

Summary of Financial Statements for the First Quarter of the Year Ending December 31, 2022 (J-GAAP) (Consolidated)

May 12, 2022

Company **Segue Group Co., Ltd.**
 Stock Code 3968 URL: <https://segue-g.jp/>
 Representative Yasuyuki Aisu, President and CEO
 Contact Yasuhiro Fukuda, CFO
 Expected date of filing of quarterly report: May 12, 2022
 Expected starting date of dividend payment: -
 Preparation of quarterly supplementary financial document: Yes
 Quarterly results briefing: None

Stock Exchange: Tokyo Stock Exchange

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(Rounded down to million yen)

1. Consolidated business results for the three months ended March 2022 (January 1, 2022 through March 31, 2022)

(1) Consolidated results of operations

(Percentages indicate year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY 2022	3,337	-1.2	225	-16.6	275	-9.1	181	-3.9
Q1 FY 2021	3,377	35.5	269	61.9	302	73.4	188	66.2

(Note) Comprehensive income

Q1 FY 2022: 148 million yen (-5.2%)

Q1 FY 2021: 156 million yen (133.5%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Q1 FY 2022	16.21		16.01	
Q1 FY 2021	16.44		16.16	

(2) Consolidated financial position

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen		Million yen		%	
Q1 FY 2022	9,952		3,098		30.5	
FY 2021	8,625		3,199		36.5	

(Reference) Shareholders' equity

Q1 FY 2022: 3,037 million yen

FY 2021: 3,144 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen				
FY 2020	-	0.00	-	16.00	16.00
FY 2021	-	-	-	-	-
FY 2021 (forecast)	-	0.00	-	16.00	16.00

(Note) Revisions to dividend forecast for the current quarter: None

3. Forecast of consolidated business results for the fiscal year ending December 2022 (January 1, 2022 through December 31, 2022)

(Percentages indicate year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	
Full year	13,300	10.5	760	19.0	760	10.8	520	14.3	46.68	

(Note) Revisions to business forecast for the current quarter: None

***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement

- | | |
|------------------------------------------------------------------------------------|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : Yes |
| ② Changes in accounting policies other than ① | : None |
| ③ Changes in accounting estimates | : None |
| ④ Restatement | : None |

(4) Shares outstanding (common stock)

① Number of shares outstanding at the end of period (treasury stock included)

Q1 FY 2022	11,687,541 shares
FY 2021	11,640,235 shares

② Treasury stock at the end of period

Q1 FY 2022	501,389 shares
FY 2021	389,889 shares

③ Average number of stock during period (quarterly cumulative period)

Q1 FY 2022	11,169,447 shares
Q1 FY 2021	11,456,246 shares

***Quarterly financial summary is not subject to auditing procedures by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in this material are based on information currently available to the company and certain assumptions that the company deems to be reasonable at the time this report was prepared. The Company does not promise about the achievements. Actual results may differ significantly from the forecasts due to various factors.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	FY 2021 (December 31, 2021)	Q1 FY 2022 (March 31, 2022)
Assets		
Current assets		
Cash and deposits	1,351,896	2,035,570
Notes and accounts receivable - trade	1,885,831	2,334,401
Electronically recorded monetary claims	192,585	186,883
Inventories	2,376,649	2,173,337
Advance payments - trade	568,623	609,596
Accounts receivable - other	650,197	1,121,193
Other	211,462	124,648
Allowance for doubtful accounts	-672	-525
Total current assets	7,236,574	8,585,106
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	72,295	76,395
Accumulated depreciation	-30,226	-31,198
Buildings and structures, net	42,068	45,196
Automotive equipment	3,076	3,076
Accumulated depreciation	-2,799	-2,832
Vehicles, net	276	243
Tools, furniture and fixtures	929,541	942,006
Accumulated depreciation	-763,037	-778,416
Tools, furniture and fixtures, net	166,503	163,589
Land	639	639
Total property, plant and equipment	209,488	209,670
Intangible assets		
Goodwill	68,543	62,625
Software	96,256	87,028
Other	1,209	1,209
Total intangible assets	166,009	150,863
Investments and other assets		
Investment securities	665,372	632,472
Long-term guarantee deposits	116,129	120,024
Deferred tax assets	119,841	140,859
Insurance funds	90,791	91,999
Other	21,092	21,261
Total investments and other assets	1,013,227	1,006,617
Total noncurrent assets	1,388,725	1,367,152
Total assets	8,625,300	9,952,258

(Thousand yen)

	FY 2021 (December 31, 2021)	Q1 FY 2022 (March 31, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	1,605,773	1,151,869
Short-term debt	500,000	1,400,000
Current portion of long-term loans payable	1,830	190,880
Accounts payable	89,648	107,937
Accrued expenses	196,954	157,415
Income taxes payable	107,196	124,178
Accrued consumption taxes	58,967	60,402
Provision for bonuses	2,897	84,539
Provision for bonuses for directors (and other officers)	2,775	2,775
Advances received	2,472,648	2,642,276
Other	62,434	37,829
Total current liabilities	5,101,125	5,960,104
Noncurrent liabilities		
Long-term debt	-	560,000
Retirement benefit liability	222,713	231,991
Provision for share-based remuneration	35,676	34,869
Long-term accounts payable - other	66,598	66,598
Total noncurrent liabilities	324,988	893,459
Total liabilities	5,426,113	6,853,563
Net assets		
Shareholders' equity		
Capital stock	514,766	517,345
Capital surplus	287,266	289,742
Retained earnings	2,665,851	2,666,908
Treasury shares	-302,514	-384,483
Total shareholders' equity	3,165,371	3,089,512
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-22,551	-56,005
Deferred gains or losses on hedges	1,673	2,269
Total accumulated other comprehensive income	-20,877	-53,736
Share subscription rights	54,693	62,918
Total net assets	3,199,186	3,098,694
Total liabilities and net assets	8,625,300	9,952,258

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

Quarterly Consolidated Statement of Income

First Quarter

(Thousand yen)

	Q1 FY 2021 (January 1, 2021- March 31, 2021)	Q1 FY 2022 (January 1, 2022- March 31, 2022)
Net sales	3,377,171	3,337,829
Cost of sales	2,483,124	2,486,217
Gross profit	894,047	851,611
Selling, general and administrative expenses	624,286	626,576
Operating income	269,760	225,034
Non-operating income		
Interest income and dividends	6	5
Foreign exchange gain	30,695	51,274
Surrender value of insurance	1,518	1
Subsidy income	323	523
Other	672	170
Total non-operating income	33,215	51,975
Non-operating expenses		
Interest expenses	19	1,509
Guarantee commission	60	97
Stock issuance cost	120	240
Other	0	2
Total non-operating expenses	199	1,849
Ordinary income	302,776	275,160
Profit before income taxes	302,776	275,160
Income taxes	124,768	115,844
Income taxes-deferred	-10,434	-21,746
Total income tax	114,334	94,098
Net income	188,441	181,062
Net income attributable to owners of non-controlling shareholders	-	-
Net income attributable to owners of parent	188,441	181,062

Quarterly Consolidated Statement of Comprehensive Income
First Quarter

	(Thousand yen)	
	Q1 FY 2021 (January 1, 2021- March 31, 2021)	Q1 FY 2022 (January 1, 2022- March 31, 2022)
Net income	188,441	181,062
Other comprehensive income		
Valuation difference on available-for-sale securities	-35,574	-33,453
Deferred gains or losses on hedges	3,447	595
Total other comprehensive income	-32,126	-32,858
Comprehensive income	156,315	148,204
Breakdown		
Comprehensive income attributable to owners of parent	156,315	148,204
Comprehensive income attributable to owners of non-controlling shareholders	-	-