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## Consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

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: Fumiyasu Sato

Executive Officer

Phone: 06(6451)1351

Schedule:

Annual General Meeting of Shareholders: June 22, 2021

Commencing dividend payments: June 23, 2021

Filing annual securities report: June 23, 2021

Availability of supplementary briefing material on annual financial results: Yes

Annual financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

#### (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	%
Fiscal year ended March 31, 2021	12,422	(17.0)	516	3.5	681	40.8	707	-
March 31, 2020	14,969	(20.8)	499	(78.3)	484	(81.0)	(206)	-

(Note) Comprehensive income: Fiscal year ended March 31, 2021: ¥ 502 million [ -%]  
Fiscal year ended March 31, 2020: ¥ (622) million [ -%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	28.50	-	3.3	2.3	4.2
March 31, 2020	(8.31)	-	(1.0)	1.6	3.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ - million  
Fiscal year ended March 31, 2020: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2021	29,846	22,061	71.6	861.77
March 31, 2020	29,719	21,737	70.9	849.24

(Reference) Capital: As of March 31, 2021: ¥ 21,381 million  
As of March 31, 2020: ¥ 21,070 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	2,257	643	(145)	8,313
March 31, 2020	602	(1,627)	576	5,648

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	-	13.00	-	7.00	20.00	496	-	2.3
March 31, 2021	-	0.00	-	7.00	7.00	173	24.6	0.8
Fiscal year ending March 31, 2022 (Forecast)	-	7.00	-	7.00	14.00		62.0	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% 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
Six months ended September 30, 2021	9,300	78.1	610	-	580	686.7	370	-	14.91
Full year	17,510	41.0	1,050	103.5	980	43.9	560	(20.8)	22.57

## \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- New - (Company name: )
- Exclusion: - (Company name: )
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
- March 31, 2021: 24,828,600 shares
- March 31, 2020: 24,828,600 shares
- 2) Total number of treasury shares at the end of the period:
- March 31, 2021: 17,976 shares
- March 31, 2020: 17,944 shares
- 3) Average number of shares during the period:
- Fiscal Year ended March 31, 2021: 24,810,654 shares
- Fiscal Year ended March 31, 2020: 24,810,656 shares

## (Reference) Summary of Non-consolidated Financial Results

## 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 01, 2020 to March 31, 2021)

## (1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	4,984	(21.6)	(778)	-	(349)	-	(180)	-
March 31, 2020	6,359	(32.3)	(21)	-	164	(86.7)	(98)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2021	(7.27)	-
March 31, 2020	(3.95)	-

## (2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2021	19,910	13,673	68.7	551.12
March 31, 2020	20,006	14,037	70.2	565.78

(Reference) Capital: As of March 31, 2021: ¥ 13,673 million  
As of March 31, 2020: ¥ 14,037 million

(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.

For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to "Outlook for the next fiscal year" on page 3 of the attached material.

Schedule of the briefing: Thursday, May 27, 2021, will be live-streamed online.

(for institutional investors and analysts)

The presentation material (Japanese) will be announced on Company's website on Tuesday, May 25, 2021.

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## 1. Overview of results of operations

### (1) Operating results

The global economy in the current consolidated fiscal year became significantly worse due to the effects of restrictions on economic activities caused by the spread of COVID-19. On the other hand, production activities in China have resumed quickly and capital investment is showing signs of picking up. However the outlook remains uncertain with the re-expansion of new COVID-19 worldwide and the increased risk of a downturn in the economy.

In our main business, industrial sewing machine, the spread of the COVID-19 has forced our customers, apparel garment companies, to reduce production and shut down factories all over the world. But since mid-2020, production activity has recovered, especially in China and other Asian regions. With regard to die casting business, the recovery in production in the automobile industry exceeded expectation due to the recovery in demand.

Under these circumstances, net sales for the current consolidated fiscal year were 12,422 million yen (down by 17.0% year-on-year). In terms of profits, operating profit was 516 million yen (up by 3.5% year-on-year) and ordinary profit was 681 million yen (up by 40.8% year-on-year) due to the improvement in the profit margin of the die casting business. Profit attributable to owners of parent was 707 million yen (compared to a net loss attributable to owners of parent of 206 million yen in the same period of the previous year).

#### Business overviews by segment

##### (Industrial sewing machine)

With regard to industrial sewing machines, China, where the spread of COVID-19 has begun to settle down, has resumed business activities in advance. Subsequently countries in Southeast Asia and Western have also taken steps to recover their economic activities. However the demand for capital investment has not recovered to the level of capital investment before COVID-19, and net sales were 9,622 million yen (down by 21.5% year-on-year), segment profit was 1,399 million yen (down by 13.8% year-on-year).

##### (Die casting auto parts)

Automobile production is on a recovery trend, and we continued to focus on sales activities aimed at expanding sales channels. And net sales were 2,799 million yen (up by 3.5% year-on-year) and segment profit was 133 million yen (segment loss of 1 million yen in the same period of the previous year) due to cost reductions and other factors.

### (2) Reference: Cash flow indicators

	As of March, 31, 2017	As of March, 31, 2018	As of March, 31, 2019	As of March, 31, 2020	As of March, 31, 2021
Capital adequacy ratio	72.3	76.6	74.8	70.9	71.6
Capital adequacy ratio based on market prices	77.0	65.7	50.2	29.5	38.1
Interest-bearing debt to cash flow ratio	177.4	100.4	178.5	820.4	225.0
Interest coverage ratio	34.1	40.2	32.4	8.7	34.7

Capital adequacy ratio: Capital divided by Total assets

Capital adequacy ratio based on market prices: Market capitalization divided by total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt divided by operating cash flows

Interest coverage ratio: Operating cash flows divided by Interest payments

(Note) 1 All of the above indicators are calculated based on consolidated financial figures.

2 Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.

3 Operating cash flows are calculated using the figures for operating cash flows in the consolidated statement of cash flows. Interest-bearing debt includes all liabilities on the consolidated balance sheet that incur interest. Interest payments are calculated using the figures for interest expenses paid in the consolidated statement of cash flows.

### (3) Outlook for the next fiscal year

The apparel industry which is our main target is expected to normalize to some extent within the next fiscal year. However, the spread of COVID-19 is shifting from developed countries where vaccinations are widespread to developing countries, and the global economy remains uncertain.

Business continuity and employee safety are our highest priorities. And while taking actions to prevent COVID-19 infection, we are proceeding with various challenges, with the priority issues of "building a sustainable business structure" and "improving profitability" in order to respond to changes in the market. In addition, we are developing new sales tools that facilitate sales activities utilizing web based content; IoT initiatives to achieve digital compatibility with our product line; developing new products; rebuilding our supply chain to optimize production and inventory. Additionally, we will strengthen human resource development, and focus on future actions such as planning capital investment in preparation for expanding orders in the die casting business.

Based on the above efforts, the consolidated earnings forecast for the fiscal year ending March 2022 will be net sales of 17,510 million yen, operating profit of 1,050 million yen, ordinary profit of 980 million yen and profit attributable to owners of parent of 560 million yen.

The above earnings forecast was prepared based on the information available as of the date of publication of this material, and the actual earnings may differ from the forecast due to various factors in the future.

(Note) The above outlook is based on the exchange rates. 105yen to 1 US dollar.

## 2. Basic policy concerning selection of accounting standards

The Group has prepared the consolidated financial statements in accordance with Japanese GAAP. Regarding the application of International Financial Reporting Standards (IFRS) in the future, we will take appropriate measures in consideration of various situations in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	5,998,703	8,659,115
Notes and accounts receivable - trade	3,856,634	3,619,713
Securities	42,145	-
Merchandise and finished goods	5,180,204	4,442,859
Work in process	658,289	738,116
Raw materials and supplies	3,757,987	3,453,410
Accounts receivable - other	109,275	93,215
Other	333,777	264,453
Allowance for doubtful accounts	(35,142)	(13,082)
<b>Total current assets</b>	<b>19,901,874</b>	<b>21,257,801</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	8,292,098	7,561,977
Accumulated depreciation	(3,210,900)	(2,886,583)
Buildings and structures, net	5,081,197	4,675,393
Machinery, equipment and vehicles	6,665,724	6,792,053
Accumulated depreciation	(4,680,800)	(4,786,275)
Machinery, equipment and vehicles, net	1,984,924	2,005,778
Tools, furniture and fixtures	907,781	867,536
Accumulated depreciation	(732,539)	(725,028)
Tools, furniture and fixtures, net	175,242	142,508
Land	918,344	111,536
Leased assets	173,158	173,158
Accumulated depreciation	(38,312)	(59,538)
Leased assets, net	134,845	113,620
Right of use asset	516,632	479,998
Accumulated depreciation for right of use asset	(66,519)	(128,333)
Right of use asset-net	450,113	351,664
Construction in progress	162,488	218,376
<b>Total property, plant and equipment</b>	<b>8,907,156</b>	<b>7,618,878</b>
<b>Intangible assets</b>	<b>537,213</b>	<b>505,654</b>
<b>Investments and other assets</b>		
Investment securities	136,203	144,280
Retirement benefit asset	-	149,517
Deferred tax assets	114,724	64,037
Other	122,678	105,917
<b>Total investments and other assets</b>	<b>373,606</b>	<b>463,753</b>
<b>Total non-current assets</b>	<b>9,817,976</b>	<b>8,588,285</b>
<b>Total assets</b>	<b>29,719,850</b>	<b>29,846,087</b>

(Thousand yen)

	As of March 31,2020	As of March 31,2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,243,110	1,115,489
Short-term borrowings	2,118,425	2,103,670
Current portion of long-term borrowings	460,336	412,036
Lease obligations	98,736	91,027
Income taxes payable	45,535	52,829
Provision for bonuses	92,434	127,129
Other	765,403	614,307
Total current liabilities	4,823,982	4,516,490
Non-current liabilities		
Long-term borrowings	1,639,361	1,888,745
Lease obligations	502,584	393,265
Long-term guarantee deposits	117,000	117,000
Retirement benefit liability	567,518	528,847
Deferred tax liabilities	273,946	251,749
Other	57,816	88,046
Total non-current liabilities	3,158,226	3,267,654
Total liabilities	7,982,208	7,784,144
Net assets		
Shareholders' equity		
Share capital	2,255,553	2,255,553
Capital surplus	2,983,084	2,983,084
Retained earnings	15,170,265	15,703,763
Treasury shares	(5,350)	(5,365)
Total shareholders' equity	20,403,553	20,937,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,867	12,512
Foreign currency translation adjustment	732,104	367,086
Remeasurements of defined benefit plans	(87,273)	64,390
Total accumulated other comprehensive income	666,698	443,989
Non-controlling interests	667,390	680,917
Total net assets	21,737,641	22,061,942
Total liabilities and net assets	29,719,850	29,846,087

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	14,969,269	12,422,454
Cost of sales	9,792,276	7,949,162
Gross profit	5,176,993	4,473,291
Selling, general and administrative expenses	4,677,413	3,956,345
Operating profit	499,580	516,945
Non-operating income		
Interest income	16,226	9,670
Dividend income	5,336	2,678
Subsidy income	64,764	249,939
Other	22,696	15,848
Total non-operating income	109,022	278,137
Non-operating expenses		
Interest expenses	69,689	70,815
Foreign exchange losses	45,441	28,373
Other	9,252	13,932
Total non-operating expenses	124,383	113,120
Ordinary profit	484,219	681,962
Extraordinary income		
Gain on sale of non-current assets	2,326	437,311
Gain on redemption of investment securities	-	22,090
Insurance return	13,670	-
Total extraordinary income	15,996	459,401
Extraordinary losses		
Loss on sale of non-current assets	1,054	303,327
Loss on valuation of investment securities	25,563	-
Total extraordinary losses	26,618	303,327
Profit before income taxes	473,597	838,036
Income taxes - current	180,576	116,712
Income taxes - deferred	460,970	(15,265)
Total income taxes	641,546	101,447
Profit (loss)	(167,949)	736,588
Profit attributable to non-controlling interests	38,276	29,416
Profit (loss) attributable to owners of parent	(206,225)	707,171

## Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Profit (loss)	(167,949)	736,588
Other comprehensive income		
Valuation difference on available-for-sale securities	11,399	(9,354)
Foreign currency translation adjustment	(375,027)	(376,225)
Remeasurements of defined benefit plans, net of tax	(90,951)	151,663
Total other comprehensive income	(454,580)	(233,916)
Comprehensive income	(622,529)	502,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(644,707)	484,462
Comprehensive income attributable to non-controlling interests	22,178	18,209

## (3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,255,553	2,983,084	15,996,758	(5,350)	21,230,045
Changes during period					
Dividends of surplus			(620,266)		(620,266)
Profit (loss) attributable to owners of parent			(206,225)		(206,225)
Acquisition of own shares					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(826,492)	-	(826,492)
Balance at end of period	2,255,553	2,983,084	15,170,265	(5,350)	20,403,553

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,467	1,091,033	3,678	1,105,179	654,146	22,989,371
Changes during period						
Dividends of surplus						(620,266)
Profit (loss) attributable to owners of parent						(206,225)
Acquisition of own shares						
Net changes in items other than shareholders' equity	11,399	(358,929)	(90,951)	(438,481)	13,244	(425,237)
Total changes during period	11,399	(358,929)	(90,951)	(438,481)	13,244	(1,251,729)
Balance at end of period	21,867	732,104	(87,273)	666,698	667,390	21,737,641

Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,255,553	2,983,084	15,170,265	(5,350)	20,403,553
Changes during period					
Dividends of surplus			(173,674)		(173,674)
Profit (loss) attributable to owners of parent			707,171		707,171
Purchase of treasury shares				(14)	(14)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	533,497	(14)	533,483
Balance at end of period	2,255,553	2,983,084	15,703,763	(5,365)	20,937,036

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	21,867	732,104	(87,273)	666,698	667,390	21,737,641
Changes during period						
Dividends of surplus						(173,674)
Profit (loss) attributable to owners of parent						707,171
Purchase of treasury shares						(14)
Net changes in items other than shareholders' equity	(9,354)	(365,018)	151,663	(222,709)	13,526	(209,182)
Total changes during period	(9,354)	(365,018)	151,663	(222,709)	13,526	324,300
Balance at end of period	12,512	367,086	64,390	443,989	680,917	22,061,942

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	473,597	838,036
Depreciation	764,873	760,840
Increase (decrease) in allowance for doubtful accounts	(911)	(21,347)
Increase (decrease) in retirement benefit liability	(90,536)	159,607
Decrease (increase) in retirement benefit asset	45,816	(149,517)
Interest and dividend income	(21,562)	(12,349)
Subsidy income	(64,764)	(249,939)
Interest expenses	69,689	70,815
Foreign exchange losses (gains)	(9,999)	76,342
Loss (gain) on sale of non-current assets	(1,271)	(133,984)
Loss (gain) on redemption of investment securities	-	(22,090)
Gain on maturity of insurance contract	(13,670)	-
Loss (gain) on valuation of investment securities	25,563	-
Decrease (increase) in trade receivables	760,836	131,260
Decrease (increase) in inventories	(247,410)	710,633
Increase (decrease) in trade payables	(310,019)	25,124
Increase (decrease) in accounts payable - other	86,527	(141,680)
Other, net	(118,043)	86,641
Subtotal	1,348,714	2,128,393
Interest and dividends received	21,804	11,754
Interest paid	(69,630)	(65,012)
Subsidies received	64,764	230,865
Proceeds from insurance income	-	47,747
Income taxes paid	(762,846)	(96,600)
Net cash provided by (used in) operating activities	602,806	2,257,149
<b>Cash flows from investing activities</b>		
Payments into time deposits	(460,055)	(540,791)
Proceeds from withdrawal of time deposits	402,557	536,923
Purchase of property, plant and equipment	(1,560,660)	(456,415)
Proceeds from sale of property, plant and equipment	12,273	1,061,209
Purchase of intangible assets	(22,579)	(10,714)
Proceeds from redemption of investment securities	-	42,965
Other, net	949	10,216
Net cash provided by (used in) investing activities	(1,627,515)	643,393

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,095,600	(50,000)
Proceeds from long-term borrowings	655,000	847,000
Repayments of long-term borrowings	(342,123)	(660,336)
Redemption of bonds	(106,430)	-
Dividends paid	(620,266)	(173,674)
Dividends paid to non-controlling interests	(8,934)	(4,683)
Repayments of lease obligations	(88,972)	(96,374)
Other, net	(6,978)	(7,921)
Net cash provided by (used in) financing activities	576,895	(145,990)
Effect of exchange rate change on cash and cash equivalents	(105,942)	(88,996)
Net increase (decrease) in cash and cash equivalents	(553,755)	2,665,555
Cash and cash equivalents at beginning of period	6,202,114	5,648,359
Cash and cash equivalents at end of period	5,648,359	8,313,915

(5) Notes to the consolidated financial statements

(Notes concerning the going-concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Business segment information)

1. Outline of business segments

(1) The way of determining report segment

Business segments are the segments of the Pegasus Group for which financial information can be obtained. The Board of Directors, top organization for decision making on Group management, examines such information to determine the allocation of management resources and evaluate the business performance on a regular basis.

The Group will establish a manufacturing and sales system based on products and services. Then, we will develop a comprehensive strategy for the products and services to be handled worldwide and expand our business.

Therefore, the Group consists of segments for each product and service based on a manufacturing and sales, and the two business segments are "Industrial sewing machine" and "Die casting auto parts".

(2) Types of products and services of each business segment

"Industrial sewing machines" mainly manufactures and sells chain-stitch industrial sewing machines used to sew knitwear. "Die casting auto parts" manufactures and sells retractor safety belts and other parts for automobiles.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items by reportable segment

The accounting method of business segments is largely the same as the method for preparing Consolidated Financial Statements.

The figures for the profit of these segments are based on operating profit.

Inter-segment sales and transfer amounts are decided in consideration of the market price and other factors.

3. Information concerning net sales, profit or loss, assets, liabilities, and other items by each reportable segment  
Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)

(Thousand yen)

	Business segment			Adjustment (Note) 1	Amounts reported in consolidated financial statements (Note) 2
	Industrial sewing machines	Die casting auto parts	Total		
Net sales					
To external customers	12,263,399	2,705,870	14,969,269	-	14,969,269
Inter-segment sales or transfers	-	-	-	-	-
Total	12,263,399	2,705,870	14,969,269	-	14,969,269
Segment profit (loss)	1,623,332	(1,092)	1,622,239	(1,122,659)	499,580
Segment assets	20,411,781	5,525,814	25,937,596	3,782,254	29,719,850
Other items					
Depreciation expense	388,121	329,716	717,838	47,035	764,873
Increase in property, plant, equipment and intangible assets	899,521	337,390	1,236,911	346,328	1,583,240

(Note) 1 Adjustments are as follows:

- (1) The adjustment of Segment profit is Corporate expenses, which is mainly general and administrative expenses that do not belong to the reported segments.
- (2) The adjustment of Segment assets includes 3,782,254 thousand yen of corporate expenses that cannot be allocated to any reported segment. Corporate assets primarily consist of the Company's surplus funds (cash and deposit), long-term investment funds (investment securities) and assets and others related to the administrative functions that have not been attributed to a reported segment.
- (3) The adjustment of Depreciation expense in other items is the amount eliminated as corporate assets and intersegment transactions. The adjustment for increase property, plant and equipment and intangible assets is corporate assets.

2 Segment profit/loss is adjusted with Operating profit in the consolidated statement of income.

## Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)

(Thousand yen)

	Business segment			Adjustment (Note) 1	Amounts reported in consolidated financial statements (Note) 2
	Industrial sewing machines	Die casting auto parts	Total		
Net sales					
To external customers	9,622,848	2,799,605	12,422,454	-	12,422,454
Inter-segment sales or transfers	-	-	-	-	-
Total	9,622,848	2,799,605	12,422,454	-	12,422,454
Segment profit	1,399,161	133,515	1,532,676	(1,015,731)	516,945
Segment assets	19,160,592	5,903,126	25,063,719	4,782,368	29,846,087
Other items					
Depreciation expense	405,287	305,027	710,314	50,525	760,840
Increase in property, plant, equipment and intangible assets	112,419	353,981	466,400	728	467,129

(Note) 1 Adjustments are as follows:

- (1) The adjustment of Segment profit is Corporate expenses, which is mainly general and administrative expenses that do not belong to the reported segments.
- (2) The adjustment of Segment assets includes 4,782,368 thousand yen of corporate expenses that cannot be allocated to any reported segment. Corporate assets primarily consist of the Company's surplus funds (cash and deposit), long-term investment funds (investment securities) and assets and others related to the administrative functions that have not been attributed to a reported segment.
- (3) The adjustment of Depreciation expense in other items is the amount eliminated as corporate assets and intersegment transactions. The adjustment for increase property, plant and equipment and intangible assets is corporate assets.

2 Segment profit is adjusted with Operating profit in the consolidated statement of income.

(Per share information)

Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)		Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)	
Net assets per share	849.24 yen	Net assets per share	861.77 yen
Basic earnings (loss) per share	(8.31 yen)	Basic earnings per share	28.50 yen

(Note) 1 Diluted earnings per share for the previous consolidated fiscal year is not presented, as there it is a net loss per share and no potential shares exist. Diluted earnings per share for the current consolidated fiscal year is not presented, as there it is no potential shares exist.

2 The basis of the calculation of basic earnings/loss per share is as follows.

	Previous Consolidated Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Consolidated Fiscal Year (From April 1, 2020 to March 31, 2021)
Profit (loss) attributable to owners of Parent (Thousand yen)	(206,225)	707,171
Amount not attributable to outstanding Common shares (Thousand yen)	-	-
Profit (loss) attributable to owners of parent related to outstanding common shares (Thousand yen)	(206,225)	707,171
Average number of outstanding common shares during the period	24,810,656	24,810,654

3 The basis of the calculation of net assets per share is as follows.

	Previous Consolidated Fiscal Year (As of March 31, 2020)	Current Consolidated Fiscal Year (As of March 31, 2021)
Total net assets (Thousand yen)	21,737,641	22,061,942
Deduction (Thousand yen)	667,390	680,917
Non-controlling interests (Thousand yen)	667,390	680,917
Net assets at the end of period, related to common shares (Thousand yen)	21,070,251	21,381,025
Number of common shares used for the calculation of net assets per share	24,810,656	24,810,624

(Material subsequent events)

Not applicable