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May 13, 2026

Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (Under Japanese GAAP)

Company name: Segue Group Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3968
 URL: <https://segue-g.jp/>
 Representative: Yasuyuki Aisu, President and Representative Director
 Inquiries: Tsuyoshi Kobayashi, Director and Head of Corporate Division
 Telephone: +81-3-6228-3822
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of 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, 2026 (from January 1, 2026 to March 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	9,184	91.8	1,449	541.2	1,418	482.6	882	527.5
March 31, 2025	4,788	(3.3)	226	(47.5)	243	(70.0)	140	(73.9)

Note: Comprehensive income For the three months ended March 31, 2026: 931 million yen [66.4%]
 For the three months ended March 31, 2025: 559 million yen [(4.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	25.91	25.66
March 31, 2025	4.44	4.40

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	23,095	7,400	30.8
December 31, 2025	18,647	4,400	22.1

Reference: Equity
 As of March 31, 2026: 7,106 million yen
 As of December 31, 2025: 4,112 million yen

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, 2025	—	6.00	—	7.00	13.00
Fiscal year ending December 31, 2026	—				
Fiscal year ending December 31, 2026 (Forecast)		9.00	—	9.00	18.00

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

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	30,000	19.6	2,300	24.0	2,299	14.8	1,403	17.8	38.60

(Note) Revisions to the most recently announced earnings forecast: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (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: None
 - (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, 2026	37,164,077 shares
As of December 31, 2025	32,564,077 shares

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

As of March 31, 2026	817,100 shares
As of December 31, 2025	819,200 shares

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

Three months ended March 31, 2026	34,045,927 shares
Three months ended March 31, 2025	31,646,486 shares

(Note) The treasury shares deducted in the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period include the Company's shares held by Custody Bank of Japan, Ltd. (Trust E Account).

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including the earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable and do not constitute a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. For the assumptions underlying the earnings forecasts and notes on use, please refer to "(3) Forward-looking statements, including consolidated earnings forecasts"

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Overview of Operating Results

(1) Overview of Operating Results

During the first quarter of the consolidated fiscal year under review, although the employment environment in the Japanese economy generally remained firm, the outlook continued to be uncertain due to the impact of heightened tensions in the Middle East and developments in overseas economies and trade policies, including those of the United States.

In the IT industry to which the Group belongs, DX (Digital Transformation) investments aimed at improving corporate productivity and labor saving have continued to perform steadily, and demand for investments in IT infrastructure and cybersecurity measures by government agencies and private companies has remained firm. In particular, against the backdrop of the promotion of policies aimed at realizing a digital society, IT investments by central government ministries and local governments have remained stable, and a favorable business environment continues for the Group.

Under such a business environment, the Group has continued to further strengthen the sales and technical structures of its core operating companies, building on the previous fiscal year, and has been actively engaged in acquiring large-scale projects for government agencies and major private companies.

Regarding the status by business segment, in the VAD (Value Added Distribution) business, sales from the final phase of the ultra-large-scale GSS (Government Solution Service) projects received in the previous fiscal year were recognized. Sales of security products to government ministries and critical infrastructure remained strong, and support services also accumulated steadily, resulting in a significant increase in net sales and profit.

In the System Integration business, in addition to large-scale projects for major service-industry companies, sales were recorded for multiple projects for universities and government ministries. Furthermore, while low-margin large-scale projects had been a factor in lowering profit in the first quarter of the previous consolidated fiscal year, the consolidated cumulative first quarter under review maintained a stable level of profitability, resulting in an increase in both net sales and profit.

In our In-house development business, the delivery of multiple large-scale RevoWorks projects for government ministries, as well as the continued growth of Recurring revenue services such as RevoWorks Cloud and Managed Security Service (MSS), led to a significant increase in net sales and profit. In addition, in March 2026, we launched "RevoWorks Plus EDR," and Segue Security continued to expand its MSS, announcing in the same month the launch of "RiskLoom," an AI-based security document diagnostic service. The expansion of our in-house developed products and services continues to progress steadily.

In Overseas business, First One Systems Co., Ltd. steadily acquired IT infrastructure projects for universities and public institutions in Thailand, achieving an increase in net sales. ISS Resolution Co., Ltd. saw sluggish service performance due to the impact of AI; however, both companies have secured projects for which sales recognition is expected from the second quarter onward, and we will continue to work toward the steady accumulation of sales.

As a result, for the first quarter of the consolidated fiscal year under review, net sales of the Solution Products business were 6,433,465 thousand yen (+140.8% YoY), net sales of the Solution Services business were 2,750,568 thousand yen (+30.0% YoY), with consolidated net sales of 9,184,034 thousand yen (+91.8% YoY). With respect to profits, gross profit was 2,463,966 thousand yen (+117.2% YoY), operating profit was 1,449,717 thousand yen (+541.2% YoY), ordinary profit was 1,418,802 thousand yen (+482.6% YoY), and profit attributable to owners of parent was 882,288 thousand yen (+527.5% YoY).

(2) Overview of Financial Position

(Assets)

At the end of the first quarter of the consolidated fiscal year under review, total assets amounted to 23,095,574 thousand yen, an increase of 4,448,315 thousand yen compared to the end of the previous fiscal year. Current assets amounted to 19,982,813 thousand yen, an increase of 4,403,087 thousand yen compared to the end of the previous fiscal year. Non-current assets amounted to 3,112,761 thousand yen, an increase of 45,227 thousand yen compared to the end of the previous fiscal year.

The main factor for the increase in current assets was an increase in cash and deposits, among other factors.

The main factor for the increase in non-current assets was an increase in investment securities, among other factors.

(Liabilities)

Total liabilities at the end of the first quarter of the consolidated fiscal year under review amounted to 15,694,984 thousand yen, an increase of 1,448,286 thousand yen compared to the end of the previous fiscal year. Current liabilities amounted to 14,243,480 thousand yen, an increase of 1,454,182 thousand yen compared to the end of the previous fiscal year. Non-current liabilities amounted to 1,451,503 thousand yen, a decrease of 5,895 thousand yen compared to the end of the previous fiscal year.

The main factor for the increase in current liabilities was that, while short-term loans payable decreased, accounts payable - trade and advances received increased, among other factors.

The main factor for the decrease in non-current liabilities was that, while deferred tax liabilities increased, long-term loans payable decreased, among other factors.

(Net assets)

At the end of the first quarter of the consolidated fiscal year under review, net assets amounted to 7,400,590 thousand yen, an increase of 3,000,029 thousand yen compared to the end of the previous fiscal year. The main factor for this increase was an increase in capital stock and capital surplus, among other factors.

(3) Explanation of Forward-looking Information such as Consolidated Earnings Forecast

Performance for the first quarter has progressed generally in line with the plan. There are no changes to the consolidated earnings forecast for the fiscal year ending December 31, 2026 from the figures announced on February 13, 2026.

Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	2,382,084	10,260,918
Notes and accounts receivable - trade	4,822,341	3,674,400
Electronically recorded monetary claims	678,867	40,642
Securities	153,115	130,567
Inventories	3,909,030	2,071,382
Advance payments to suppliers	2,908,772	3,002,680
Accounts receivable - other	376,651	463,051
Other	358,865	347,528
Allowance for doubtful accounts	(10,002)	(8,359)
Total current assets	15,579,725	19,982,813
Non-current assets		
Property, plant and equipment		
Buildings and structures	172,003	184,288
Accumulated depreciation	(69,943)	(61,794)
Buildings and structures, net	102,060	122,493
Vehicles	8,558	5,938
Accumulated depreciation	(6,073)	(5,938)
Vehicles, net	2,485	—
Tools, furniture and fixtures	1,339,743	1,379,938
Accumulated depreciation	(1,035,775)	(1,081,195)
Tools, furniture and fixtures, net	303,967	298,743
Leased assets	80,844	79,189
Accumulated depreciation	(57,857)	(58,431)
Leased assets, net	22,987	20,757
Land	639	639
Construction in progress	—	2,597
Total property, plant and equipment	432,140	445,232
Intangible assets		
Goodwill	1,225,147	1,144,158
Software	80,854	84,876
Software in progress	38,473	40,648
Other	1,314	1,314
Total intangible assets	1,345,790	1,270,997
Investments and other assets		
Investment securities	579,128	661,330
Long-term guarantee deposits	194,011	198,447
Deferred tax assets	219,253	241,841
Insurance funds	81,876	82,585
Other	215,331	212,325
Total investments and other assets	1,289,602	1,396,531
Total non-current assets	3,067,533	3,112,761
Total assets	18,647,258	23,095,574

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,368,866	3,061,320
Short-term borrowings	2,267,107	95,206
Current portion of long-term borrowings	762,578	756,213
Lease obligations	11,413	9,559
Accounts payable - other	249,301	181,098
Accrued expenses	417,010	342,458
Income taxes payable	493,336	523,436
Accrued consumption taxes	109,058	564,127
Advances received	6,759,701	8,472,523
Provision for bonuses	23,201	125,013
Provision for bonuses for directors (and other officers)	19,730	19,730
Provision for share awards	15,617	34,982
Provision for shareholder benefit program	198,788	—
Other provisions	2,304	2,185
Other	91,282	55,626
Total current liabilities	12,789,298	14,243,480
Non-current liabilities		
Long-term borrowings	925,594	851,089
Retirement benefit liability	394,384	390,022
Provision for share awards	14,821	14,033
Deferred tax liabilities	46,875	118,159
Long-term accounts payable - other	64,648	64,648
Lease obligations	11,074	13,548
Total non-current liabilities	1,457,399	1,451,503
Total liabilities	14,246,697	15,694,984
Net assets		
Shareholders' equity		
Share capital	528,629	1,666,485
Capital surplus	—	1,137,856
Retained earnings	3,633,061	4,292,774
Treasury shares	(442,697)	(442,148)
Total shareholders' equity	3,718,994	6,654,967
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241,699	315,202
Deferred gains or losses on hedges	14,618	18,096
Foreign currency translation adjustment	137,310	118,364
Total accumulated other comprehensive income	393,629	451,663
Share acquisition rights	77,097	91,497
Non-controlling interests	210,839	202,461
Total net assets	4,400,561	7,400,590
Total liabilities and net assets	18,647,258	23,095,574

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly Consolidated Statement of Income

First quarter (cumulative)

	(Thousands of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Net sales	4,788,343	9,184,034
Cost of sales	3,654,132	6,720,067
Gross profit	1,134,211	2,463,966
Selling, general and administrative expenses	908,111	1,014,248
Operating profit	226,100	1,449,717
Non-operating income		
Interest and dividend income	1,774	2,747
Foreign exchange gains	16,222	5,763
Subsidy income	560	3,913
Other	8,859	3,982
Total non-operating income	27,416	16,406
Non-operating expenses		
Interest expenses	9,859	11,398
Guarantee commission	97	123
Share issuance costs	—	20,044
Miscellaneous losses	—	15,228
Other	19	526
Total non-operating expenses	9,976	47,321
Ordinary profit	243,540	1,418,802
Profit before income taxes	243,540	1,418,802
Income taxes - current	115,564	502,356
Income taxes - deferred	(6,515)	36,118
Total income taxes	109,048	538,475
Profit	134,492	880,327
Loss attributable to non-controlling interests	(6,115)	(1,961)
Profit attributable to owners of parent	140,607	882,288

Quarterly Consolidated Statement of Comprehensive Income

First quarter (cumulative)

	(Thousands of yen)	
	Three months ended March 31, 2025	Three months ended March 31, 2026
Profit	134,492	880,327
Other comprehensive income		
Valuation difference on available-for-sale securities	499,384	73,502
Deferred gains or losses on hedges	(4,970)	3,478
Foreign currency translation adjustment	(68,941)	(25,362)
Total other comprehensive income	425,471	51,617
Comprehensive income	559,963	931,944
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	578,801	940,322
Comprehensive income attributable to non-controlling interests	(18,837)	(8,378)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

By the public offering of new shares (general subscription) with a payment date of February 9, 2026, 4,600,000 common shares of the Company were issued, increasing share capital and capital surplus by 1,137,856 thousand yen each.

As a result, at the end of the consolidated cumulative first quarter under review, share capital was 1,666,485 thousand yen and capital surplus was 1,137,856 thousand yen.

(Notes on segment information, etc.)

The Group's business segment is a single segment of the IT solutions business, and therefore the disclosure of segment information has been omitted.

(Notes on the statement of cash flows)

The quarterly consolidated statement of cash flows for the consolidated cumulative first quarter under review has not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the consolidated cumulative first quarter are as follows:

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Depreciation	42,661	49,005
Amortization of goodwill	57,689	61,265

(Revenue recognition)

Information on disaggregation of revenue from contracts with customers

(Thousands of yen)

	Three months ended March 31, 2025	Three months ended March 31, 2026
Solution Products business	2,672,243	6,433,465
Solution Services business	2,116,099	2,750,568
Total	4,788,343	9,184,034

(Significant subsequent events)

Not applicable.