

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

November 9, 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: November 11, 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 nine months ended September 2022 (January 1, 2022 through September 30, 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	%
Q3 FY 2022	9,169	9.2	571	101.7	711	118.2	584	164.1
Q3 FY 2021	8,393	11.2	283	-35.9	326	-29.7	221	-37.7

(Note) Comprehensive income

Q3 FY 2022: 594 million yen (219.6%)

Q3 FY 2021: 185 million yen (-41.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Q3 FY 2022	52.26	51.72
Q3 FY 2021	19.26	18.98

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
Q3 FY 2022	9,739	3,544	35.8
FY 2021	8,625	3,199	36.5

(Reference) Shareholders' equity

Q3 FY 2022: 3,481 million yen

Q3 FY 2021: 3,144 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2021	-	0.00	-	16.00	16.00
FY 2022	-	0.00	-	-	-
FY 2022 (forecast)	-	-	-	16.00	16.00

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

3. Forecast of consolidated business results for the 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	804	17.3	656	44.4	58.75

(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)

Q3 FY 2022	11,687,541 shares
FY 2021	11,640,235 shares

② Treasury stock at the end of period

Q3 FY 2022	500,889 shares
FY 2021	389,889 shares

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

Q3 FY 2022	11,180,778 shares
Q3 FY 2021	11,487,623 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)	Q3 FY 2022 (September 30, 2022)
Assets		
Current assets		
Cash and deposits	1,351,896	2,318,870
Notes and accounts receivable	1,885,831	1,811,001
Electronically Recorded Monetary Claims	192,585	53,033
Inventories	2,376,649	2,939,442
Advance payments - trade	568,623	793,000
Accounts receivable - other	650,197	458,301
Other	211,462	145,873
Allowance for doubtful accounts	-672	-585
Total current assets	7,236,574	8,518,938
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	72,295	79,116
Accumulated depreciation	-30,226	-33,278
Buildings and structures, net	42,068	45,837
Automotive equipment	3,076	1,337
Accumulated depreciation	-2,799	-1,330
Vehicles, net	276	7
Tools, furniture and fixtures	929,541	977,302
Accumulated depreciation	-763,037	-816,788
Tools, furniture and fixtures, net	166,503	160,514
Land	639	639
Total property, plant and equipment	209,488	206,998
Intangible assets		
Goodwill	68,543	50,790
Software	96,256	64,719
Software in progress	-	4,600
Other	1,209	1,209
Total intangible assets	166,009	121,320
Investments and other assets		
Investment securities	665,372	519,629
Long-term guarantee deposits	116,129	115,410
Deferred tax assets	119,841	139,596
Insurance funds	90,791	96,435
Other	21,092	20,817
Total investments and other assets	1,013,227	891,888
Total noncurrent assets	1,388,725	1,220,208
Total assets	8,625,300	9,739,146

(Thousand yen)

	FY 2021 (December 31, 2021)	Q3 FY 2022 (September 30, 2022)
Liabilities		
Current liabilities		
Accounts payable-trade	1,605,773	1,214,325
Short-term debt	500,000	-
Current portion of long-term loans payable	1,830	250,160
Accounts payable	89,648	89,227
Accrued expenses	196,954	161,751
Income taxes payable	107,196	212,095
Accrued consumption taxes	58,967	97,342
Provision for bonuses	2,897	90,840
Provision for bonuses for directors (and other officers)	2,775	-
Advances received	2,472,648	3,010,320
Other	62,434	26,042
Total current liabilities	5,101,125	5,152,105
Long-term liabilities		
Long-term debt	-	690,000
Retirement benefit liability	222,713	243,580
Provision for share-based remuneration	35,676	41,966
Long-term accounts payable - other	66,598	66,598
Total long-term liabilities	324,988	1,042,145
Total liabilities	5,426,113	6,194,251
Net assets		
Shareholders' equity		
Capital stock	514,766	517,345
Capital surplus	287,266	289,697
Retained earnings	2,665,851	3,070,223
Treasury shares	-302,514	-384,091
Total shareholders' equity	3,165,371	3,493,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-22,551	-33,859
Deferred gains or losses on hedges	1,673	22,662
Total accumulated other comprehensive income	-20,877	-11,196
Share subscription rights	54,693	62,918
Total net assets	3,199,186	3,544,895
Total liabilities and net assets	8,625,300	9,739,146

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

Quarterly Consolidated Statement of Income

Third Quarter

(Thousand yen)

	Q3 FY 2021 (January 1, 2021- September 30, 2021)	Q3 FY 2022 (January 1, 2022- September 30, 2022)
Net sales	8,393,977	9,169,475
Cost of sales	6,266,723	6,662,942
Gross profit	2,127,253	2,506,532
Selling, general and administrative expenses	1,843,803	1,934,858
Operating income	283,449	571,673
Non-operating income		
Interest income and dividends	102	155
Foreign exchange gain	30,704	166,297
Surrender value of insurance	3,653	1,421
Subsidy income	3,456	2,256
Compensation income	9,595	-
Other	2,263	1,347
Total non-operating income	49,776	171,478
Non-operating expenses		
Interest expenses	118	5,519
Loss on sale of securities	-	24,580
Guarantee commission	180	292
Stock issuance cost	210	240
Expenses for customer compensation, etc.	6,436	-
Other	25	538
Total non-operating expenses	6,971	31,170
Ordinary income	326,255	711,981
Extraordinary income		
Gains on sales of investment securities	23,706	174,104
Total extraordinary income	23,706	174,104
Profit before income taxes	349,961	886,086
Income taxes	138,213	335,998
Income taxes-deferred	-9,538	-34,289
Total income tax	128,674	301,708
Net income	221,286	584,377
Net income attributable to owners of non-controlling shareholders	-	-
Net income attributable to owners of parent	221,286	584,377

Quarterly Consolidated Statement of Comprehensive Income

Third Quarter

(Thousand yen)

	Q3 FY 2021 (January 1, 2021- September 30, 2021)	Q3 FY 2022 (January 1, 2022- September 30, 2022)
Net income	221,286	584,377
Other comprehensive income		
Valuation difference on available-for-sale securities	-38,265	-11,307
Deferred gains or losses on hedges	2,847	20,989
Total other comprehensive income	-35,418	9,681
Comprehensive income	185,868	594,058
Breakdown		
Comprehensive income attributable to owners of parent	185,868	594,058
Comprehensive income attributable to owners of non-controlling shareholders	-	-