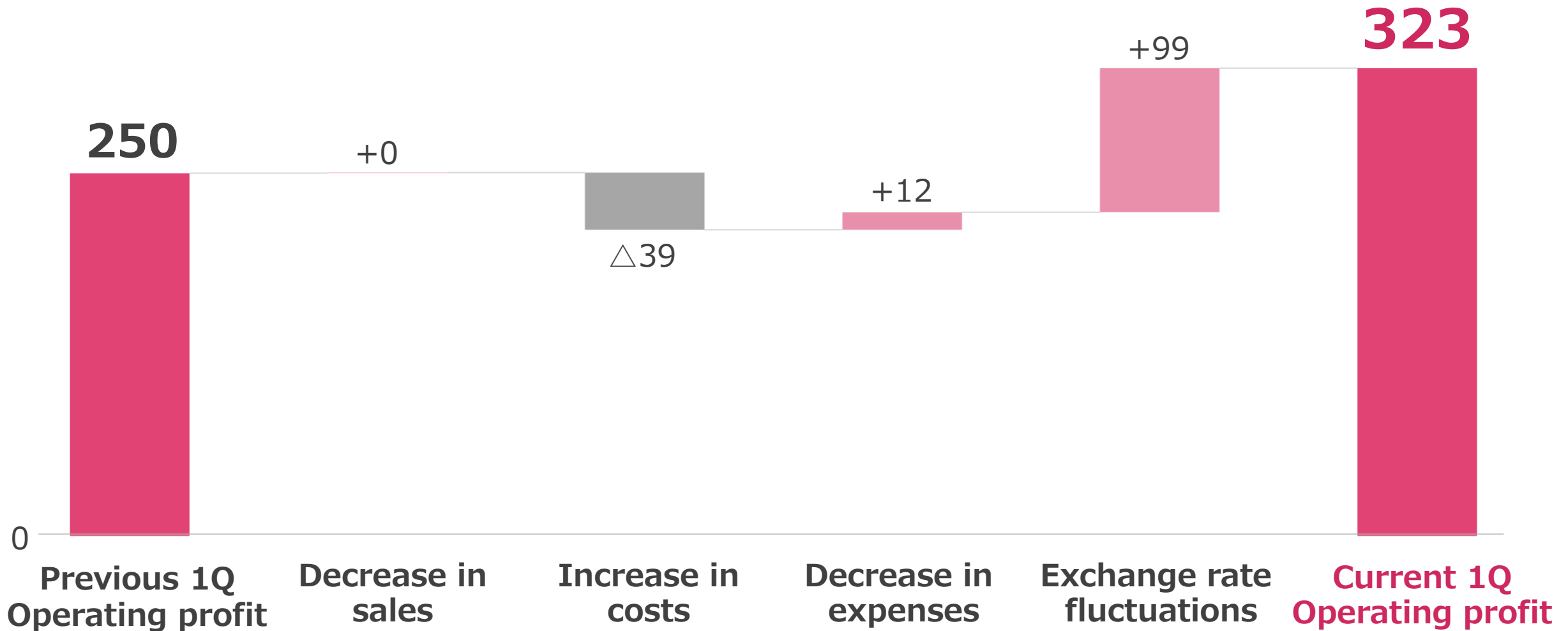


China	791 million yen YoY change : +34.7%
Asia	614 million yen YoY change : Δ 1.7%
Americas	596 million yen YoY change : +1.0%

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

Changes in Operating Profit

✓ Costs worsened, while profits increased year-on-year due to effect of exchange rates.



(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 1Q	Change	Main factors contributing to changes
Current assets	28,078	29,345	+1,266	<ul style="list-style-type: none"> •Notes and accounts receivable - trade +1,029 •Merchandise and finished goods +14
Non-current assets	14,870	15,501	+630	<ul style="list-style-type: none"> •Property, plant and equipment +668 •Intangible assets $\Delta 0$ •Investments and other assets $\Delta 37$
Total assets	42,949	44,846	+1,897	

	End of previous year	Current 1Q	Change	Main factors contributing to changes
Current liabilities	8,656	8,110	$\Delta 546$	<ul style="list-style-type: none"> •Notes and accounts payable - trade $\Delta 239$ •Short-term borrowings $\Delta 566$
Non-current liabilities	3,689	4,065	+376	<ul style="list-style-type: none"> •Long-term borrowings +503
Net assets	30,603	32,671	+2,067	<ul style="list-style-type: none"> •Retained earnings +381 •Foreign currency translation adjustment +1,750
Total liabilities and net assets	42,949	44,846	+1,897	

(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 1Q
Equity (million yen)	29,607	31,673
Capital adequacy ratio (%)	68.9	70.6

	End of previous year	Current 1Q
BVPS (yen)	1,193.35	1,276.62
Year-end share price (yen)	535	598
PBR (times)	0.45	0.47

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

	Previous 1Q	Current 1Q
Profit attributable to owners of parent (million yen)	391	381
EPS (yen)	15.79	15.37

Capital investment・Depreciation・R&D expenses



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

	Previous 1Q	Current 1Q	Change
Capital investment	637	268	△368
Depreciation	258	287	+29
R&D expenses	114	135	+21

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

Division	Company name	Details	Investment
Apparel machinery	PEGASUS VIETNAM SEWING MACHINE CO.,LTD.	Construction of a new plant, etc.	195
Automotive	PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Enhancement of production-related facilities	19
Automotive	PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD.	Enhancement of production-related facilities	13

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)

Apparel machinery		China	Japan Asia	Americas	Europe	Total
Current 1Q	Net sales (million yen)	967	1,490	333	348	3,140
	YoY change (%)	+55.5	+9.8	△15.8	△27.8	+9.9
	YoY change excluding the effects of foreign exchange (%)	+46.3	△0.3	△24.1	△35.7	+0.6
Previous 1Q	Net sales (million yen)	621	1,357	396	482	2,858

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

Automotive		China	Asia	Americas	Total
Current 1Q	Net sales (million yen)	791	614	596	2,002
	YoY change (%)	+34.7	△1.7	+1.0	+11.0
	YoY change excluding the effects of foreign exchange (%)	+26.7	△11.4	△17.3	△0.9
Previous 1Q	Net sales (million yen)	587	624	590	1,803

Reference



Effects of foreign exchange (based on consolidated net sales for 1Q of FY3/2025)

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	–	¥147.86	¥160.89	¥20.55	¥8.72	–	–	–	–
Exchange rates for the previous period	–	¥133.26	¥143.34	¥19.33	¥7.14	–	–	–	–
Difference (yen)	–	14.60	17.55	1.22	1.58	–	–	–	–
Net sales	119	2,319	348	1,758	596	5,142	4,662	4,661	+1
Ratio (%)	2.3	45.1	6.8	34.2	11.6	100.0	–	–	–
Change in foreign exchange	–	229	38	104	108	479	–	–	–
Cost of sales	122	936	98	1,798	517	3,474	3,170	3,130	+40
Ratio (%)	3.5	27.0	2.8	51.8	14.9	100.0	–	–	–
Change in foreign exchange	–	92	10	106	93	303	–	–	–
Selling and administrative expenses	541	403	71	253	74	1,344	1,268	1,280	△12
Ratio (%)	40.3	30.0	5.3	18.9	5.5	100.0	–	–	–
Change in foreign exchange	–	39	7	15	13	76	–	–	–
Operating profit	△544	978	178	△294	4	323	223	250	△26
Change in foreign exchange	–	96	19	△17	0	99	–	–	–
Cost of sales ratio (%)	–	–	–	–	–	67.6	68.0	67.2	–

(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

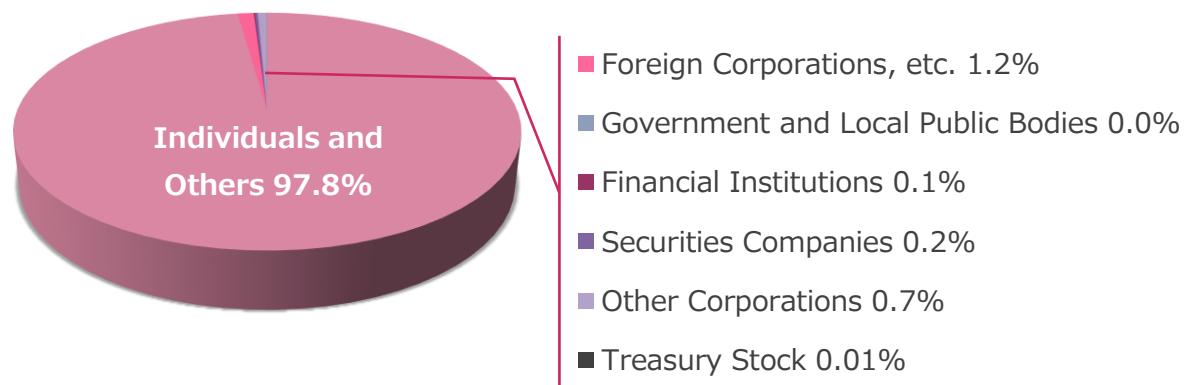


Name	PEGASUS CO., LTD.
Representative	Representative Director and President Shigemi Mima
Founded	January, 1914
Location	Fukushima-ku, Osaka, Japan
Capital	2,255.55million yen (as of March,2024)
Sales	17,542.57million yen (From April 1, 2023 to March 31, 2024)
Number of employees	1,498 [consolidated] (as of March,2024) 204 [non-consolidated] (as of March,2024)
Business	<ul style="list-style-type: none">• Manufacture and sale of industrial chain stitching sewing machines and parts• Manufacture and sale of die casting auto parts and other automotive parts

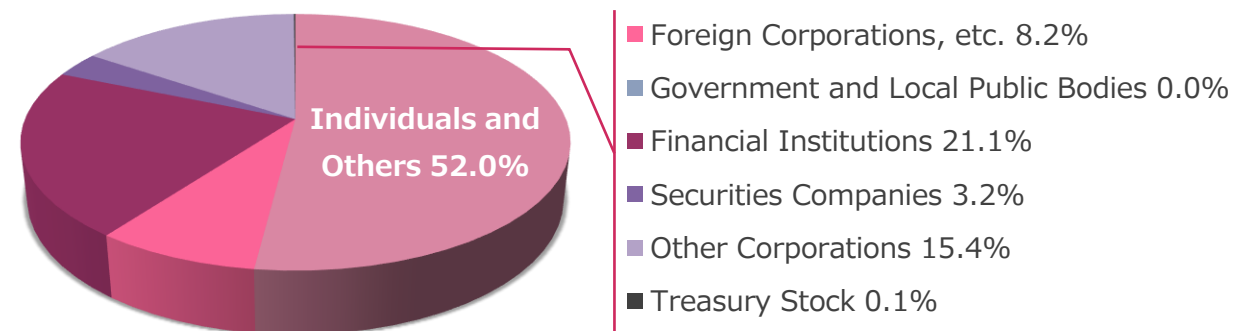
◆ Principal Shareholders

Shareholder's Name	Holding Ratio
Custody Bank of Japan, Ltd. (Trust Account)	9.15%
The Master Trust Bank of Japan Ltd. (Trust Account)	7.20%
MIMA Co.,LTD.	6.26%
JUKI CORPORATION	3.50%
Keizo Bando	2.99%
Takako Yoshida	2.86%
Shigemi Mima	2.57%
Sumitomo Mitsui Banking Corporation	2.34%
Masamichi Mima	1.92%
Nomura Securities Co.,Ltd.	1.92%

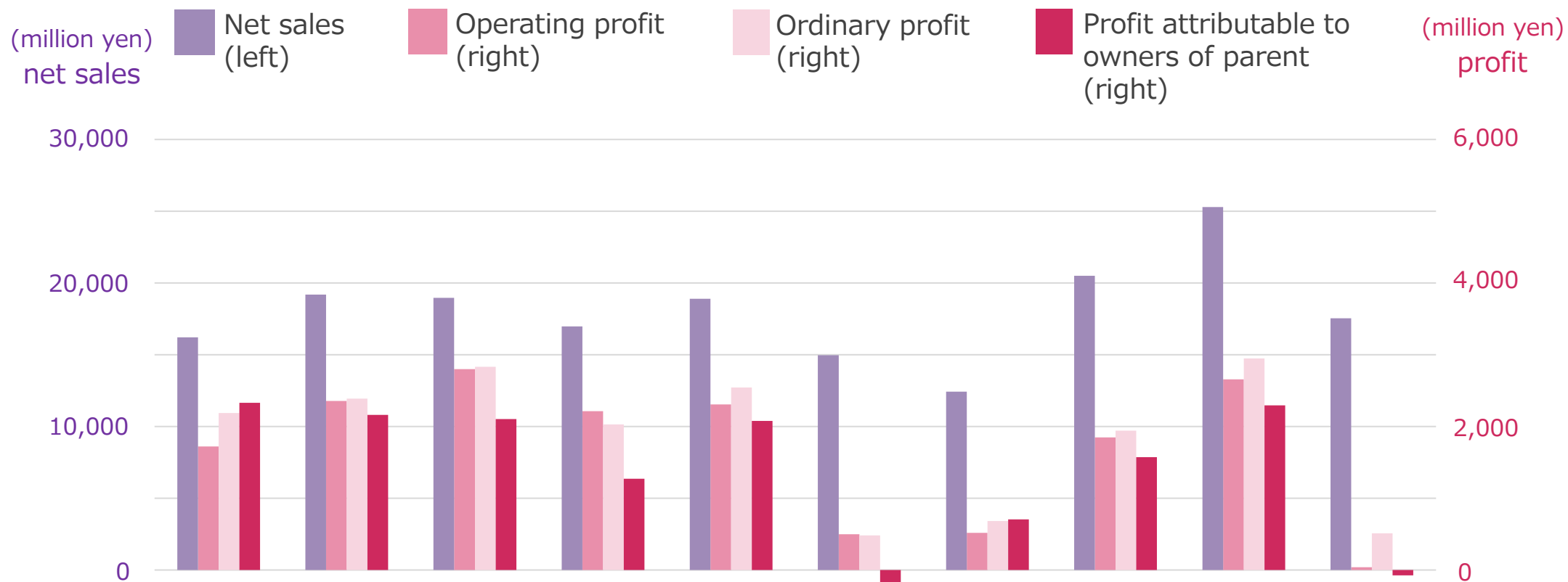
◆ Breakdown of Shareholders by Type (%)



◆ Breakdown of Shares by Type of Shareholder (%)



Changes in Consolidated Financial Results



	FY3/15	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Net sales	16,206	19,188	18,961	16,978	18,891	14,969	12,422	20,498	25,288	17,542
Operating profit	1,723	2,356	2,798	2,212	2,306	499	516	1,847	2,657	38
Ordinary profit	2,189	2,388	2,831	2,030	2,542	484	681	1,941	2,946	512
Profit attributable to owners of parent	2,328	2,160	2,103	1,270	2,079	△206	707	1,572	2,294	△72

(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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