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Securities code: 6262

June 1, 2023

Commencement date of measures for electronic provision: May 25, 2023

**To Shareholders with Voting Rights:**

Shigemi Mima  
Representative Director and President  
PEGASUS CO., LTD.  
5-7-2, Sagisu, Fukushima-ku, Osaka,  
Japan

**NOTICE OF  
THE 77th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 77th Annual General Meeting of Shareholders (the “Meeting”) of PEGASUS CO., LTD. (the “Company”) will be held as described below.

When convening the Meeting, the Company has taken measures for electronic provision and has posted matters subject to measures for electronic provision on the following website on the Internet.

The Company’s website (<https://www.pegasus.co.jp/en/>)

In addition to the above, those matters are also posted on the following website on the Internet.

Tokyo Stock Exchange Listed Company Search

(<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Please enter the Company’s name or securities code and click “Search,” and then select “Basic information” followed by “Documents for public inspection/PR information” for your reference.

If you are unable to attend the Meeting, please exercise your voting rights in advance via postal mail or the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders included in the matters subject to measures for electronic provision, and exercise your voting rights by June 19, 2023 (Monday) at 5:30 p.m. (the end of our business hours, Japan time).

**\* Please note that souvenirs will not be given to attendees.**

- 1. Date and Time:** Tuesday, June 20, 2023 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Venue:** Crystal Room, 10th Floor, Hotel Hanshin Osaka, located at 5-6-16,  
Fukushima, Fukushima-ku, Osaka, Japan  
\*The venue has been changed from last year. Please refer to the map at the  
end of this Notice (Japanese version only).
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the  
Company's 77th Fiscal Year (April 1, 2022 – March 31, 2023) and  
results of audits by the Accounting Auditor and the Audit &  
Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 77th Fiscal  
Year (April 1, 2022 – March 31, 2023)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Five (5) Directors
- Proposal 3:** Election of Two (2) Substitute Audit & Supervisory Board Members
- 4 Matters Decided in Connection with this Convocation**
- (1) If a shareholder submits a voting form without indicating his/her  
approval or disapproval with respect to each item, such vote shall be counted  
as an approval.
  - (2) If a shareholder intends to split his/her vote, such shareholder must  
inform the Company of his/her intention to split his/her vote and the reason  
therefor via the Internet or in writing at least three (3) days prior to the date  
of the Meeting.

- Among the matters to be provided in the documents describing the matters subject to measures for electronic provision, the following matters are posted on the websites mentioned above in accordance with provisions of laws and regulations as well as Article 14 of the Company's Articles of Incorporation and therefore are not provided in the paper copy to be delivered to shareholders who have requested it.
  - (1) "Notes to Consolidated Financial Statements" of the Consolidated Financial Statements
  - (2) "Notes to Non-consolidated Financial Statements" of the Non-consolidated Financial StatementsAccordingly, the information contained in the documents describing the matters subject to measures for electronic provision is a part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Audit & Supervisory Board Members and a part of the Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Accounting Auditor in preparation of their respective audit reports.
- Should the matters subject to measures for electronic provision require revisions, the revised versions will be posted on each website on which the matters are posted.

<Reference> Points of the Proposals

**Proposal 1:** Appropriation of Surplus

The Company proposes to pay a year-end dividend of ¥12 per share for the fiscal year ended March 31, 2023.

**Proposal 2:** Election of Five (5) Directors

Upon expiration of the terms of office of all Directors, the Company proposes the election of five (5) Directors.

No.	Name	Current positions at the Company
1	[Reappointment] Shigemi Mima	Representative Director and President
2	[Reappointment] Junichi Nakamura	Senior Executive Director
3	[Reappointment] [External] [Independent] Hironao Onishi	External Director
4	[Reappointment] [External] [Independent] Norio Kotaka	External Director
5	[Reappointment] [External] [Independent] Chika Tanaka	External Director

**Proposal 3:** Election of Two (2) Substitute Audit & Supervisory Board Members

To prepare for the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of two (2) Substitute Audit & Supervisory Members in advance.

No.	Name
1	Hiroyuki Okamoto
2	[External] [Independent] Masao Mizobuchi

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The ample distribution of profits to all shareholders is one of the Company's top management priorities. While maintaining continuous and stable dividends, the Company follows a basic policy of proper appropriation of surplus in comprehensive consideration of the management environment and financial results.

In accordance with this basic policy, the Company hereby proposes an appropriation of surplus as follows.

#### **Year-end dividend:**

1. Type of dividend property

Cash

2. Matters concerning allocation and total amount of dividend property

The Company proposes to pay ¥12 per share of the Company's common stock.

In this case, the total amount of the dividends is ¥297,727,488.

3. Effective date of dividend from surplus

June 21, 2023

**Proposal 2: Election of Five (5) Directors**

The terms of office of all the eight (8) Directors will expire at the conclusion of the Meeting. Accordingly, the Company propose the election of five (5) Directors, reducing the number of Directors by three (3) in order to reform the management structure and facilitate more strategic and agile decision-making by the Board of Directors. If this proposal is approved as originally proposed, three (3) out of the five (5) Directors of the Company will be External Directors. The candidates for Directors are as described below.

**[Policies and procedures for nominating Director candidates]**

In nominating Director candidates, the Company conducts comprehensive deliberation from the perspectives of precise and prompt decision-making and placement of most appropriate human resources to most appropriate positions. The Company believes that it is necessary to nominate candidates with a focus on human resources who understand and put into practice our corporate philosophy and will contribute to its future sustainable growth.

The “Nomination and Remuneration Committee” submits election of Directors to the Board of Directors for its approval.

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	<p>Shigemi Mima (May 4, 1968)</p> <p>[Reappointment]</p>	<p>March 1996      Joined the Company</p> <p>April 2001      President of PEGASUS SEWING MACHINES (HONG KONG) LTD.</p> <p>October 2003    General Manager of Sales Department of the Company</p> <p>June 2005        Director of the Company</p> <p>June 2008        Senior Executive Officer of the Company</p> <p>September 2010 Representative Director and President of MIMA SEIKI CO., LTD.</p> <p>June 2012        Director and Executive Officer of the Company</p> <p>August 2012     Vice Chief of Manufacturing Headquarters of the Company</p> <p>April 2015        Representative Director and President of the Company</p> <p>June 2016        Representative Director, President and Executive Officer of the Company (current position)</p> <p>July 2017         Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD. (current position)</p> <p>October 2019     Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD. (current position)</p> <p>June 2021        Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD. (current position)</p> <p>September 2021 Representative Director and President of MIMA SEIKI CO., LTD. (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Chairman of PEGASUS VIETNAM SEWING MACHINE CO., LTD.</li> <li>• Chairman of PEGASUS (TIANJIN) SEWING MACHINE CO., LTD.</li> <li>• Chairman of NANTONG PEGASUS AUTO PARTS MFG. CO., LTD.</li> <li>• Representative Director and President of MIMA SEIKI CO., LTD.</li> </ul>	632,200
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Shigemi Mima has successively held positions as General Manager of the Sales Department, Officer in charge of manufacture, President of a sales subsidiary, and President of manufacturing subsidiary. He has been involved in the management of the Company since assuming office as Director in 2012. He has a high level of expertise in both sales and manufacturing in the industrial sewing machine business, the core business of the Group, and has demonstrated outstanding leadership in areas such as strengthening the production system in the automotive business. The Company nominates him as a candidate for Director in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			



No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
	Hironao Onishi (May 10, 1945)  [Reappointment] [External] [Independent]	April 1968      Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation) March 1997      Director of Nikken Sekkei Ltd January 2000    Managing Director of Nikken Sekkei Ltd January 2008    Representative Director and Vice President of Nikken Sekkei Ltd April 2012        Adviser to Nikken Sekkei Ltd June 2016        External Director of the Company (current position)	—
3	<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Mr. Hironao Onishi has abundant experience and profound insight as a business manager, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2016. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director.</p> <p>The Company expects that Mr. Hironao Onishi will leverage his abundant experience and profound insight as a business manager and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>		

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
4	<p>Norio Kotaka (June 17, 1962)</p> <p>[Reappointment] [External] [Independent]</p>	<p>April 1986      Joined MITSUI &amp; CO., LTD.</p> <p>January 1995    Representative Director and President of Full-Steri Corp.</p> <p>March 1997      Representative Director and President of Dainichi Jitsugyo Co., Ltd.</p> <p>August 1997     President of DAINICHI KASEI KOUGYOU Co., Ltd.</p> <p>June 2006       CEO of atect Corp. (current position)</p> <p>May 2007        Representative Director of atect Korea Corp.</p> <p>January 2010    CEO of atect Progressive and Innovative Manufacturing Corp. (currently atect Engineering Corp.)</p> <p>August 2010     Chairman of atect Shanghai Corp.</p> <p>November 2010   Chairman of ATECT TAIWAN CORPORATION</p> <p>February 2021   CEO of atect Corp.</p> <p>June 2021       External Director of the Company (current position)</p>	—
<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Mr. Norio Kotaka has abundant experience and profound insight in management of manufacturing business in Japan and overseas, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company has deemed that he will properly execute duties as External Director, and therefore, nominates him as a candidate for External Director.</p> <p>The Company expects that Mr. Norio Kotaka will leverage his experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
5	Chika Tanaka (February 27, 1971)  [Reappointment] [External] [Independent]	<p>October 1999    Joined WORK COMPANY LIMITED</p> <p>November 2012    Director of WORK COMPANY LIMITED</p> <p>February 2015    Representative Director and Vice President of WORK COMPANY LIMITED</p> <p>August 2015    President/C.E.O. of WORK COMPANY LIMITED (current position)</p> <p>May 2018    Director of Patec Co., Ltd. (currently Hofu Aluminum Casting Liquidation Company) (current position)</p> <p>June 2021    External Director of the Company (current position)</p> <p>March 2023    Representative Director of Patec Co., Ltd. (former Hofu Aluminum Casting Preparatory Company) (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• President/C.E.O. of WORK COMPANY LIMITED</li> <li>• Representative Director of Patec Co., Ltd.</li> </ul>	—
<p>[Reason for nomination as candidate for External Director and expected role]</p> <p>Ms. Chika Tanaka has abundant experience and profound insight in the management of manufacturing business domestically and overseas, and has been providing effective counsel and suggestions from an objective standpoint in meetings of the Board of Directors of the Company since assuming office as Director in 2021. In light of the aforementioned background, and in comprehensive consideration of such factors as her personality and insight, the Company has deemed that she will properly execute duties as External Director, and therefore, nominates her as a candidate for External Director.</p> <p>The Company expects that Ms. Chika Tanaka will leverage her experience and profound insight in management of manufacturing business in Japan and overseas and provide advice and opinions from a broad managerial perspective and contribute to strengthening supervisory functions for business execution.</p>			

- Notes:
1. There are no special interests between each candidate for Director and the Company.
  2. The number of shares of the Company held by each candidate for Director shown above is as of March 31, 2023.
  3. The Company has entered into an agreement with Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act. If their reelection is approved as originally proposed, the Company plans to continue the above limited liability agreement with them.
  4. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, which includes Directors as the insured. The said insurance policy covers damage arising from litigation against officers which would be borne by the insured. Each candidate for Director, if elected, will be included in the insured under the policy.
  5. Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka are External Director candidates. The Company has registered Mr. Hironao Onishi, Mr. Norio Kotaka, and Ms. Chika Tanaka as Independent Directors with the Tokyo Stock Exchange, Inc. pursuant to the relevant provisions of the Exchange, and plans to register them as Independent Directors again if their reelection is approved as originally proposed at the Meeting.

6. At the conclusion of this Meeting, Mr. Hironao Onishi will have been in office as External Director of the Company for seven (7) years.
7. At the conclusion of this Meeting, Mr. Norio Kotaka and Ms. Chika Tanaka each will have been in office as External Director of the Company for two (2) years.

**Proposal 3:** Election of Two (2) Substitute Audit & Supervisory Board Members

To prepare for the event that the number of Audit & Supervisory Board Members falls below the number required by laws and regulations, the Company proposes the election of two (2) Substitute Audit & Supervisory Board Members in advance.

The Company has obtained approval for this proposal from the Audit & Supervisory Board.

The Substitute Audit & Supervisory Board Member candidates are as follows.

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
1	Hiroyuki Okamoto (January 28, 1960)	March 1978      Joined the Company April 2006      General Manager of R&D Planning Department of the Company April 2008      General Manager of R&D Department of the Company November 2008    General Manager of Sales Engineering Department in Sales and R&D Headquarters of the Company April 2016      General Manager of Sales Department in Sales and R&D Headquarters of the Company July 2017        Executive Officer of the Company (current position) July 2017        Vice Chief of Sales and R&D Headquarters of the Company (current position) February 2022    General Manager of Sales Engineering Department in Sales and R&D Headquarters of the Company	15,500
<p>[Reason for nomination as candidate for Substitute Audit &amp; Supervisory Board Member]</p> <p>Mr. Hiroyuki Okamoto has successively held positions such as General Manager of the R&amp;D Department, General Manager of the Sales Engineering Department, and General Manager of the Sales Department. He has abundant experience and is well versed in the overall business. Therefore, the Company has deemed that he will properly fulfill the role as Audit &amp; Supervisory Board Member to audit Directors' execution of duties. The Company nominates him as a candidate for Substitute Audit &amp; Supervisory Board Member in light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight.</p>			

No.	Name (Date of birth)	Career summary, positions, and responsibilities	Number of shares of the Company held
2	Masao Mizobuchi (March 28, 1982)  [External] [Independent]	<p>October 2006 Registered as an attorney and joined the Osaka Bar Association</p> <p>October 2006 Joined the Kyoei Law Office (current position)</p> <p>April 2015 Adjunct Lecturer of the Kwasei Gakuin University Graduate School of Law</p> <p>April 2016 Visiting Professor of the Ritsumeikan University School of Law</p> <p>April 2019 Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law (current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Attorney, Kyoei Law Office</li> <li>• Specially Appointed Professor of the Osaka Metropolitan University Graduate School of Law</li> </ul>	—
<p>[Reason for nomination as candidate for Substitute External Audit &amp; Supervisory Board Member]</p> <p>Mr. Masao Mizobuchi has abundant experience and profound insight as an attorney, and the Company believes that he will provide appropriate counsel and suggestions for auditing and ensuring the legality of the Company's business execution as an Audit &amp; Supervisory Board Member. In light of the aforementioned background, and in comprehensive consideration of such factors as his personality and insight, the Company nominates him as a candidate for Substitute External Audit &amp; Supervisory Board Member.</p>			

- Notes:
1. There are no special interests between each candidate for Substitute Audit & Supervisory Board Member and the Company.
  2. The number of shares of the Company held by the abovementioned candidates for Substitute Audit & Supervisory Board Member is as of March 31, 2023.
  3. Of the candidates for Substitute Audit & Supervisory Board Member, Mr. Hiroyuki Okamoto is a candidate for Audit & Supervisory Board Member who is not a Substitute External Audit & Supervisory Board Member, and Mr. Masao Mizobuchi is a Substitute External Audit & Supervisory Board Member candidate.
  4. Mr. Masao Mizobuchi has never been involved in the management of a company, but for the reasons described above in “[Reason for nomination as candidate for Substitute External Audit & Supervisory Board Member],” the Company has deemed that he will properly execute duties as External Audit & Supervisory Board Member.  
The Company plans to register him as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc. if he assumes his office as External Audit & Supervisory Board Member.
  5. As provided by the Company's Articles of Incorporation, the Company plans to enter into an agreement with Mr. Hiroyuki Okamoto and Mr. Masao Mizobuchi which limits the liability for damage under Article 423, Paragraph 1 of the Companies Act, if their election as Audit & Supervisory Board Member and External Audit & Supervisory Board Member, respectively, is approved as originally proposed. The maximum amount of the liability for damage under the agreement is the minimum liability amount as stipulated by Article 425, Paragraph 1 of the same Act.
  6. The Company has concluded a directors and officers liability insurance policy under Article 430-3, Paragraph 1 of the Companies Act with an insurance company, including Audit & Supervisory Board Members as the insured. The said insurance policy covers damage arising

from litigation against officers which would be borne by the insured. Mr. Hiroyuki Okamoto and Mr. Masao Mizobuchi will be included in the insured under the policy if they assume office as Audit & Supervisory Board Member and External Audit & Supervisory Board Member, respectively.

<Reference> The Company's Independence Criteria for External Officers

In addition to the Independence Criteria specified by the Tokyo Stock Exchange, Inc., the Company considers external officers to be independent so far as none of the following conditions apply to them:

1. An external officer who currently falls under any of the following items (1) through (8)
  - (1) A major shareholder of the Company (a shareholder who owns more than 10% of the voting rights) or a person who executes business thereof
  - (2) A business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of the Company's annual consolidated gross sales, or an executive thereof
  - (3) A party who is a business partner of the Company whose transactions with the Company in the most recent fiscal year exceed 2% of its annual consolidated gross sales, or an executive thereof
  - (4) A financial institution or another large creditor on which the Company relies to the extent that it is an indispensable funding source that cannot be replaced, or an executive thereof
  - (5) A certified public accountant, or a member, partner, or employee (excluding support staff) of an auditing firm who is the accounting auditor of the Company
  - (6) A person who executes the business of an organization that receives a donation or grant exceeding the larger of either 10 million yen or 30% of its average annual expenses from the Company in the most recent fiscal year
  - (7) An attorney, certified public accountant, tax accountant, or another consultant who received payment or other properties exceeding 10 million yen from the Company, excluding remuneration for officers, on average during the past three fiscal years
  - (8) A person (excluding support staff) belonging to a law office, auditing firm, tax accountant corporation, consulting firm, or another professional advisor firm that received more than 2% of its annual consolidated gross sales from the Company during the past three fiscal years
2. A person who fell under any of the items (1) through (6) above during any of the past three years

<Reference> Management Structure After Proposal No. 2 is Approved (Tentative)

Name	Position	External	Overseas Business (◎: Manager ○: Staff)	Manufacturing R&D	Sales/ Marketing	Legal/Human Resources/ Financial Affairs/ Accounting	IT	Expertise
Shigemi Mima	Representative Director and President		◎	○	○		○	—
Junichi Nakamura	Senior Executive Director		◎	○	○	○		—
Hironao Onishi	External Director	○			○	○		Finance
Norio Kotaka	External Director	○	○	○	○		○	—
Chika Tanaka	External Director	○	○	○	○			—
Taizo Yoshida	Standing Auditor		○		○	○		—
Kiyokazu Sugiyama	External Audit & Supervisory Board Member	○			○	○		Financial affairs/ accounting
Yukako Takemoto	External Audit & Supervisory Board Member	○			○	○		Law

- Notes:
1. All of the above officers have knowledge of corporate management and ESG (environment, society, governance).
  2. The Standing Auditor will be determined at a meeting of the Audit & Supervisory Board after this Meeting, and executive directors will be determined subsequently at a meeting of the Board of Directors.
  3. The above list describes not all of the knowledge possessed, but areas where officers can demonstrate greater expertise given their individual experience.