



April 26, 2021

**Basic Agreement on the Business Alliance concluded between
PEGASUS SEWING MACHINE MFG. CO., LTD. and JUKI CORPORATION**

**PEGASUS SEWING MACHINE MFG. CO., LTD.
JUKI CORPORATION**

PEGASUS SEWING MACHINE MFG. CO., LTD. (Shigemi Mima: President, hereinafter "PEGASUS") and JUKI CORPORATION (Akira Kiyohara: Chairperson and CEO, hereinafter "JUKI") have resolved at their respective Board of Directors meetings to enter into a basic business alliance agreement focused on the industrial sewing machine business, and have concluded the agreement as of today.

1. Purpose of the business alliance

PEGASUS has been a leading company specialized in chain stitch sewing machines over the 100 years since its establishment and has been patronized by customers all over the world. Knitwear-related customers with expanding businesses continue to use PEGASUS products, and PEGASUS continues to improve its products and services, moving forward together with its customers to live up to their trust.

As a comprehensive manufacturer of industrial sewing machines, JUKI has been providing sewing machines and related equipment and systems as line solutions to customers in the apparel and non-apparel sewing industries in more than 185 countries around the world, and has earned the trust of customers as the world's top brand.

Capturing the progress of digital and IoT innovations, the arrival of the New Normal Society adapted to the COVID-19 pandemic, and the movements of economic recovery, the two companies will work together to support the sound development of the sewing industry as one of the drivers that will lead the recovery. The two companies will also collaborate to develop solution activities geared to the achievement of the SDGs, with a view to solving social issues mainly in emerging countries (*see the NOTES below).

***NOTES**

- (1) Enhancing the skills of sewing operators and improving their working environment**
- (2) Creating a production management system that enables a fine-tuned response to demand fluctuations**
- (3) Building an infrastructure for resource- and energy-saving throughout the sewing factories**

2. Details of the business alliance

The details of the business alliance agreed upon by the two companies are as follows.

(1) Collaboration in market development in emerging countries

- a) Establishing a sales and service network in the markets in emerging countries by using and mutually complementing the management resources of the two companies**
- b) Jointly expanding products for emerging markets**

(2) Collaboration in product development

- a) Engaging in joint development focused on the digitalization and networking of chain stitch swing machines, and jointly participating in future large-scale exhibitions for their products**
- b) Collaborating in the planning and development of chain stitch sewing machines**

[For inquiries on this business alliance, please contact:]

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