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Securities code: 3968

Fiscal Year Ending December 2026 First Quarter

Financial Results Supplementary
Explanation Materials

May 13, 2026

Segue Group
Segue Group Co., Ltd.

FY 2026

Q1
FIRST QUARTER REPORT

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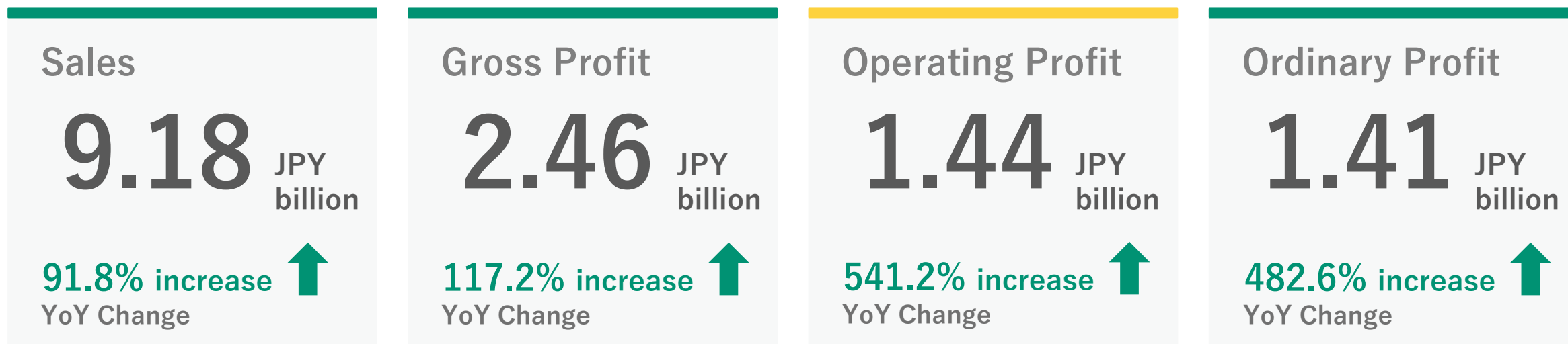
01



Financial Highlights

Sales and all profit items achieved record highs in Q1!

Sales **1.9x**, Gross Profit **2.1x**, Operating Profit **6.4x**, Ordinary Profit **5.8x** (YoY)



Sales

Order backlog from mega-scale government projects (GSS) drove overall results. Recognition of sales from large-scale projects for the private sector, universities, and infrastructure also contributed, resulting in a significant increase in revenue

Operating Profit

A significant increase in Gross Profit led to 6.4x YoY

Gross Profit

A significant increase in Sales led to a significant increase in Gross Profit. Multiple large-scale RevoWorks projects for government ministries also contributed

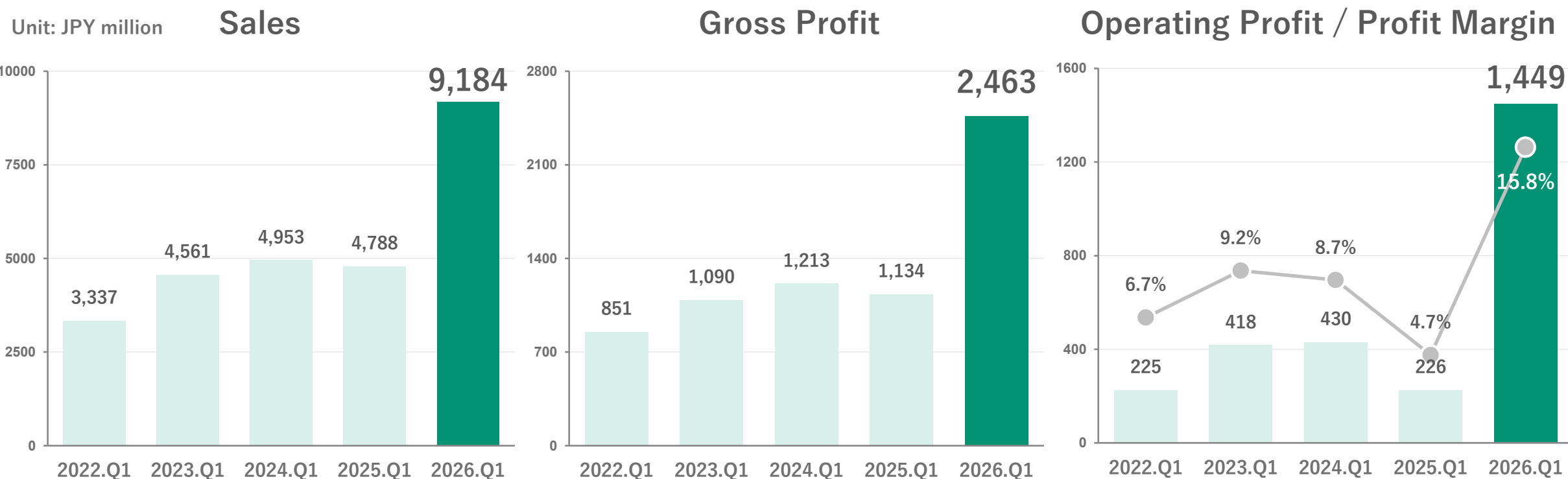
Ordinary Profit

A significant increase was achieved primarily due to the substantial increase in Operating Profit

Q1 Financial Results Trends

GSS project order backlog and acquisition of multiple large-scale projects drove significant increase in revenue and profit

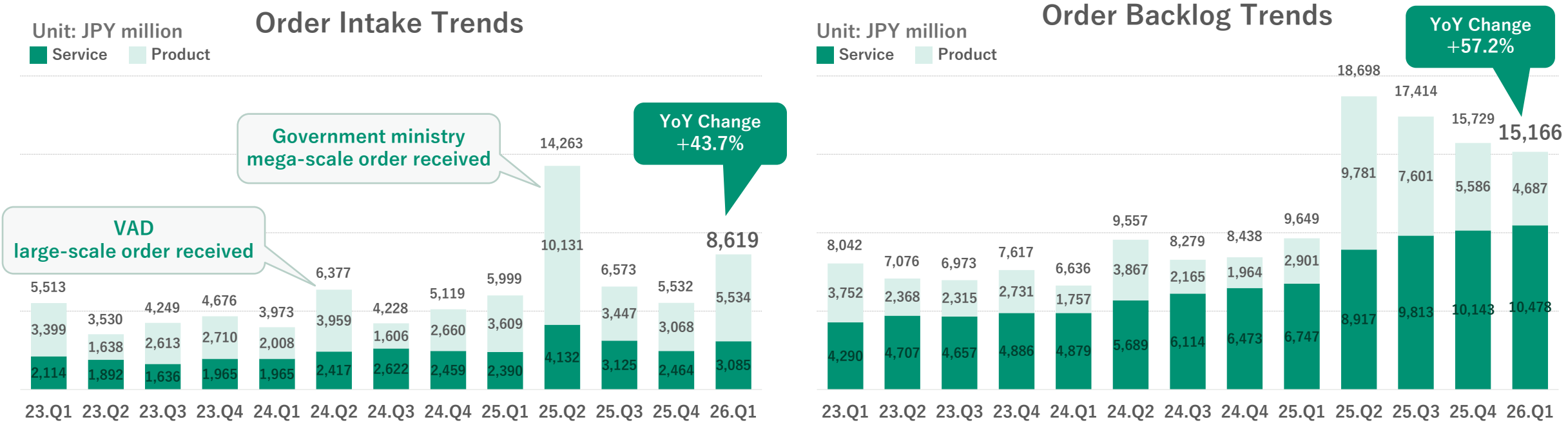
Revenue increased by over 30% even excluding GSS projects



Sales **1.9** x / Gross Profit **2.1** x / Operating Profit **6.4** x (YoY)

Order Intake and Order Backlog Trends

Q1 **record-high Order Intake** was achieved
 Products exceeded 1.5x; Services approximately 1.3x (YoY)



26.Q1 Order Intake

8,619

JPY million

Product **5,534**
 (YoY Change 53.3% increase)
 Service **3,085**
 (YoY Change 29.1% increase)

Although the order backlog declined due to sales recognition of the final portion of the mega-scale GSS project from last year, **new GSS projects and private service sector projects were received**, resulting in only a slight decline overall. **Recurring service backlog also exceeded 1.5x QoQ**, strengthening the medium-to-long-term revenue base

26.Q1 Order Backlog

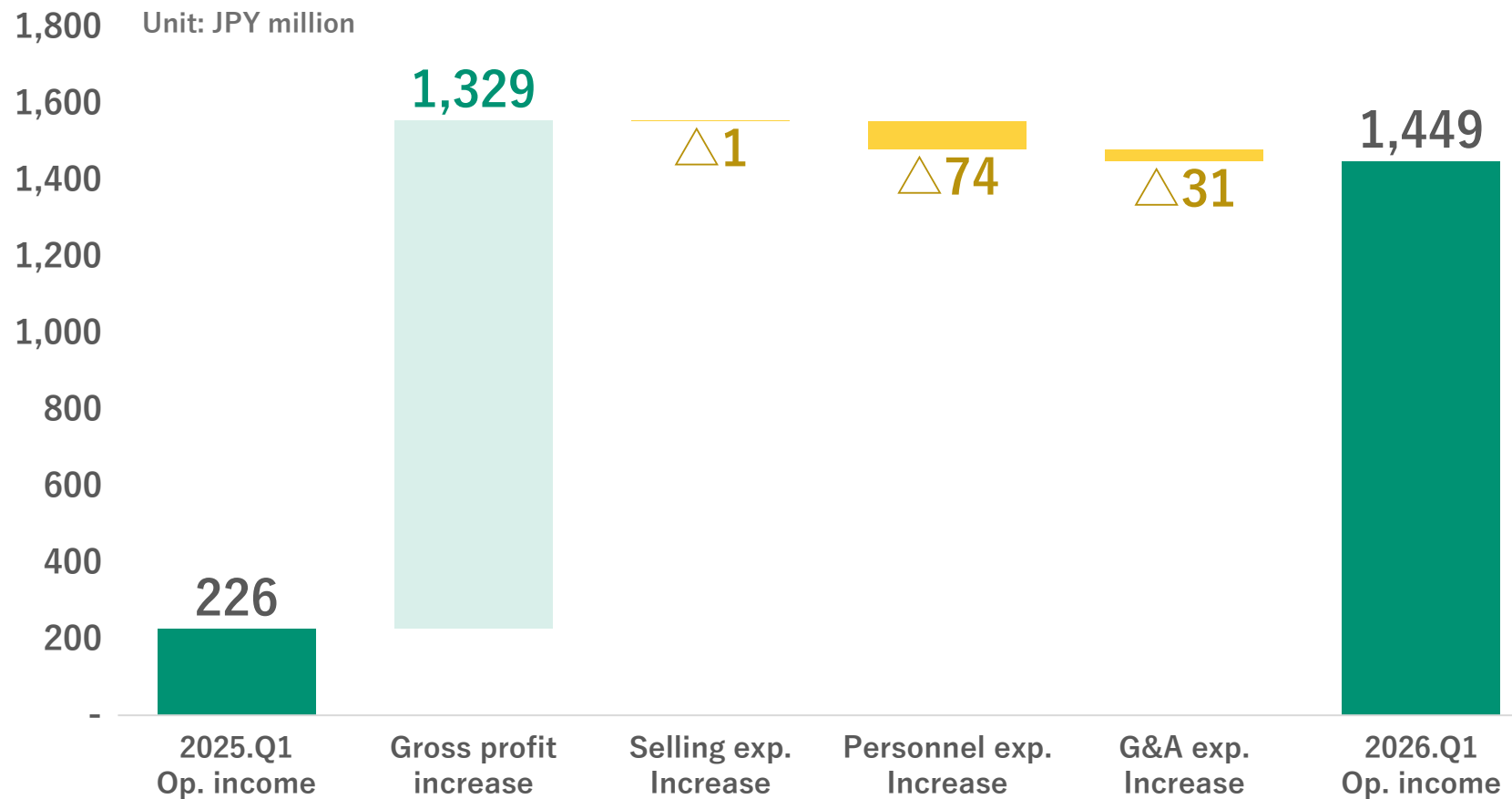
15,166

JPY million

Product **4,687**
 (YoY Change 61.6% increase)
 Service **10,478**
 (YoY Change 55.3% increase)

Operating Profit Variance Analysis

Gross Profit increased significantly, SG&A remained roughly flat, and **Operating Profit** expanded to **6.4x** YoY



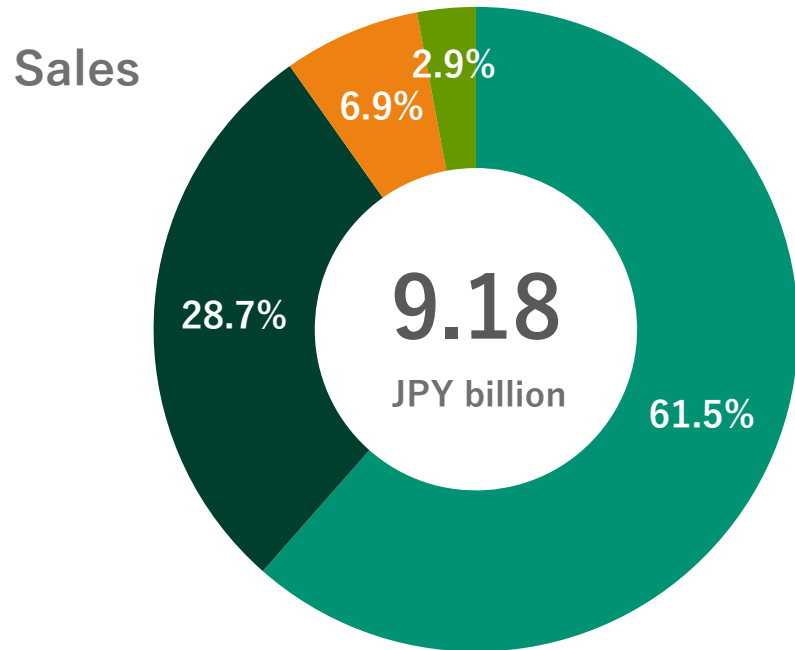
02



Business Performance

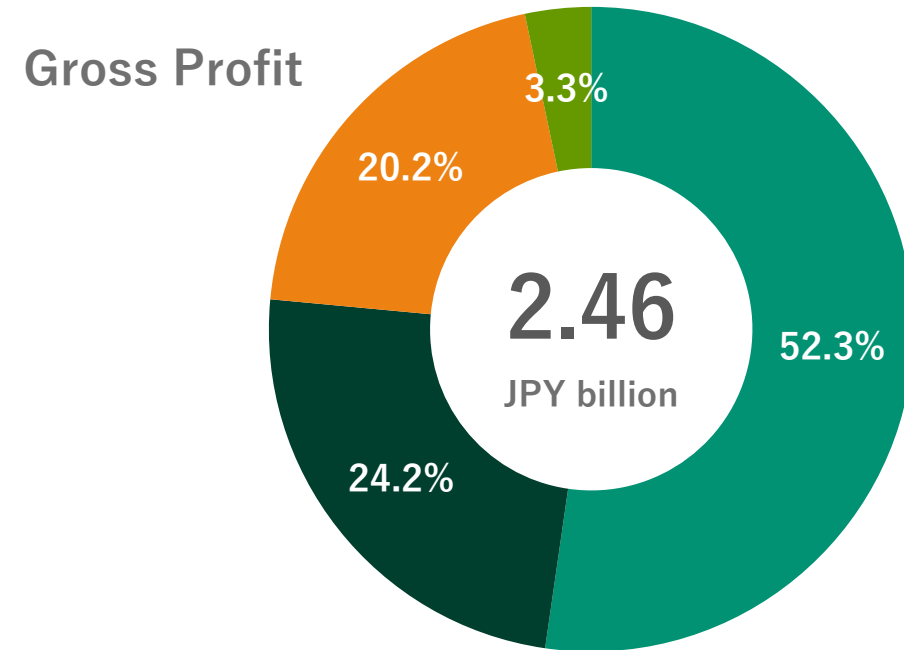
Sales and Gross Profit by Business Segment

VAD composition ratio rose significantly,
driven by the GSS project



VAD	5.64 JPY billion	YoYChange 143.3% increase↑	SI	2.63 JPY billion	YoYChange 32.7% increase↑
In-house Development	0.63 JPY billion	YoYChange 154.7% increase↑	Overseas	0.26 JPY billion	YoYChange 15.5% increase↑

Driven by RevoWorks projects for government ministries,
In-house Developed composition ratio rose significantly



VAD	1.28 JPY billion	YoYChange 101.9% increase↑	SI	0.59 JPY billion	YoYChange 96.0% increase↑
In-house Development	0.49 JPY billion	YoYChange 313.9% increase↑	Overseas	0.08 JPY billion	YoYChange 13.4% increase↑

VAD Business

GSS projects and multiple government ministry large-scale projects drove a significant increase in revenue and profit

Sales

5.64 JPY billion

143.3% increase YoY Change

Gross Profit

1.28 JPY billion

101.9% increase YoY Change

Gross Profit Margin

22.8 %

4.7pt decrease YoY Change

Highlights

1

While the order backlog from the mega-scale GSS project received in the previous fiscal year was recorded as sales, it weighed on the Gross Profit margin

2

Multiple security products projects centered on government ministries and critical infrastructure were secured, contributing to profit

3

Wireless LAN products for medical, educational, and accommodation facilities performed steadily, increasing revenue

4

Support services, a source of recurring revenue, continued to accumulate and contributed stably to profit

System Integration (SI) Business

Large-scale projects for private sector, universities, and government ministries, along with improved profit margin, drove increases in revenue and profit

Sales

2.63 JPY billion

32.7% increase YoY Change

Gross Profit

0.59 JPY billion

96.0% increase YoY Change

Gross Profit Margin

22.6 %

7.3pt increase YoY Change

Highlights

1

Sales from large-scale projects for major service industry clients and university projects were recorded, with increased profit from systems sales and implementation

2

Revenue from professional services such as design and implementation related to GSS projects also contributed

3

While low-margin large-scale projects weighed on profit in the previous fiscal year, a stable level of profitability was maintained in the current fiscal year

In-house Development Business

RevoWorks large-scale projects for government ministries drove significant increase in profit

Sales

0.63 JPY billion

154.7% increase YoY Change

Gross Profit

0.49 JPY billion

313.9% increase YoY Change

Gross Profit Margin

79.0 %

30.4pt increase YoY Change

Highlights

1

Multiple large-scale RevoWorks projects for government ministries were acquired, resulting in a significant revenue increase

2

Recurring revenue businesses, RevoWorks Cloud and Managed Security Service, continued to increase revenue

3

A characteristic of the In-house Development Business is that Gross Profit increases significantly once annual development costs exceed breakeven

Overseas Business

Overseas Business (Thailand) achieved increases in both revenue and profit

Sales

0.26 JPY billion

15.5 % increase YoY Change

Gross Profit

0.08 JPY billion

13.4 % increase YoY Change

Gross Profit Margin

30.3 %

0.6pt decrease YoY Change

Highlights

1

First One Systems steadily captured IT infrastructure projects for universities and public institutions in Thailand, contributing to increased revenue

2

ISS Resolution services were sluggish due to the impact of AI

03



Financial Detail

Consolidated Income Statement

In addition to GSS projects, multiple large-scale projects were secured, **resulting in performance slightly above the plan**. Sales increased significantly at 1.9x compared to the previous year, and all profit items showed significant progress due to an increase in projects such as In-house Development

Unit: JPY million	FY2025.12 Q1	FY2026.12 Q1	Change	Change	Full-year Forecast	Rate of Progress
Sales	4,788	9,184	+4,395	+91.8%	30,000	30.6%
Gross Profit	1,134	2,463	+1,329	+117.2%	—	—
(Profit Margin)	23.7%	26.8%	+3.1pt	—	—	—
SG&A	908	1,014	+106	+11.7%	—	—
Operating Profit	226	1,449	+1,223	+541.2%	2,300	63.0%
(Profit Margin)	4.7%	15.8%	+11.1pt	—	7.7%	—
Ordinary Profit	243	1,418	+1,175	+482.6%	2,299	61.7%
(Profit Margin)	5.1%	15.4%	+10.4pt	—	7.7%	—
Net Profit*	140	882	+741	+527.5%	1,403	62.9%

*Profit attributable to owners of parent

Consolidated Balance Sheets

Cash and deposits increased significantly due to a public offering and the collection of trade receivables, among other factors

Advances received related to support service contracts also increased significantly

Equity ratio improved by 8.7 percentage points, from 22.1% to **30.8%**

Assets

Unit: JPY million	FY2025.12 Q1	2025.12 Year End	FY2026.12 Q1
Current Assets	10,559	15,579	19,982
Cash and Deposits	4,121	2,382	10,260
Trade Receivables and Others	3,048	5,501	3,715
Inventories	1,303	3,909	2,071
Others	2,087	3,787	3,935
Fixed Assets	3,448	3,067	3,112
Total Assets	14,008	18,647	23,095

Liabilities and Equity

Unit: JPY million	FY2025.12 Q1	2025.12 Year End	FY2026.12 Q1
Current Liabilities	8,184	12,789	14,243
Trade Accounts Payable	1,552	1,368	3,061
Short-term Debt & Others	677	3,029	851
Advance Received	4,942	6,759	8,472
Others	1,013	1,631	1,858
Long-term Liabilities	2,274	1,457	1,451
Total Equity	3,548	4,400	7,400
Total Liabilities and Equity	14,008	18,647	23,095

04



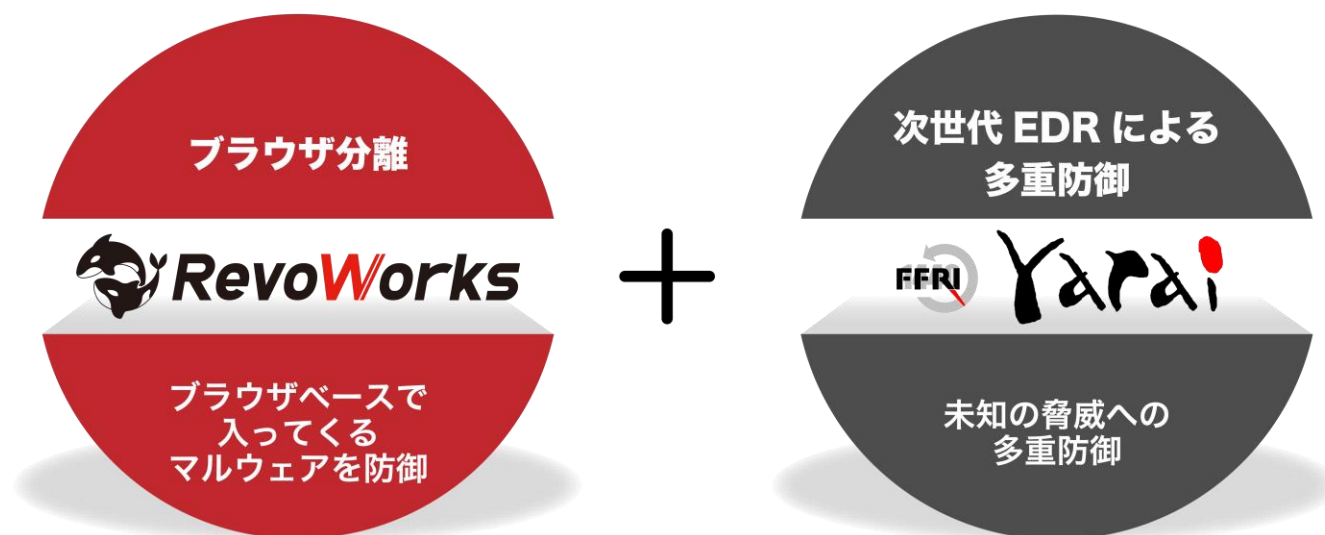
Business Topics

RevoWorks Plus EDR Sales Launch (March 2026)

Multi-layered Defense through Browser Isolation × Next-Generation EDR

We have launched a closed-network specialized security package combining RevoWorks and FFRI yarai for organizations such as municipalities, hospitals, and financial institutions that require high security and stable operations.

By combining RevoWorks, which provides a safe internet environment through internet isolation, with FFRI yarai, which detects malware and vulnerability attacks through behavior detection using predictive technology, stronger security measures and a safe working environment are realized.



FFRI yarai

An EDR product developed by FFRI Security, Inc., a Japan-based R&D cybersecurity company providing advanced threat analysis and fully domestically developed endpoint products.

Customer Needs

- Use EDR in a closed network environment
- Strengthen security measures through multi-layered defense
- Strengthen security measures while maintaining operational performance

* Refer to disclosure materials published on March 17, 2026

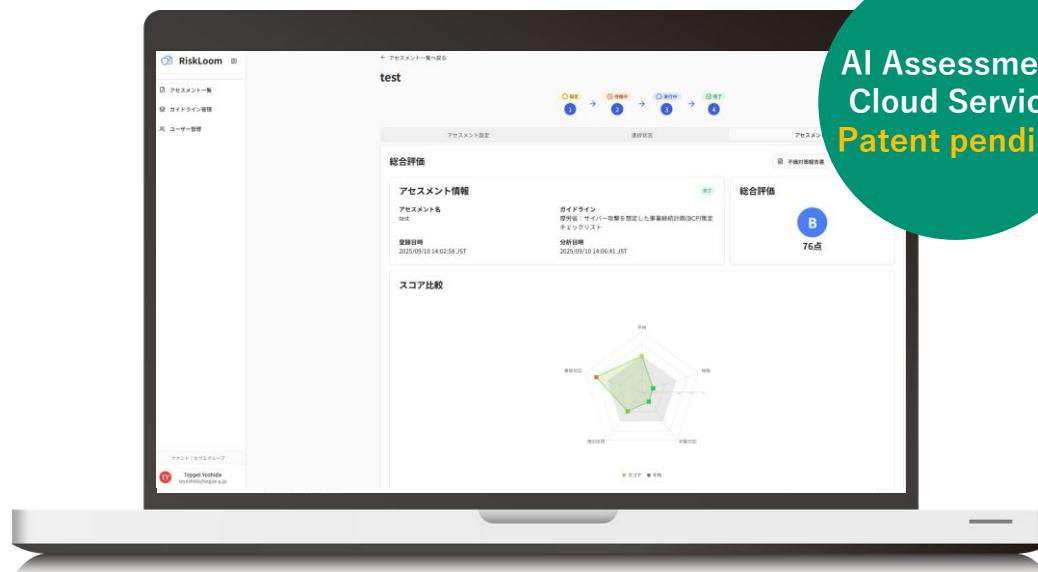
Segue Security: In-house Development of New AI-powered Services

Service Launch: April 2026

AI-based security document diagnostic service

RiskLoom

An assessment service that uses AI to automatically analyze the conformity of organizational security regulations with various guidelines



Easy 3 Steps

01

Upload security documents

Load the relevant regulations and guideline documents

02

AI-based document analysis

AI automatically analyzes conformity with various guidelines

03

Deficiency detection / Countermeasure report

Deficiencies are detected and a countermeasure report is automatically generated

* Refer to disclosure materials published on March 27, 2026

05

Capital & Shareholder Policy

Public Offering & Secondary Offering

Conducted to improve share liquidity and strengthen our capacity to handle very large government projects and M&A

Resolution Date January 23, 2026

01

New Shares Issued

Public Offering

4,600,000 shares

Secondary Offering

625,000 shares

02

Amount Raised

Public Offering

Approximately 2.27 JPY billion

Issue Price: 516 yen per share

* The third-party allotment related to the over-allotment offering (maximum 783,700 shares) was not exercised

Future Shareholder Benefit Program

Segue Group Premium Benefit Club introduced as the new shareholder benefit program from FY December 2026

Shareholders holding 3,000 or more shares will receive benefit points based on the number of shares held

Granted in late March of the following year to shareholders of record at the end of December each fiscal year

1

Expanding the investor base

Appealing to a broader range of investors and improving liquidity

2

Encouraging medium- to long-term holding

Points based on shareholdings provide an incentive for continued ownership

3

Building relationships

Building medium- to long-term relationships with shareholders



Shares held	Points
1,000 to under 1,999 shares	5,000 points
2,000 to under 2,999 shares	20,000 points
3,000 to under 3,999 shares	30,000 points
4,000 to under 4,999 shares	50,000 points
5,000 shares or more	60,000 points

* As a rule, no changes or abolition of the shareholder benefit program will be made through the final year of the next medium-term management plan (FY December 2029).

06

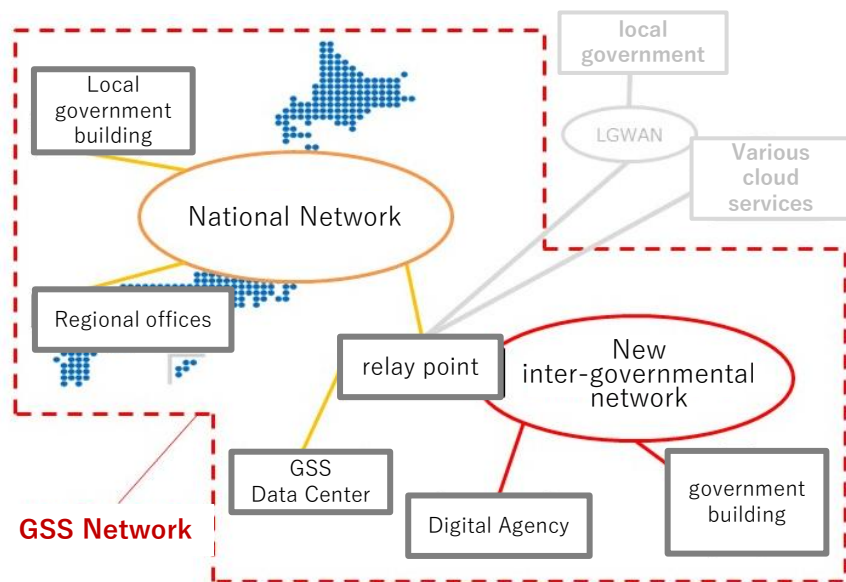
Appendix

<Reference> What is Government Solution Service (GSS)?

In order to realize a digital society, it has become necessary to modernize the digital infrastructure used by government agencies.

Government Solution Service (GSS) constructs and operates **common networks are constructed and operated** as a shared government infrastructure for **government ministries and independent administrative institutions**

[GSS Network Configuration Image]



Source: Digital Agency Expert Meeting Materials, 2024/5/29

[Items Stated in the "Priority Plan for Realization of a Digital Society"]

01 [Network]

- ✓ The currently used "Common Government Network" will be abolished, and a new inter-ministry network will be constructed and operated
- ✓ To connect the national government with local branch offices, the completed proprietary network (nationwide wide-area network) will begin to be used and operated

02 [Business Environment]

- ✓ Providing a standard business environment common to the government
- ✓ Each government ministry will integrate into this common environment upon network renewal

(Reference) FY2026.12 Announcements

Date	Title
2026/1/23	Notice Regarding Changes to the Shareholder Benefit Program (Applicable from FY2026.12 Onward)
2026/1/23	Notice Regarding Issuance of New Shares and Secondary Offering
2026/1/23	Notice Regarding the Upward Revision of Consolidated Earnings Forecast for FY2025.12 and Numerical Targets of Medium-Term Management Plan (FY2026.12)
2026/2/2	Notice Regarding Determination of Issue Price and Offering Price
2026/2/2	Notice Regarding Determination of Issue Price (Public statement based on Article 15, Paragraph 5 of the Financial Instruments and Exchange Act)
2026/2/13	Notice Regarding Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights) to Directors
2026/2/20	Notice Regarding Distribution of Surplus
2026/2/27	Notice Regarding Publication of FY2025.12 Financial Results Briefing and logmi Finance Transcript
2026/3/2	Notice Regarding the Determination of the Details of Stock Options (Stock Acquisition Rights)
2026/3/2	Notice Regarding the Results of the Third-Party Allotment
2026/3/17	Notice Regarding Publication of Sponsored Research Report (FY2025.12 Q4 Financial Results Follow-up)
2026/3/17	J's Communication Begins Providing Special Package "RevoWorks Plus EDR" in Collaboration with FFRI Security
2026/3/24	Strategy Advisors Distributed Company Research Report (FY2025.12 Financial Results Follow-up)
2026/3/27	Segue Security Launched AI-powered Security Regulations Document Diagnostic Service "RiskLoom"

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