



August 4, 2023

**Agreement on the Capital and Business Alliance concluded between  
JUKI CORPORATION and PEGASUS CO., LTD.**

**JUKI CORPORATION  
PEGASUS CO., LTD.**

JUKI CORPORATION (Akira Kiyohara: Representative Director, Chairman, CEO, and COO, hereinafter “JUKI”) and PEGASUS CO., LTD. (Shigemi Mima: Representative Director and President, hereinafter “PEGASUS”) have resolved at their respective Board of Directors meetings to enter into a capital and business alliance focused on the industrial sewing machinery business. The agreement has been concluded, as of today.

1. Reasons for the capital and business alliance

On April 26, 2021, JUKI and PEGASUS concluded a basic agreement on a business alliance in which the parties were to support the sound development of the sewing industry and collaborate in activities to solve social challenges from an SDG perspective (\*) mainly in emerging countries. The business alliance has so far focused on (1) collaboration in market development in emerging countries and (2) collaboration in product development.

Under the more extensive capital and business alliance agreement concluded today, each party is to acquire and hold a specified number of shares of the other. With the conclusion of this agreement, the parties will be further deepening their alliance by building and maintaining a stronger cooperative relationship and further growing their respective businesses in the months and years ahead.

\* NOTES

- (1) Enhancing the skills of sewing operators and improving their working environments
- (2) Creating a production management system that enables a fine-tuned response to demand fluctuations
- (3) Building an infrastructure for resource-and energy-saving throughout sewing factories

2. Details of the capital and business alliance, etc.

(1) Details of the capital and business alliance

In addition to the collaboration described in the notice of a Basic Agreement on the Business Alliance disclosed on April 26, 2021, the parties are to cooperate in production.

- (i) Collaboration in market development in emerging countries
  - a) Establishing a sales and service network in the emerging country markets by using and mutually complementing
- (ii) Collaboration in product development

a) Engaging in joint development focused on the digitalization and networking of chain stitch swing machines, and jointly participating in future large-scale exhibitions of their products

b) Collaborating in the planning and development of chain stitch sewing machines

(2) Percentage of total outstanding shares that each party acquires

(i) JUKI's acquisition of shares in PEGASUS

The percentage of total outstanding shares is equivalent to 3.50%.

(ii) PEGASUS's acquisition of shares in JUKI

The percentage of total outstanding shares is equivalent to 3.50%.

(3) Share acquisition method

Each party shall acquire the other party's shares within a certain period of time.