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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

October 29, 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: Takashi Kaneko

Executive Officer

Phone: 06(6451)1351

Scheduled date of filing quarterly securities report: November 05, 2021

Scheduled date of commencing dividend payments: November 25, 2021

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, 2021 (April 01, 2021 to September 30, 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	%
Six months ended September 30, 2021	9,568	83.2	715	-	702	852.3	470	-
September 30, 2020	5,222	(34.8)	(100)	-	73	(57.6)	(333)	-

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 1,757 million [-%]
Six months ended September 30, 2020: ¥ (876) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	18.98	-
September 30, 2020	(13.45)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	32,437	23,608	70.5
March 31, 2021	29,846	22,061	71.6

(Reference) Equity: As of September 30, 2021: ¥ 22,883 million
As of March 31, 2021: ¥ 21,381 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, 2021	-	0.00	-	7.00	7.00
Fiscal year ending March 31, 2022	-	7.00			
Fiscal year ending March 31, 2022 (Forecast)			-	7.00	14.00

(Note) Revision to the forecast for dividends announced most recently: No

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
Full year	17,510	41.0	1,050	103.5	980	43.9	560	(20.8)	22.57

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

(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, 2021: 24,828,600 shares

March 31, 2021: 24,828,600 shares

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

September 30, 2021: 17,976 shares

March 31, 2021: 17,976 shares

3) Average number of shares during the period:

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

Six months ended September 30, 2020: 24,810,656 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 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	8,659,115	9,689,210
Notes and accounts receivable - trade	3,619,713	4,643,536
Merchandise and finished goods	4,442,859	3,995,039
Work in process	738,116	802,139
Raw materials and supplies	3,453,410	3,615,824
Other	357,668	408,257
Allowance for doubtful accounts	(13,082)	(38,424)
Total current assets	21,257,801	23,115,583
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,675,393	4,982,394
Other, net	2,943,484	3,275,645
Total property, plant and equipment	7,618,878	8,258,039
Intangible assets	505,654	524,876
Investments and other assets		
Retirement benefit asset	149,517	156,376
Other	314,235	382,125
Total investments and other assets	463,753	538,502
Total non-current assets	8,588,285	9,321,419
Total assets	29,846,087	32,437,002
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,115,489	1,609,290
Short-term borrowings	2,103,670	2,426,672
Income taxes payable	52,829	119,730
Provision for bonuses	127,129	172,730
Other	1,117,371	1,128,649
Total current liabilities	4,516,490	5,457,074
Non-current liabilities		
Long-term borrowings	1,888,745	1,739,007
Retirement benefit liability	528,847	528,107
Other	850,061	1,104,219
Total non-current liabilities	3,267,654	3,371,334
Total liabilities	7,784,144	8,828,408

(Thousand yen)

	As of March 31,2021	As of September 30,2021
Net assets		
Shareholders' equity		
Share capital	2,255,553	2,255,553
Capital surplus	2,983,084	2,983,084
Retained earnings	15,703,763	16,001,087
Treasury shares	(5,365)	(5,365)
Total shareholders' equity	20,937,036	21,234,359
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,512	13,567
Foreign currency translation adjustment	367,086	1,570,242
Remeasurements of defined benefit plans	64,390	64,839
Total accumulated other comprehensive income	443,989	1,648,648
Non-controlling interests	680,917	725,584
Total net assets	22,061,942	23,608,593
Total liabilities and net assets	29,846,087	32,437,002

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 30,2020	For the six months ended September 30,2021
Net sales	5,222,346	9,568,827
Cost of sales	3,375,855	6,594,174
Gross profit	1,846,490	2,974,653
Selling, general and administrative expenses	1,946,861	2,258,958
Operating profit (loss)	(100,371)	715,694
Non-operating income		
Interest income	5,174	6,005
Dividend income	1,574	1,267
Foreign exchange gains	46,788	-
Subsidy income	150,788	39,634
Other	7,457	12,019
Total non-operating income	211,783	58,926
Non-operating expenses		
Interest expenses	34,699	37,130
Foreign exchange losses	-	33,120
Other	2,988	2,273
Total non-operating expenses	37,687	72,524
Ordinary profit	73,725	702,095
Extraordinary income		
Gain on sale of non-current assets	-	6,790
Gain on redemption of investment securities	22,090	-
Total extraordinary income	22,090	6,790
Extraordinary losses		
Loss on sale of non-current assets	303,178	-
Impairment losses	-	17,757
Total extraordinary losses	303,178	17,757
Profit (loss) before income taxes	(207,362)	691,128
Income taxes - current	42,347	184,889
Income taxes - deferred	70,240	5,128
Total income taxes	112,588	190,017
Profit (loss)	(319,951)	501,111
Profit attributable to non-controlling interests	13,640	30,112
Profit (loss) attributable to owners of parent	(333,591)	470,998

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

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit (loss)	(319,951)	501,111
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,746)	1,054
Foreign currency translation adjustment	(553,039)	1,254,818
Remeasurements of defined benefit plans, net of tax	9,181	449
Total other comprehensive income	(556,604)	1,256,322
Comprehensive income	(876,555)	1,757,433
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(873,984)	1,675,658
Comprehensive income attributable to non-controlling interests	(2,571)	81,775

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(207,362)	691,128
Depreciation	371,803	401,286
Impairment losses	-	17,757
Increase (decrease) in allowance for doubtful accounts	(26,486)	24,132
Increase (decrease) in retirement benefit liability	7,446	(3,171)
Decrease (increase) in retirement benefit asset	-	(6,858)
Interest and dividend income	(6,749)	(7,272)
Subsidy income	(150,788)	(39,634)
Interest expenses	34,699	37,130
Foreign exchange losses (gains)	(67,283)	48,565
Loss (gain) on sale of non-current assets	303,178	(6,790)
Loss (gain) on redemption of investment securities	(22,090)	-
Decrease (increase) in trade receivables	679,492	(750,987)
Decrease (increase) in inventories	(361,972)	675,538
Increase (decrease) in trade payables	(501,859)	341,435
Increase (decrease) in accounts payable - other	(203,871)	(30,238)
Other, net	33,383	(11,781)
Subtotal	(118,460)	1,380,241
Interest and dividends received	6,376	7,947
Interest paid	(35,748)	(36,268)
Subsidies received	79,152	33,102
Proceeds from insurance income	47,747	-
Income taxes paid	(6,532)	(117,608)
Net cash provided by (used in) operating activities	(27,465)	1,267,414
Cash flows from investing activities		
Payments into time deposits	(356,318)	(147,766)
Proceeds from withdrawal of time deposits	259,466	400,371
Purchase of property, plant and equipment	(202,715)	(397,517)
Proceeds from sale of property, plant and equipment	550,031	15,097
Purchase of intangible assets	(5,068)	(516)
Proceeds from redemption of investment securities	42,965	-
Other, net	6,078	2,473
Net cash provided by (used in) investing activities	294,439	(127,858)

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50,000)	300,000
Proceeds from long-term borrowings	440,000	60,000
Repayments of long-term borrowings	(230,818)	(251,018)
Dividends paid	(173,674)	(173,674)
Dividends paid to non-controlling interests	-	(37,107)
Repayments of lease obligations	(48,479)	(49,279)
Other, net	(2,907)	(33,841)
Net cash provided by (used in) financing activities	(65,879)	(184,921)
Effect of exchange rate change on cash and cash equivalents	(86,479)	310,046
Net increase (decrease) in cash and cash equivalents	114,615	1,264,681
Cash and cash equivalents at beginning of period	5,648,359	8,273,911
Cash and cash equivalents at end of period	5,762,974	9,538,593