

Fiscal Year Ending March 31, 2025

# Financial Results Briefing Materials for 2Q

Announced on October 31, 2024



**PEGASUS CO., LTD.**

【Code : 6262, Tokyo stock exchange in Japan】

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# Overview for 2Q of FY3/2025

- ✓ Gradual recovery of the global economy
  - └ Maintaining solid growth due in part to high inflation subsiding
  - └ Recovery of trade volumes in the world supporting the economies of various countries, etc.
- ✓ US Presidential election in November
- ✓ Protracted Russia-Ukraine situation and intensifying Middle East situation
- ✓ Increasing uncertainty surrounding financial markets
- ✓ China's economic stagnation

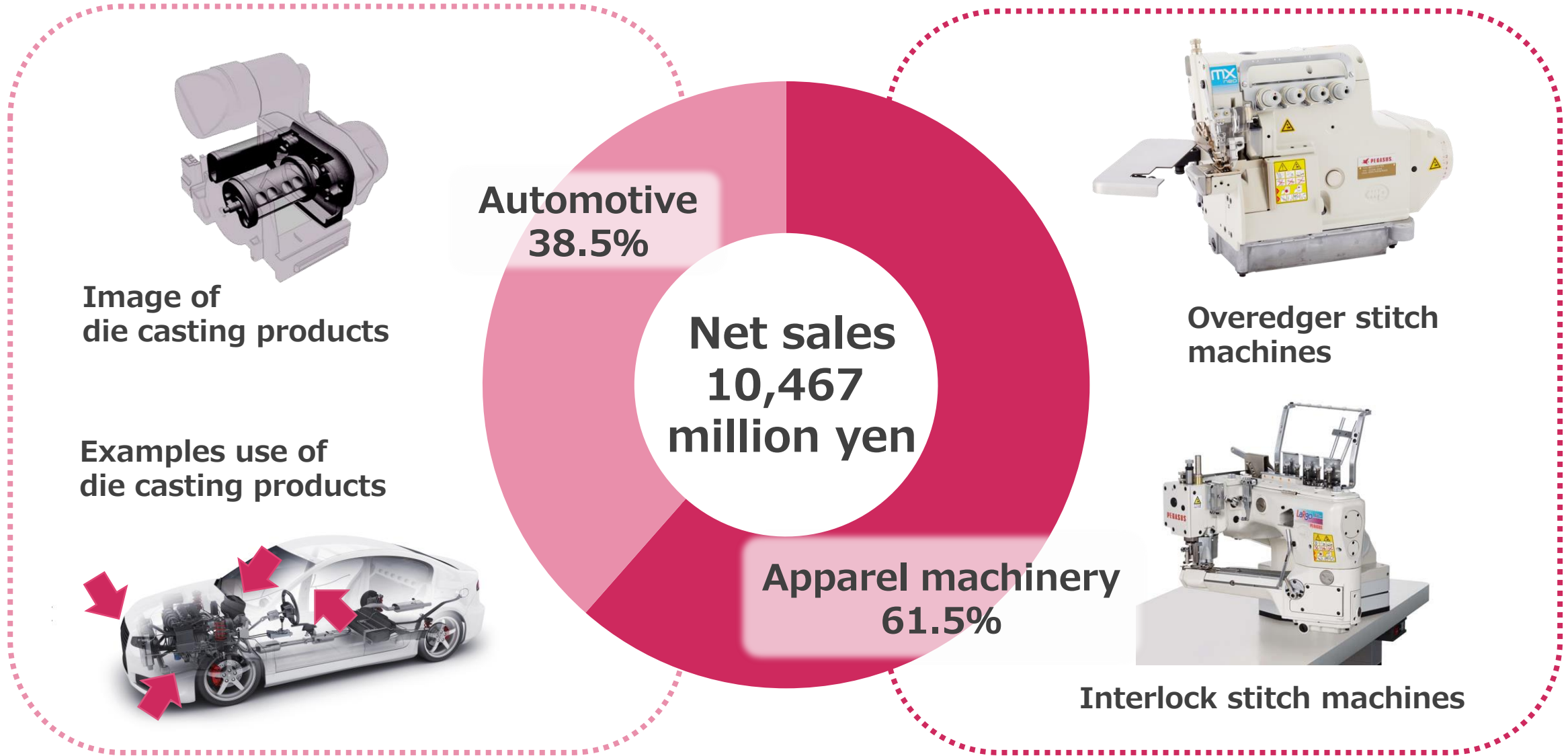
## Apparel machinery (formerly, Industrial sewing machine)

- ✓ Sewing companies remain cautious about capital investment in Americas and Europe due to unstable political and economic situation
- ✓ Improving demand for industrial sewing machines mainly in Asia

## Automotive

- ✓ Concerns about economic slowdown in China, the world's largest automobile market
- ✓ Shift to electric vehicles (EVs) in response to environmental issues

# Overview of Net Sales by Business



# Overview of Consolidated Financial Results



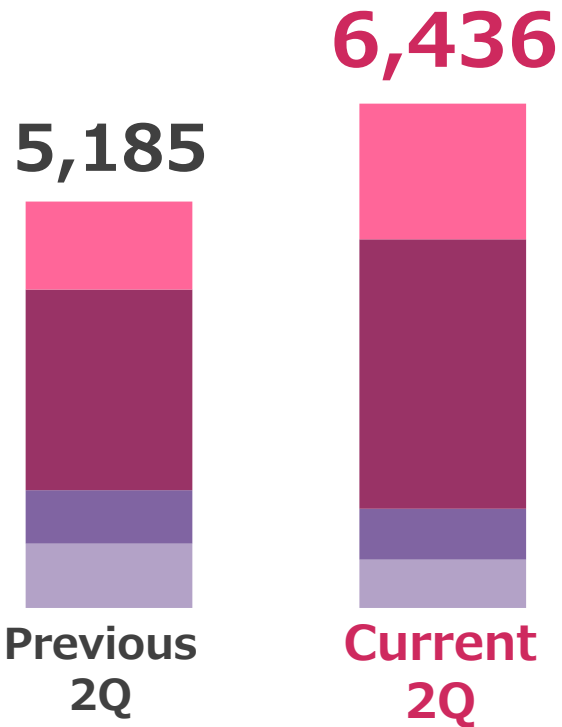
(Million yen: Amounts of less than one million yen are rounded down)  
 (※Results excluding the effects of foreign exchange are indicated in parentheses)

	Previous 2Q	Current 2Q	Change	Percentage change
<b>Net sales</b>	8,827	<b>10,467</b>	+1,640 (+580)	+18.6% (+6.6%)
<b>Apparel     machinery</b>	5,185	<b>6,436</b>	+1,250 (+638)	+24.1% (+12.3%)
<b>Automotive</b>	3,642	<b>4,031</b>	+389 (△57)	+10.7% (△1.6%)
<b>Operating profit</b>	120	<b>784</b>	+663	+548.7%
<b>Ordinary profit</b>	666	<b>567</b>	△98	△14.8%
<b>Profit before income taxes</b>	666	<b>567</b>	△98	△14.8%
<b>Profit attributable to owners of parent</b>	439	<b>237</b>	△201	△45.9%

# Net Sales by Business and Location



## Apparel machinery



- Qty. of units sold : +8.2%
- Average unit price : +18.3%
- (Excluding the effects of foreign exchange : +7.1%)

In China, there are concerns about an economic downturn, but sales increased year-on-year due to a gradual recovery in the sewing industry, which has bottomed out. In Japan and other parts of Asia, there are also encouraging signs, such as an increase in business negotiations, particularly in South Asia. 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.

### China

1,733 million yen  
YoY change : +54.1%

### Japan Asia

3,436 million yen  
YoY change : +34.3%

### Americas

649 million yen  
YoY change :  $\Delta$ 4.9%

### Europe

616 million yen  
YoY change :  $\Delta$ 24.6%

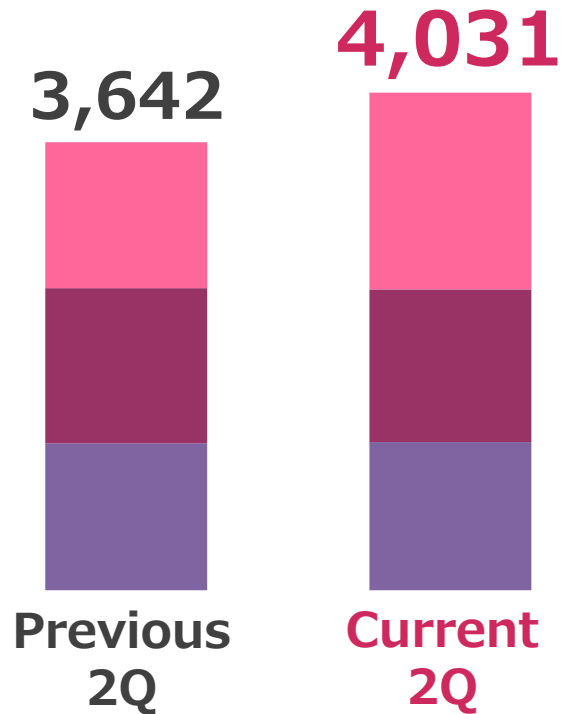
(Million yen: Amounts of less than one million yen are rounded down)

# Net Sales by Business and Location



## Automotive

In China, new orders from existing customers were solid, but auto sales in the country have plateaued, with a decrease in the growth rate year-on-year. In other Asian countries, sales increased only slightly year-on-year due in part to production suspensions at some Japanese automakers. In the Americas, orders from existing customers increased, which led to an increase in sales year-on-year.



<b>China</b>	1,490 million yen YoY change : +19.7%
<b>Asia</b>	1,279 million yen YoY change : +4.3%
<b>Americas</b>	1,261 million yen YoY change : +7.9%

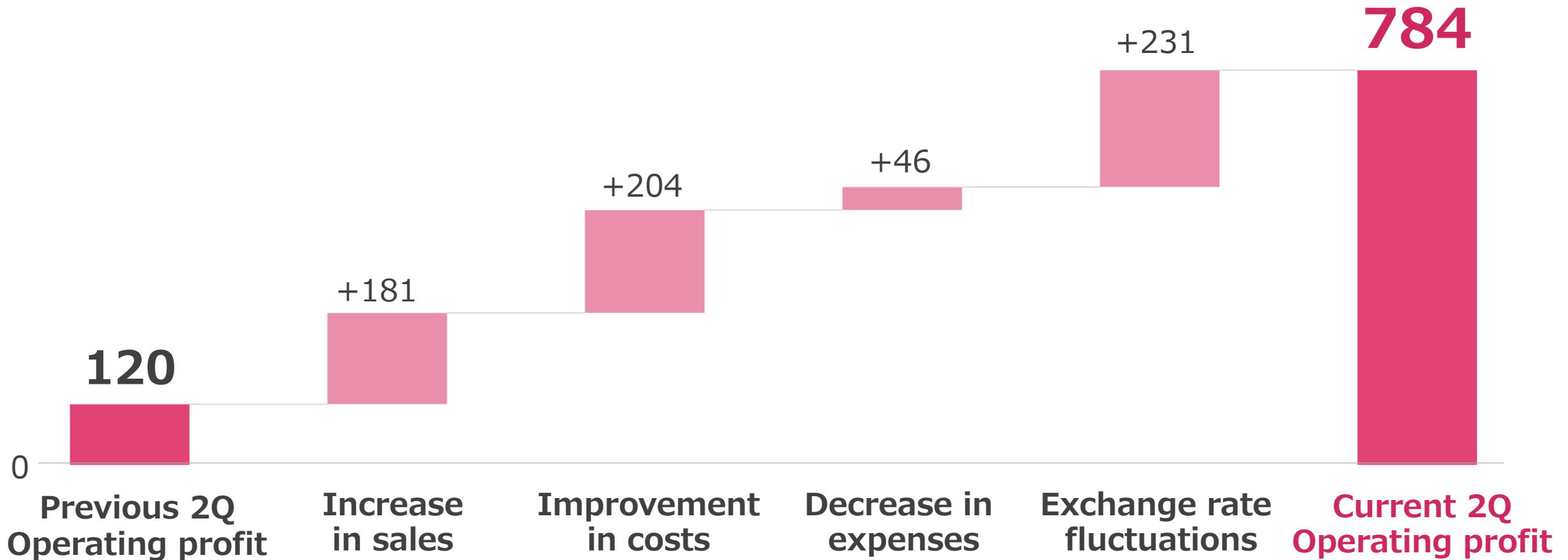
(Million yen: Amounts of less than one million yen are rounded down)



# Changes in Operating Profit



Increased sales led to a reduction in inventory and an improved cost of sales ratio. Additionally, the weaker yen (previous 2Q: 135.99 yen/USD → current 2Q: 152.30 yen/USD) had an impact on the foreign exchange rates, resulting in an increase in profits year-on-year.



(Million yen: Amounts of less than one million yen are rounded down) 9/30

# Consolidated Balance Sheets



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

	End of previous year	Current 2Q	Change	Main factors contributing to changes
Current assets	28,078	<b>30,303</b>	+2,224	<ul style="list-style-type: none"> <li>•Notes and accounts receivable - trade +1,628</li> <li>•Merchandise and finished goods* +450</li> </ul>
Non-current assets	14,870	<b>15,829</b>	+958	<ul style="list-style-type: none"> <li>•Property, plant and equipment +1,213</li> <li>•Intangible assets <math>\Delta 0</math></li> <li>•Investments and other assets <math>\Delta 253</math></li> </ul>
Total assets	42,949	<b>46,133</b>	+3,183	

\*Foreign exchange factors: +1,200 million yen

	End of previous year	Current 1Q	Change	Main factors contributing to changes
Current liabilities	8,656	<b>7,598</b>	$\Delta 1,058$	<ul style="list-style-type: none"> <li>•Notes and accounts payable - trade +931</li> <li>•Short-term borrowings <math>\Delta 1,210</math></li> </ul>
Non-current liabilities	3,689	<b>4,696</b>	+1,007	<ul style="list-style-type: none"> <li>•Long-term borrowings +1,000</li> </ul>
Net assets	30,603	<b>33,838</b>	+3,234	<ul style="list-style-type: none"> <li>•Retained earnings +237</li> <li>•Foreign currency translation adjustment +3,141</li> </ul>
Total liabilities and net assets	42,949	<b>46,133</b>	+3,183	

# Consolidated Financial Position



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

	<b>End of previous year</b>	<b>Current 2Q</b>
Equity (million yen)	29,607	<b>32,752</b>
Capital adequacy ratio (%)	68.9	<b>71.0</b>

	<b>End of previous year</b>	<b>Current 2Q</b>
BVPS (yen)	1,193.35	<b>1,320.10</b>
Year-end share price (yen)	535	<b>493</b>
PBR (times)	0.45	<b>0.37</b>

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

	<b>Previous 2Q</b>	<b>Current 2Q</b>
Profit attributable to owners of parent (million yen)	439	<b>237</b>
EPS (yen)	17.70	<b>9.58</b>

# Capital investment・Depreciation・R&D expenses



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

	Previous 2Q	Current 2Q	Change
Capital investment	1,315	1,471	+156
Depreciation	551	617	+66
R&D expenses	259	266	+7

<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.	205
Automotive	PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Plant expansion and enhancement of production-related facilities	1,081
Automotive	PEGASUS-SHIMAMOTO AUTO PARTS (VIETNAM) CO., LTD.	Enhancement of production-related facilities	60

# Consolidated Financial Results Forecast for FY3/2025

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## Business Environment

- ✓ Strong Southeast and South Asian economies
- ✓ Increasing uncertainty surrounding policy management and financial markets
  - └ Protracted Russia-Ukraine and Middle East situations
  - └ Risk of a shift in foreign policy following the US presidential election results
  - └ Concerns over a downturn in the Chinese economy

## Apparel machinery

- ✓ Establishing a production/supply/sales system for new models aimed at new markets
- ✓ Expansion of product lineup to meet customer needs
- ✓ Impact of student protests in Bangladesh

## Automotive

- ✓ Ongoing development of new customers leveraging our geographical advantage (China, Vietnam, and Mexico)
- ✓ Plant expansion at the Mexican subsidiary to meet high demand in the North American market
- ✓ Strengthening mass production at the subsidiary in China (Nantong)
- ✓ Concerns over the softening Chinese auto market

# Consolidated Financial Results Forecast for FY3/2025



## Full-year financial results forecast and progress (million yen)

Financial results forecast	Full-year forecast	Interim results	Progress ratio	Full-year results for the previous year	Percentage change	Change
Net sales	22,570	10,467	46.4%	17,542	+28.7%	+5,027
Operating profit	1,820	784	43.1%	38	—	+1,781
Ordinary profit	1,710	567	33.2%	512	+233.8%	+1,198
Profit attributable to owners of parent	1,000	237	23.8%	△72	—	+1,073

## By business

Financial results forecast	Full-year forecast	Interim results	Progress ratio	Full-year results for the previous year	Percentage change	Change
Apparel machinery	14,110	6,436	45.6%	9,620	+46.7%	+4,489
Automotive	8,460	4,031	47.7%	7,921	+6.8%	+538

# Consolidated Financial Results Forecast for FY3/2025



## Segments by business and location

### Full-year financial results forecast and progress (million yen)

#### Apparel machinery

Net sales forecast	Full-year forecast	Interim results	Progress ratio	Full-year results for the previous year	Percentage change	Change
China	2,780	1,733	62.4%	2,265	+22.7%	+515
Japan, Asia	7,810	3,436	44.0%	4,723	+65.4%	+3,087
Americas	1,925	649	33.7%	1,225	+57.0%	+699
Europe	1,595	616	38.7%	1,406	+13.4%	+188

#### Automotive

Net sales forecast	Full-year forecast	Interim results	Progress ratio	Full-year results for the previous year	Percentage change	Change
China	3,575	1,490	41.7%	2,908	+22.9%	+667
Asia	2,430	1,279	52.7%	2,597	△6.4%	△167
Americas	2,455	1,261	51.4%	2,416	+1.6%	+38



# Consolidated Financial Results Forecast for FY3/2025



## Capital investment • Depreciation • R&D expenses

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

	<b>Results for the previous year</b>	<b>Full-year forecast</b>	<b>Change</b>
<b>Capital investment</b>	2,619	<b>2,286</b>	△333
<b>Depreciation</b>	1,051	<b>1,041</b>	△9
<b>R&amp;D expenses</b>	554	<b>598</b>	+43

# Pegasus Sustainability Plan

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# Pegasus Sustainability Plan

## To solve social issues for the development of a sustainable society

(Priority issues) We identify the issues we should tackle from an outside-in perspective and work on them in our business activities.

### E nvironment



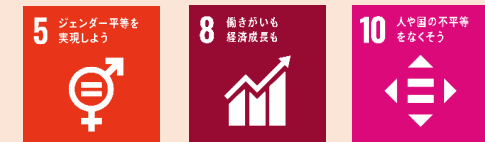
Contribution to reducing environmental impacts

### S ociety



Contribution to improving the working environment  
Diversity

### G overnance



Diversity of the Board of Directors  
Composition of external directors

Since its founding, based on its 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,” Pegasus has formulated its basic business policy with consideration for the importance of sustainability of society and the global environment and has strived to solve social issues through daily business activities. The Company will continue to strive to develop a sustainable society through its business activities based on the spirit of its corporate philosophy.

# Pegasus Sustainability Plan











## Past activities

ESG	Issues tackled	Main activities	Related SDGs
Environment	Contribution to reducing environmental impacts	<ul style="list-style-type: none"> <li>• Development of highly energy-efficient small motors</li> <li>• Development of a clean environment at die-cast production sites (installation of equipment that purifies wastewater and reduces air pollutants)</li> <li>• New head office building with highly eco-friendly functions</li> <li>• Saving resources by providing digital instruction manuals for sewing machines</li> <li>• Introduction of renewable energy and environmentally efficient equipment (installation of a solar power generation system)</li> </ul>	

# Pegasus Sustainability Plan



## Past activities

ESG	Issues tackled	Main activities	Related SDGs
Society	Contribution to improving the working environment	<ul style="list-style-type: none"> <li>•Development of user-friendly products that are safe and easy for customers to use (improved usability has reduced the work of operators and improved quality and productivity)</li> <li>•Revitalization of the organization and improvement of productivity by introducing a refreshing time</li> </ul>	    
	Diversity	<ul style="list-style-type: none"> <li>•Appointment of local staff to managerial and officer positions at overseas subsidiaries</li> <li>•Improvement of operational efficiency by introducing remote work and using IT to promote diverse work styles</li> <li>•Sharing technology and knowledge with local staff at overseas subsidiaries</li> </ul>	  
Governance	Composition of external directors	<ul style="list-style-type: none"> <li>•Appointment of three directors and two auditors among independent external officers (three men and two women)</li> </ul>	
	Diversity of the Board of Directors	<ul style="list-style-type: none"> <li>•Proactive appointment of those active in various fields to director and managerial positions regardless of nationality</li> </ul>	

# Reference

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## 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 2Q	Net sales (million yen)	1,733	3,436	649	616	6,436
	YoY change (%)	+54.1	+34.3	△4.9	△24.6	+24.1
	YoY change excluding the effects of foreign exchange (%)	+42.4	+20.8	△15.1	△32.8	+12.3
Previous 2Q	Net sales (million yen)	1,125	2,558	682	818	5,185

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

Automotive		China	Asia	Americas	Total
Current 2Q	Net sales (million yen)	1,490	1,279	1,261	4,031
	YoY change (%)	+19.7	+4.3	+7.9	+10.7
	YoY change excluding the effects of foreign exchange (%)	+10.6	△6.9	△8.9	△1.6
Previous 2Q	Net sales (million yen)	1,245	1,227	1,169	3,642

# Reference



## Effects of foreign exchange (based on consolidated net sales for 2Q 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	–	¥152.30	¥164.82	¥21.08	¥8.86	–	–	–	–
Exchange rates for the previous period	–	¥135.99	¥147.00	¥19.48	¥7.48	–	–	–	–
Difference (yen)	–	16.31	17.82	1.60	1.38	–	–	–	–
Net sales	248	5,117	616	3,223	1,261	<b>10,467</b>	<b>9,411</b>	8,827	+584
Ratio (%)	2.4	48.9	5.9	30.8	12.0	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>547</b>	<b>66</b>	<b>244</b>	<b>196</b>	<b>1,055</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cost of sales	271	1,887	177	3,574	1,033	<b>6,944</b>	<b>6,290</b>	6,091	+199
Ratio (%)	3.9	27.2	2.6	51.5	14.9	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>202</b>	<b>19</b>	<b>271</b>	<b>160</b>	<b>653</b>	<b>–</b>	<b>–</b>	<b>–</b>
Selling and administrative expenses	1,069	878	135	509	146	<b>2,739</b>	<b>2,569</b>	2,615	△46
Ratio (%)	39.0	32.1	5.0	18.6	5.4	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>94</b>	<b>14</b>	<b>38</b>	<b>22</b>	<b>170</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operating profit	△1,092	2,351	303	△859	81	<b>784</b>	<b>552</b>	120	+431
<b>Change in foreign exchange</b>	<b>–</b>	<b>251</b>	<b>32</b>	<b>△65</b>	<b>12</b>	<b>231</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cost of sales ratio (%)	–	–	–	–	–	<b>66.3</b>	<b>66.8</b>	<b>69.0</b>	–

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



# Corporate Profile

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## 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

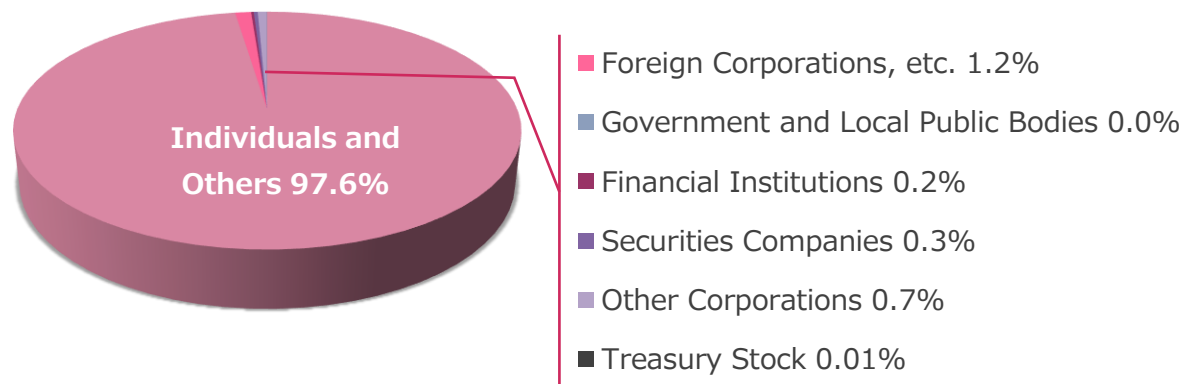


Name	PEGASUS CO., LTD.
Representative	Representative Director and President Shigemi Mima
Founded	January, 1914
Location	Fukushima-ku, Osaka, Japan
Capital	2,255.55million yen (as of March, 2024)
Sales	17,542.57million yen (From April 1, 2023 to March 31, 2024)
Number of employees	1,498 [consolidated]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

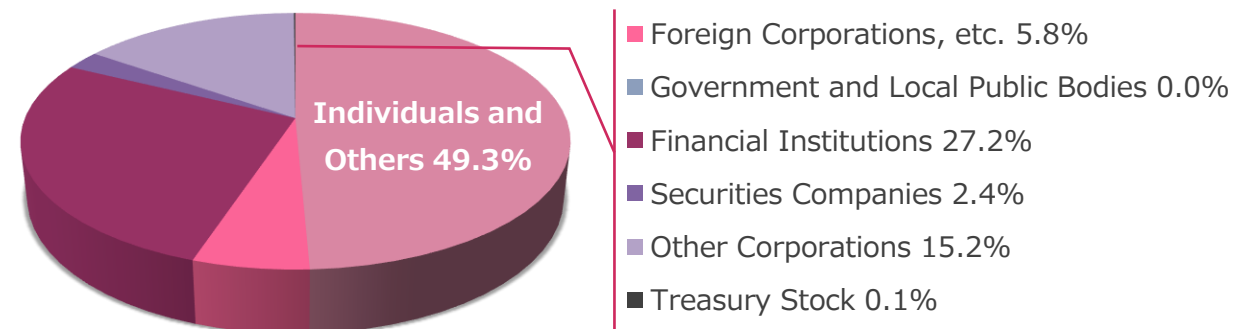
## ◆Principal Shareholders

Shareholder's Name	Holding Ratio
The Master Trust Bank of Japan Ltd. (Trust Account)	11.32%
Custody Bank of Japan, Ltd. (Trust Account)	10.97%
MIMA Co.,LTD.	6.26%
JUKI CORPORATION	3.50%
Keizo Bando	2.99%
Takako Yoshida	2.86%
Shigemi Mima	2.58%
Sumitomo Mitsui Banking Corporation	2.34%
Masamichi Mima	1.92%
Masako Tamura	1.49%

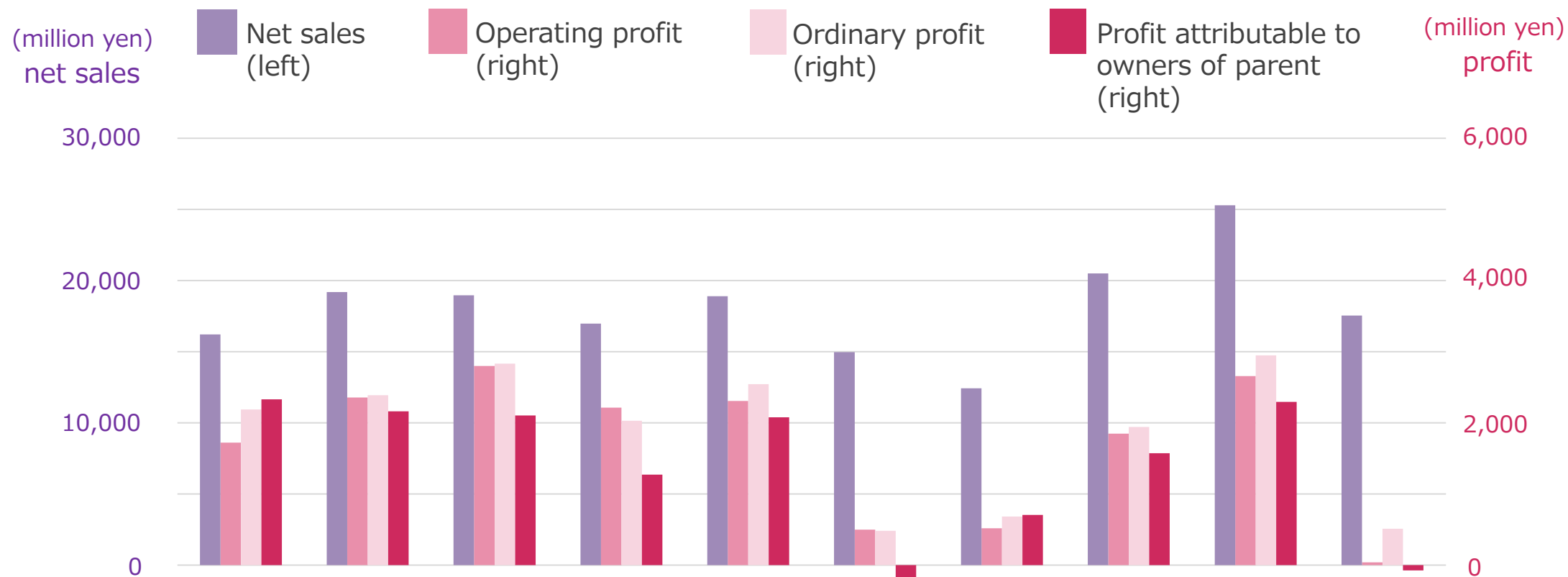
## ◆Breakdown of Shareholders by Type (%)



## ◆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.

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

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