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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 27, 2022

Company name: PEGASUS SEWING MACHINE MFG. CO., LTD.

Stock exchange listing: Tokyo

Code number: 6262

URL: <https://www.pegasus.co.jp>

Representative: Shigemi Mima

Representative Director

Contact: Takashi Kaneko

Senior Executive Officer

Phone: 06(6451)1351

Scheduled date of filing quarterly securities report: November 08, 2022

Scheduled date of commencing dividend payments: November 25, 2022

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

## (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2022	13,349	39.5	1,905	166.2	2,451	249.2	1,740	269.6
September 30, 2021	9,568	83.2	715	-	702	852.3	470	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 5,081 million [ 189.14%]  
Six months ended September 30, 2021: ¥ 1,757 million [ -%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	70.16	-
September 30, 2021	18.98	-

## (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	39,688	30,125	73.6
March 31, 2022	35,133	25,366	70.0

(Reference) Equity: As of September 30, 2022: ¥ 29,200 million  
As of March 31, 2022: ¥ 24,599 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	7.00	-	13.00	20.00
Fiscal year ending March 31, 2023	-	15.00			
Fiscal year ending March 31, 2023 (Forecast)			-	-	-

- (Note) 1 Revision to the forecast for dividends announced most recently: No  
 2 The year-end dividend forecast for the fiscal year ending March 31, 2023 is undecided because it is difficult to forecast at this time.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,660	15.4	2,350	27.2	2,360	21.6	1,740	10.7	70.13

- (Note) Revision to the financial results forecast announced most recently: No

## \* Notes:

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name: )  
 Exclusion: - (Company name: )

- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

- (4) Total number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2022: 24,828,600 shares

March 31, 2022: 24,828,600 shares

- 2) Total number of treasury shares at the end of the period:

September 30, 2022: 17,976 shares

March 31, 2022: 17,976 shares

- 3) Average number of shares during the period:

Six months ended September 30, 2022: 24,810,624 shares

Six months ended September 30, 2021: 24,810,624 shares

- (Note) 1 Quarterly summary of financial statements is not subject to the quarterly reviews by a certified public accountant or an audit corporation.

- 2 Forward-looking statements

Statements contained in this summary regarding the Company's plans, strategies, and expectations for future performance, which are based on information available to the Company at the time of writing.

They are therefore subject to a number of uncertainties and unknowable factors, and actual results may thus differ substantially from those projected.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	9,773,167	10,208,755
Notes and accounts receivable - trade	5,676,044	7,099,423
Merchandise and finished goods	4,675,908	5,131,692
Work in process	1,063,678	1,166,811
Raw materials and supplies	3,787,567	4,500,638
Other	531,472	671,168
Allowance for doubtful accounts	(35,551)	(39,882)
Total current assets	25,472,287	28,738,605
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,042,579	5,275,781
Other, net	3,470,109	4,378,872
Total property, plant and equipment	8,512,689	9,654,653
Intangible assets	535,822	609,618
Investments and other assets		
Retirement benefit asset	163,732	170,316
Other	448,970	515,729
Total investments and other assets	612,702	686,046
Total non-current assets	9,661,215	10,950,318
Total assets	35,133,503	39,688,924
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,396,454	1,199,848
Short-term borrowings	2,620,705	3,236,225
Income taxes payable	206,741	677,744
Provision for bonuses	163,041	154,249
Other	1,313,567	1,419,263
Total current liabilities	6,700,511	6,687,331
Non-current liabilities		
Long-term borrowings	1,556,909	1,387,891
Retirement benefit liability	509,426	524,295
Other	999,692	963,561
Total non-current liabilities	3,066,028	2,875,748
Total liabilities	9,766,540	9,563,079

(Thousand yen)

	As of March 31,2022	As of September 30,2022
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,255,553	2,255,553
Capital surplus	2,988,857	2,988,857
Retained earnings	16,928,634	18,346,711
Treasury shares	(5,365)	(5,365)
Total shareholders' equity	22,167,680	23,585,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,455	10,362
Foreign currency translation adjustment	2,353,722	5,538,704
Remeasurements of defined benefit plans	65,715	65,565
Total accumulated other comprehensive income	2,431,893	5,614,632
Non-controlling interests	767,388	925,455
Total net assets	25,366,962	30,125,845
<b>Total liabilities and net assets</b>	<b>35,133,503</b>	<b>39,688,924</b>

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	9,568,827	13,349,264
Cost of sales	6,594,174	8,651,651
Gross profit	2,974,653	4,697,612
Selling, general and administrative expenses	2,258,958	2,792,093
Operating profit	715,694	1,905,519
Non-operating income		
Interest income	6,005	9,712
Dividend income	1,267	964
Foreign exchange gains	-	571,807
Subsidy income	39,634	3,463
Other	12,019	17,578
Total non-operating income	58,926	603,526
Non-operating expenses		
Interest expenses	37,130	54,208
Foreign exchange losses	33,120	-
Other	2,273	3,013
Total non-operating expenses	72,524	57,222
Ordinary profit	702,095	2,451,823
Extraordinary income		
Gain on sale of non-current assets	6,790	771
Total extraordinary income	6,790	771
Extraordinary losses		
Loss on sale of non-current assets	-	184
Impairment losses	17,757	-
Total extraordinary losses	17,757	184
Profit before income taxes	691,128	2,452,411
Income taxes - current	184,889	752,277
Income taxes - deferred	5,128	(76,013)
Total income taxes	190,017	676,264
Profit	501,111	1,776,146
Profit attributable to non-controlling interests	30,112	35,532
Profit attributable to owners of parent	470,998	1,740,614

## Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	501,111	1,776,146
Other comprehensive income		
Valuation difference on available-for-sale securities	1,054	(2,093)
Foreign currency translation adjustment	1,254,818	3,307,517
Remeasurements of defined benefit plans, net of tax	449	(149)
Total other comprehensive income	1,256,322	3,305,274
Comprehensive income	1,757,433	5,081,421
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,675,658	4,923,353
Comprehensive income attributable to non-controlling interests	81,775	158,068

## Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	691,128	2,452,411
Depreciation	401,286	452,609
Impairment losses	17,757	-
Increase (decrease) in allowance for doubtful accounts	24,132	(1,221)
Increase (decrease) in retirement benefit liability	(3,171)	15,079
Decrease (increase) in retirement benefit asset	(6,858)	(12,624)
Interest and dividend income	(7,272)	(10,677)
Subsidy income	(39,634)	(3,463)
Interest expenses	37,130	54,208
Foreign exchange losses (gains)	48,565	(19,557)
Loss (gain) on sale of non-current assets	(6,790)	(587)
Decrease (increase) in trade receivables	(750,987)	(354,480)
Decrease (increase) in inventories	675,538	90,301
Increase (decrease) in trade payables	341,435	(1,980,357)
Increase (decrease) in accounts payable - other	(30,238)	(75,420)
Other, net	(11,781)	(181,680)
Subtotal	1,380,241	424,539
Interest and dividends received	7,947	6,712
Interest paid	(36,268)	(58,535)
Subsidies received	33,102	3,463
Income taxes paid	(117,608)	(344,040)
Net cash provided by (used in) operating activities	1,267,414	32,139
<b>Cash flows from investing activities</b>		
Payments into time deposits	(147,766)	(294,771)
Proceeds from withdrawal of time deposits	400,371	40,006
Purchase of property, plant and equipment	(397,517)	(501,066)
Proceeds from sale of property, plant and equipment	15,097	28,822
Purchase of intangible assets	(516)	(12,495)
Other, net	2,473	3,413
Net cash provided by (used in) investing activities	(127,858)	(736,091)

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	300,000	200,000
Proceeds from long-term borrowings	60,000	-
Repayments of long-term borrowings	(251,018)	(172,218)
Dividends paid	(173,674)	(322,538)
Dividends paid to non-controlling interests	(37,107)	-
Repayments of lease liabilities	(49,279)	(75,982)
Other, net	(33,841)	(39,661)
Net cash provided by (used in) financing activities	(184,921)	(410,399)
Effect of exchange rate change on cash and cash equivalents	310,046	1,276,381
Net increase (decrease) in cash and cash equivalents	1,264,681	162,030
Cash and cash equivalents at beginning of period	8,273,911	9,733,160
Cash and cash equivalents at end of period	9,538,593	9,895,191