

Fiscal Year Ending March 31, 2024

# Financial Results Briefing Materials for FY3/2024

Announced on May 13, 2024



**PEGASUS CO., LTD.**

【Code : 6262, Tokyo stock exchange in Japan】

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# Overview for FY3/2024

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- ✓ Robust consumption in major countries such as the United States and China
- ✓ Expansion of domestic demand in the ASEAN Economic Area
- ✓ Heightened geopolitical risks due to the protracted Russia-Ukraine situation
- ✓ Global inflation and monetary tightening in Europe and the United States

## Industrial sewing machine

- ✓ Although the consumer demand for clothing is returning, capital investment in sewing companies remains cautious.
- ✓ Deterioration of foreign exchange conditions in partner countries

## Automotive parts

- ✓ Although there are regional variations in the recovery of automobile sales, we have seen moderate recovery in the industry as a whole.
- ✓ Concentration of the automotive industry in Mexico
- ✓ Shift to electric vehicles (EVs) in response to environmental issues

# Overview of Net Sales by Business

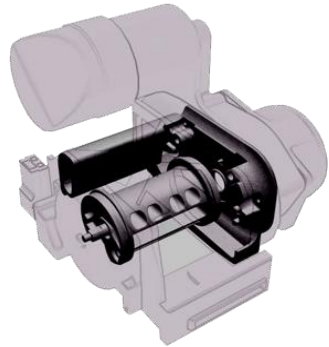
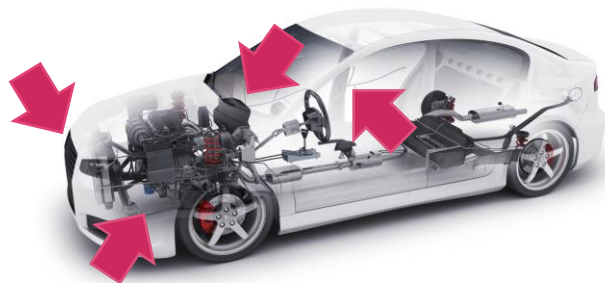


Image of die casting products

Examples use of die casting products



Automotive parts  
45.2%

Net sales  
17,542  
million yen

Industrial sewing machine  
54.8%



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)

	<b>FY3/2023</b>	<b>FY3/2024</b>	<b>Change</b>	<b>Percentage change</b>
<b>Net sales</b>	25,288	<b>17,542</b>	△7,745 (△8,970)	△30.6% (△35.5%)
<b>Industrial sewing machines</b>	18,922	<b>9,620</b>	△9,301 (△9,850)	△49.2% (△52.1%)
<b>Automotive parts</b>	6,366	<b>7,921</b>	+1,555 (+880)	+24.4% (+13.8%)
<b>Operating profit</b>	2,657	<b>38</b>	△2,618	△98.5%
<b>Ordinary profit</b>	2,946	<b>512</b>	△2,434	△82.6%
<b>Profit before income taxes</b>	2,952	<b>512</b>	△2,440	△82.6%
<b>Profit attributable to owners of parent</b>	2,294	△ <b>72</b>	△2,367	—

# Net Sales by Business and Location



## Industrial sewing machine

Throughout the year, sales in Asia decreased year-on-year due in part to the deterioration of the foreign currency situation. In the Americas, demand for capital investment in Central America, which had been strong in the previous fiscal year, declined. In China, sales declined due to the economic slowdown caused in part by the prolonged slump in the real estate market. Overall, the desire to spend on clothing was on a recovery trend, but it was greatly affected by the cautious sentiment toward capital investment.

18,922



FY3/2023

9,620



FY3/2024

China

2,265 million yen  
YoY change :  $\triangle 10.9\%$

Japan  
Asia

4,723 million yen  
YoY change :  $\triangle 58.9\%$

Americas

1,225 million yen  
YoY change :  $\triangle 64.8\%$

Europe

1,406 million yen  
YoY change :  $+ 0.9\%$

- Qty. of units sold :  $\triangle 50.6\%$
- Average unit price :  $+4.4\%$
- (Excluding the effects of foreign exchange :  $\triangle 1.4\%$ )

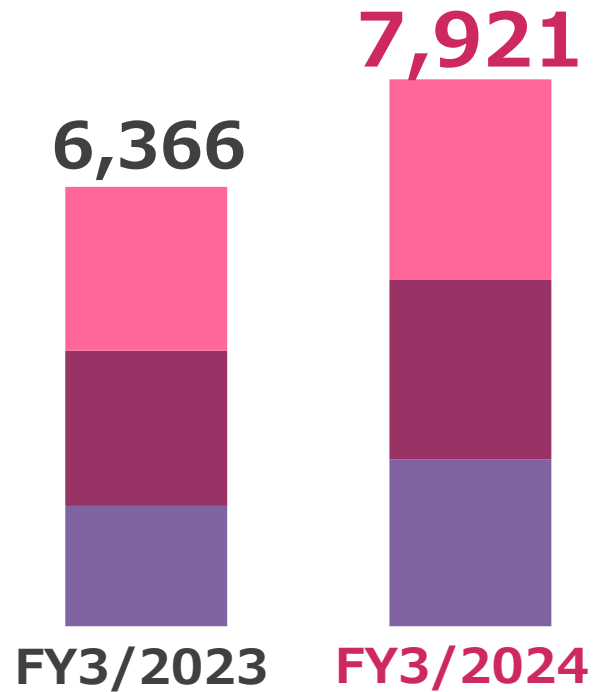
(Million yen: Amounts of less than one million yen are rounded down)

# Net Sales by Business and Location



## Automotive parts

Sales increased year-on-year in all regions. In the Americas in particular, our continuous efforts to acquire new customers and receive new orders from existing customers bore fruit, resulting in a substantial increase in sales. Also, sales reached a record high for the second year in a row.



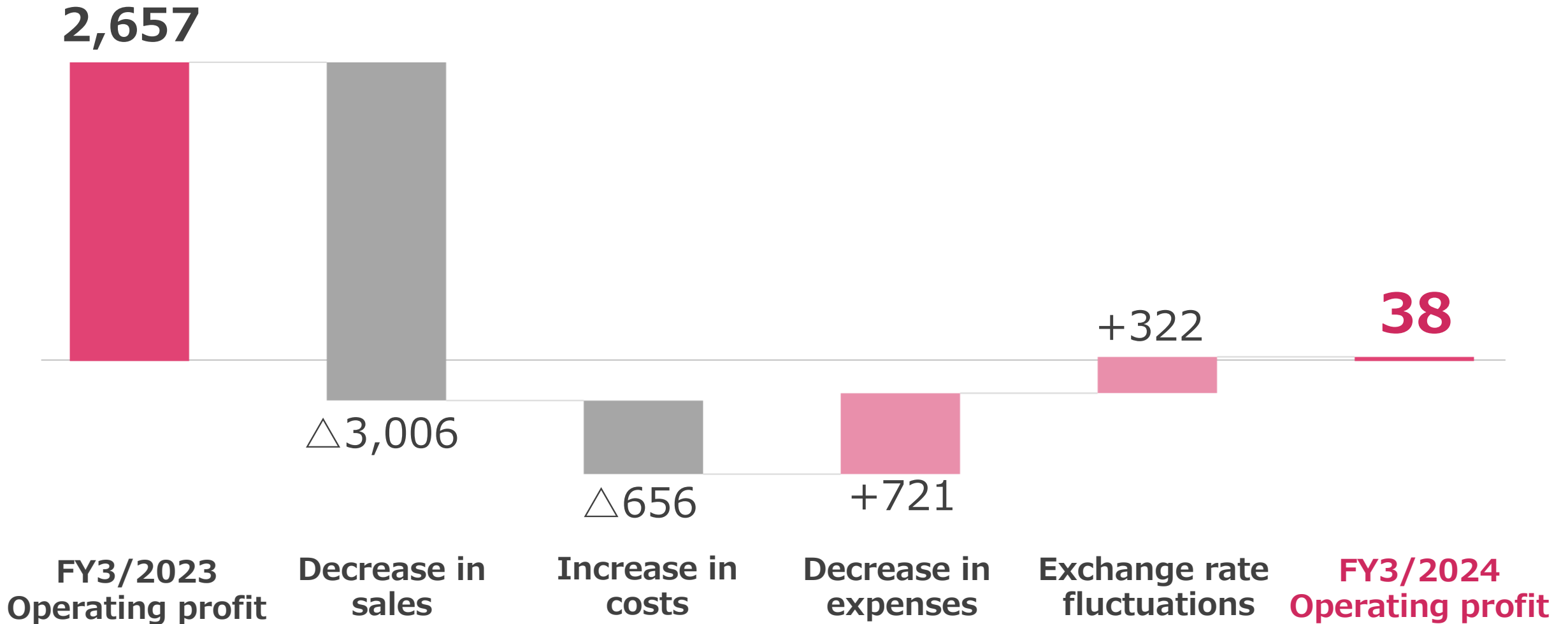
China	2,908 million yen YoY change : +22.4%
Asia	2,597 million yen YoY change : +15.4%
Americas	2,416 million yen YoY change : +38.8%

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



# Changes in Operating Profit

✓ Profit decreased year-on-year due to a significant decline in 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	End of FY3/2024	Change	Main factors contributing to changes
Current assets	28,372	<b>28,078</b>	△293	<ul style="list-style-type: none"> <li>•Notes and accounts receivable - trade      △403</li> <li>•Merchandise and finished goods            +670</li> </ul>
Non-current assets	11,135	<b>14,870</b>	+3,735	<ul style="list-style-type: none"> <li>•Property, plant and equipment            +2,883</li> <li>•Intangible assets                                △12</li> <li>•Investments and other assets                +864</li> </ul>
Total assets	39,507	<b>42,949</b>	+3,441	

	End of previous year	End of FY3/2024	Change	Main factors contributing to changes
Current liabilities	7,863	<b>8,656</b>	+792	<ul style="list-style-type: none"> <li>•Notes and accounts payable - trade      △349</li> <li>•Short-term borrowings                        +841</li> </ul>
Non-current liabilities	2,444	<b>3,689</b>	+1,244	<ul style="list-style-type: none"> <li>•Long-term borrowings                        +1,445</li> </ul>
Net assets	29,199	<b>30,603</b>	+1,403	<ul style="list-style-type: none"> <li>•Retained earnings                              △494</li> <li>•Foreign currency translation adjustment   +1,677</li> </ul>
Total liabilities and net assets	39,507	<b>42,949</b>	+3,441	

(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	End of FY3/2024
Equity (million yen)	28,300	<b>29,607</b>
Capital adequacy ratio (%)	71.6	<b>68.9</b>

	End of previous year	End of FY3/2024
BVPS (yen)	1,140.65	<b>1,193.35</b>
Year-end share price (yen)	634	<b>535</b>
PBR (times)	0.56	<b>0.45</b>

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

	End of previous year	End of FY3/2024
Profit attributable to owners of parent (million yen)	2,294	<b>△72</b>
EPS (yen)	92.49	<b>△2.93</b>

# Capital investment・Depreciation・R&D expenses



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

	<b>FY3/2023</b>	<b>FY3/2024</b>	<b>Change</b>
Capital investment	1,645	<b>2,619</b>	+974
Depreciation	930	<b>1,051</b>	+120
R&D expenses	452	<b>554</b>	+102

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

<b>Company name</b>	<b>Details</b>	<b>Total investment</b>
PEGASUS VIETNAM SEWING MACHINE CO.,LTD.	Construction of a new plant, etc.	1,390
PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Enhancement of production-related facilities (Factory expansion, die-casting machines, etc.)	781
PEGASUS(TIANJIN) SEWING MACHINE CO., LTD.	Enhancement of production-related facilities Installation of a solar power generation system	170
NANTONG PEGASUS AUTO PARTS MFG. CO.,LTD.	Construction of new production-related facilities (Die-casting machines, etc.)	100

# Consolidated Financial Results Forecast for FY3/2025

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## Business Environment

- ✓ Emergence of geopolitical risks due in part to the deterioration of the Russia/Ukraine situation and the Middle East situation
- ✓ Risks of foreign policy changes in major countries/regions resulting from election results
- ✓ Deteriorating exchange rate situations in the countries to which our products are supplied
- ✓ Concerns about an increase in non-performing loans due to deterioration in the Chinese real estate market

## Industrial sewing machine

- ✓ Establishment of a production and supply system for new models for new markets
- ✓ Strengthening the production system in anticipation of risks such as supply chain disruptions (Full-scale operation of a new plant in Vietnam)
- ✓ Expansion of product lineup to meet customer needs

## Automotive parts

- ✓ 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
- ✓ Transition to mass production at the subsidiary in China (Nantong)

# Consolidated Financial Results Forecast for FY3/2025



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

	<b>FY3/2024 (actual)</b>	<b>FY3/2025 (forecast)</b>	<b>Change</b>	<b>Percentage change</b>
<b>Net sales</b>	17,542	<b>22,570</b>	+5,027	+28.7%
<b>Industrial sewing machines</b>	9,620	<b>14,110</b>	+4,489	+46.7%
<b>Automotive parts</b>	7,921	<b>8,460</b>	+538	+6.8%
<b>Operating profit</b>	38	<b>1,820</b>	+1,781	—
<b>Ordinary profit</b>	512	<b>1,710</b>	+1,197	+233.8%
<b>Profit attributable to owners of parent</b>	△72	<b>1,000</b>	+1,072	—

# Consolidated Financial Results Forecast for FY3/2025



## Full-year financial results forecast by segment (Sales by business and location)

### Industrial sewing machine

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

	FY3/2024 (actual)	FY3/2025 (forecast)	Change	Percentage change
China	2,265	2,780	+514	+22.7%
Japan, Asia	4,723	7,810	+3,086	+65.4%
Americas	1,225	1,925	+699	+57.0%
Europe	1,406	1,595	+188	+13.4%

### Automotive parts

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

	FY3/2024 (actual)	FY3/2025 (forecast)	Change	Percentage change
China	2,908	3,575	+666	+22.9%
Asia	2,597	2,430	△167	△6.4%
Americas	2,416	2,455	+38	+1.6%



# 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>FY3/2024 (actual)</b>	<b>FY3/2025 (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

### <Main capital investments>

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

<b>Company name</b>	<b>Details</b>	<b>Investment</b>
PEGASUS AUTO PARTS MONTERREY S.A. DE C.V.	Factory expansion and auto parts production equipment	1,457
NANTONG PEGASUS AUTO PARTS MFG. CO.,LTD.	Auto parts production equipment	287
TIANJIN PEGASUS-SHIMAMOTO AUTO PARTS CO., LTD.	Auto parts production equipment	223
PEGASUS VIETNAM SEWING MACHINE CO., LTD.	New factory construction	167

# Consolidated Financial Results Forecast for FY3/2025



## Dividend forecast and payout ratio

	Interim	Year-end	Annual	EPS	Payout ratio
<b>FY3/2023</b>	15yen	12yen	27yen	92.49yen	29.2%
<b>FY3/2024</b>	5yen	0yen	5yen	△2.93yen	—%
<b>FY3/2025 (forecast)</b>	<b>5yen</b>	<b>8yen</b>	<b>13yen</b>	<b>40.31yen</b>	<b>32.3%</b>

※The year-end dividend forecast for FY2024 is undecided because it is difficult to forecast at this time.

# 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



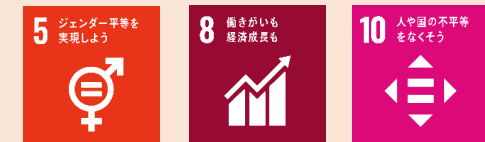
Contribution to reducing environmental impacts

### 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




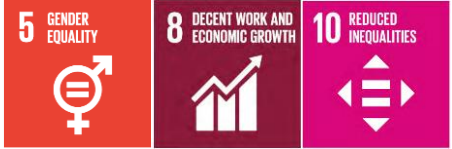
## Past activities

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)

Industrial sewing machine		China	Japan Asia	Americas	Europe	Total
FY3/2024	Net sales (million yen)	2,265	4,723	1,225	1,406	9,620
	YoY change (%)	△10.9	△58.9	△64.8	+0.9	△49.2
	YoY change excluding the effects of foreign exchange (%)	△12.7	△61.4	△67.3	△8.6	△52.1
FY3/2023	Net sales (million yen)	2,541	11,501	3,485	1,393	18,922

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

Automotive parts		China	Asia	Americas	Total
FY3/2024	Net sales (million yen)	2,908	2,597	2,416	7,921
	YoY change (%)	+22.4	+15.4	+38.8	+24.4
	YoY change excluding the effects of foreign exchange (%)	+19.9	+7.4	+14.0	+13.8
FY3/2023	Net sales (million yen)	2,374	2,250	1,740	6,366



# Reference



## Effects of foreign exchange (based on consolidated net sales for FY3/2024)

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	–	¥140.55	¥152.27	¥19.81	¥7.94	–	–	–	–
Exchange rates for the previous period	–	¥130.78	¥137.93	¥19.39	¥6.52	–	–	–	–
Difference (yen)	–	9.77	14.34	0.42	1.42	–	–	–	–
Net sales	663	7,882	1,406	5,173	2,416	<b>17,542</b>	<b>16,318</b>	25,288	△8,970
Ratio (%)	3.8	44.9	8.0	29.5	13.8	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>549</b>	<b>132</b>	<b>109</b>	<b>432</b>	<b>1,224</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cost of sales	1,107	3,241	39	5,846	1,976	<b>12,211</b>	<b>11,505</b>	16,812	△5,307
Ratio (%)	9.1	26.5	0.3	47.9	16.2	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>225</b>	<b>3</b>	<b>123</b>	<b>353</b>	<b>706</b>	<b>–</b>	<b>–</b>	<b>–</b>
Selling and administrative expenses	2,144	1,609	307	1,049	181	<b>5,292</b>	<b>5,096</b>	5,818	△721
Ratio (%)	40.5	30.4	5.8	19.8	3.4	100.0	–	–	–
<b>Change in foreign exchange</b>	<b>–</b>	<b>111</b>	<b>28</b>	<b>22</b>	<b>32</b>	<b>195</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operating profit	△2,588	3,031	1,060	△1,723	258	<b>38</b>	<b>△283</b>	2,657	△2,941
<b>Change in foreign exchange</b>	<b>–</b>	<b>212</b>	<b>99</b>	<b>△36</b>	<b>46</b>	<b>322</b>	<b>–</b>	<b>–</b>	<b>–</b>
Cost of sales ratio (%)	–	–	–	–	–	<b>69.6</b>	<b>70.5</b>	<b>66.5</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

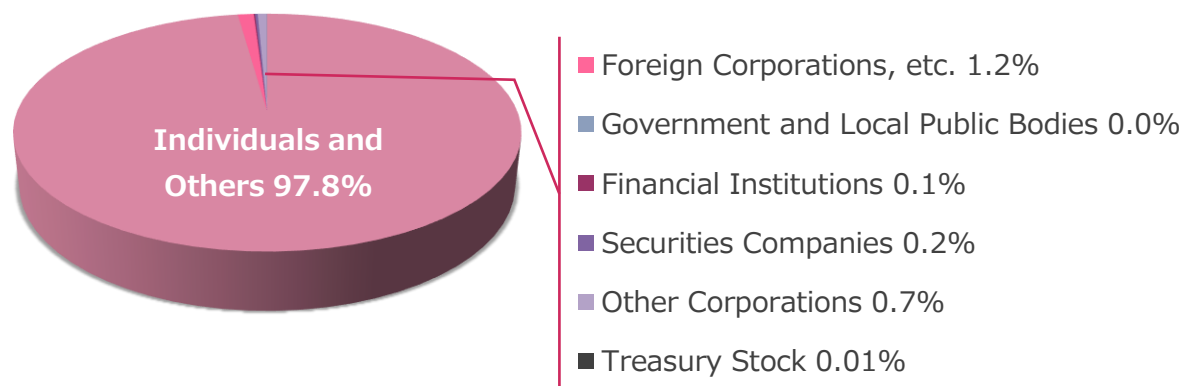


Name	PEGASUS CO., LTD.
Representative	Representative Director and President Shigemi Mima
Founded	January, 1914
Location	Fukushima-ku, Osaka, Japan
Capital	2,255.55million yen (as of March,2024)
Sales	17,542.57million yen (From April 1, 2023 to March 31, 2024)
Number of employees	1,498 [consolidated] (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>

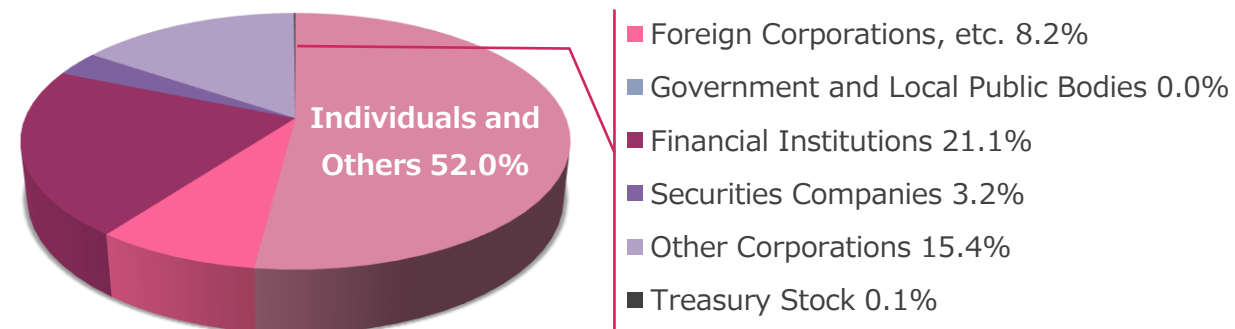
## ◆Principal Shareholders

Shareholder's Name	Holding Ratio
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%

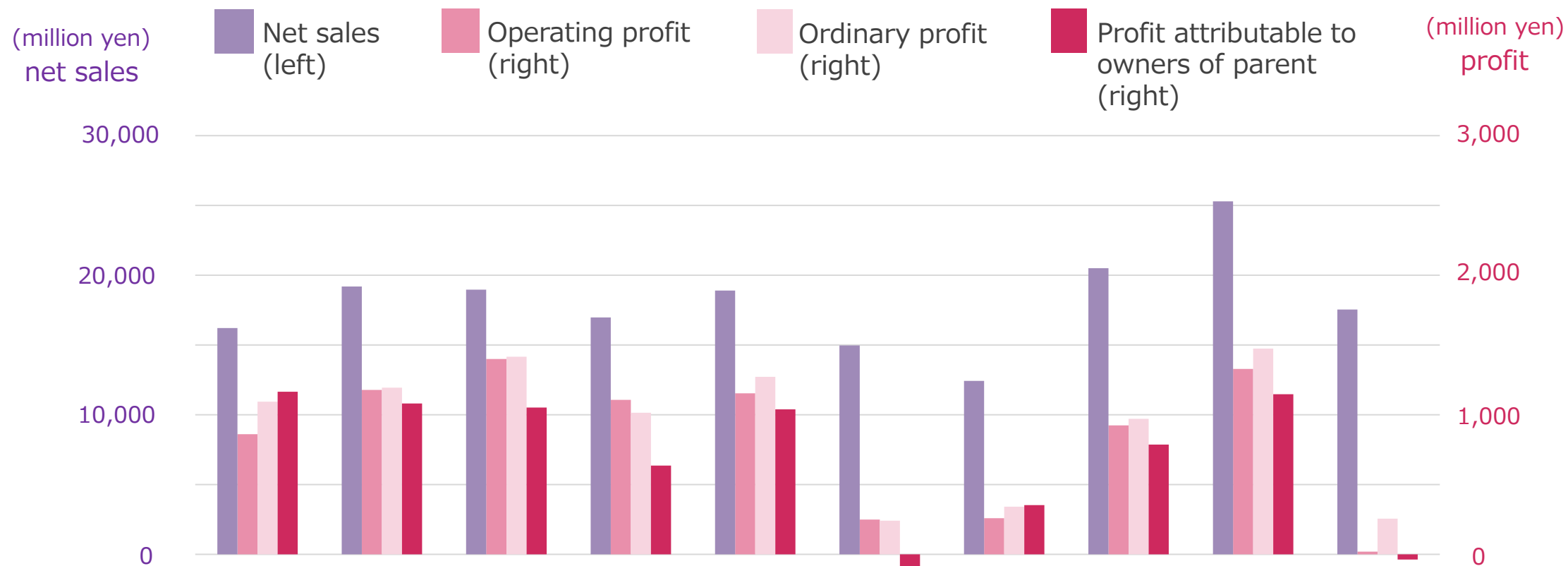
## ◆Breakdown of Shareholders by Type (%)



## ◆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.

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

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