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May 10, 2023

## Consolidated Financial Results for the Three Months Ended March 31, 2023 (Under Japanese GAAP)

Company name: Segue Group Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 3968  
 URL: <https://segue-g.jp/>  
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 Scheduled date to file quarterly securities report: May 12, 2023  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
March 31, 2023	4,561	36.7	418	85.8	411	49.7	277	53.4
March 31, 2022	3,337	-1.2	225	-16.6	275	-9.1	181	-3.9

Note: Comprehensive income For the three months ended March 31, 2023: ¥287 million [93.9%]  
 For the three months ended March 31, 2022: ¥148 million [-5.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2023	24.78	24.56
March 31, 2022	16.21	16.01

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
As of			
March 31, 2023	12,548	3,788	29.6
December 31, 2022	11,252	3,685	32.0

Reference: Equity  
 As of March 31, 2023: ¥3,715 million  
 As of December 31, 2022: ¥3,603 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	-	0.00	-	18.00	18.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023 (Forecast)		15.00	-	15.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	15,700	15.2	1,000	10.3	1,000	-4.8	679	-8.6	60.05

Note: Revisions to the forecast of financial results most recently announced: None

\* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	11,715,191 shares
As of December 31, 2022	11,687,541 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	499,689 shares
As of December 31, 2022	500,889 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	11,208,027 shares
Three months ended March 31, 2022	11,169,447 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts, and other special matters

The forward-looking statements 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. Therefore, the Company does not make promises 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 2022 (As of December 31, 2022)	Q1 FY 2023 (As of March 31, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,989,746	2,342,859
Notes and accounts receivable - trade	2,286,253	3,424,694
Electronically recorded monetary claims	74,499	53,915
Investment securities	117,554	121,215
Inventories	3,103,744	3,783,243
Advance payments - trade	860,344	920,089
Accounts receivable - other	423,669	465,688
Other	121,582	146,401
Allowance for doubtful accounts	-1,681	-118
<b>Total current assets</b>	<b>9,975,712</b>	<b>11,257,989</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	79,116	79,116
Accumulated depreciation	-34,341	-35,104
<b>Buildings and structures, net</b>	<b>44,774</b>	<b>44,011</b>
Automotive equipment	7,881	8,070
Accumulated depreciation	-3,545	-3,844
<b>Vehicles, net</b>	<b>4,336</b>	<b>4,225</b>
Tools, furniture and fixtures	1,023,560	1,055,315
Accumulated depreciation	-860,008	-877,987
<b>Tools, furniture and fixtures, net</b>	<b>163,552</b>	<b>177,328</b>
Leased assets	44,318	45,601
Accumulated depreciation	-9,378	-12,280
<b>Leased assets, net</b>	<b>34,940</b>	<b>33,321</b>
Land	639	639
<b>Total property, plant and equipment</b>	<b>248,243</b>	<b>259,526</b>
<b>Intangible assets</b>		
Goodwill	191,968	185,579
Software	54,271	43,356
Software in progress	10,728	19,784
Other	1,209	1,209
<b>Total intangible assets</b>	<b>258,177</b>	<b>249,930</b>
<b>Investments and other assets</b>		
Investment securities	343,148	348,891
Long-term guarantee deposits	132,424	137,640
Deferred tax assets	155,101	158,775
Insurance funds	102,633	97,611
Other	36,696	38,164
<b>Total investments and other assets</b>	<b>770,004</b>	<b>781,084</b>
<b>Total noncurrent assets</b>	<b>1,276,426</b>	<b>1,290,540</b>
<b>Total assets</b>	<b>11,252,138</b>	<b>12,548,530</b>

(Thousand yen)

	FY 2022 (As of December 31, 2022)	Q1 FY 2023 (As of March 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	1,885,629	2,006,996
Short-term debt	37,924	1,239,021
Current portion of long-term loans payable	250,000	250,000
Lease liabilities	10,224	10,678
Accounts payable	158,267	138,363
Accrued expenses	224,958	176,298
Income taxes payable	337,627	162,040
Accrued consumption taxes	148,497	64,479
Provision for bonuses	5,275	92,977
Provision for bonuses for directors (and other officers)	16,100	16,000
Advances received	3,137,701	3,437,940
Other provisions	2,103	2,154
Other	152,693	47,680
Total current liabilities	6,367,003	7,644,631
Noncurrent liabilities		
Long-term debt	804,500	721,400
Retirement benefit liability	245,560	249,131
Provision for share-based remuneration	55,113	52,994
Long-term accounts payable - other	67,568	66,598
Lease liabilities	27,374	25,437
Total noncurrent liabilities	1,200,117	1,115,561
Total liabilities	7,567,120	8,760,193
<b>Net assets</b>		
Shareholders' equity		
Capital stock	517,345	524,863
Capital surplus	289,697	297,209
Retained earnings	3,229,170	3,305,645
Treasury shares	-384,091	-383,151
Total shareholders' equity	3,652,120	3,744,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-30,158	-25,463
Deferred gains or losses on hedges	-12,354	-3,700
Foreign currency translation adjustment	-5,884	578
Total accumulated other comprehensive income	-48,398	-28,584
Share subscription rights	62,918	64,192
Non-controlling interests	18,377	8,161
Total net assets	3,685,017	3,788,337
Total liabilities and net assets	11,252,138	12,548,530

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

## Quarterly Consolidated Statement of Income

First Quarter

(Thousand yen)

	Q1 FY 2022 (January 1, 2022- March 31, 2022)	Q1 FY 2023 (January 1, 2023- March 31, 2023)
Net sales	3,337,829	4,561,368
Cost of sales	2,486,217	3,470,462
Gross profit	851,611	1,090,906
Selling, general and administrative expenses	626,576	672,848
Operating income	225,034	418,058
Non-operating income		
Interest income and dividends	5	29
Foreign exchange gain	51,274	-
Surrender value of insurance	1	5,722
Subsidy income	523	521
Other	170	670
Total non-operating income	51,975	6,943
Non-operating expenses		
Interest expenses	1,509	3,680
Guarantee commission	97	98
Foreign exchange loss	-	8,488
Stock issuance cost	240	167
Other	2	600
Total non-operating expenses	1,849	13,035
Ordinary income	275,160	411,966
Profit before income taxes	275,160	411,966
Income taxes	115,844	151,640
Income taxes-deferred	-21,746	-8,324
Total income tax	94,098	143,316
Net income	181,062	268,650
Net income attributable to owners of non-controlling shareholders	-	-9,185
Net income attributable to owners of parent	181,062	277,835

Quarterly Consolidated Statement of Comprehensive Income

First Quarter

(Thousand yen)

	Q1 FY 2022 (January 1, 2022- March 31, 2022)	Q1 FY 2023 (January 1, 2023- March 31, 2023)
Net income	181,062	268,650
Other comprehensive income		
Valuation difference on available-for-sale securities	-33,453	4,695
Deferred gains or losses on hedges	595	8,654
Foreign currency translation adjustment	-	5,433
Total other comprehensive income	-32,858	18,783
Comprehensive income	148,204	287,433
Breakdown		
Comprehensive income attributable to owners of parent	148,204	297,649
Comprehensive income attributable to owners of non-controlling shareholders	-	-10,215