



Supplementary Explanation Materials for Q3 FY12 / 2025 Financial Results

Securities code: 3968

November 13, 2025

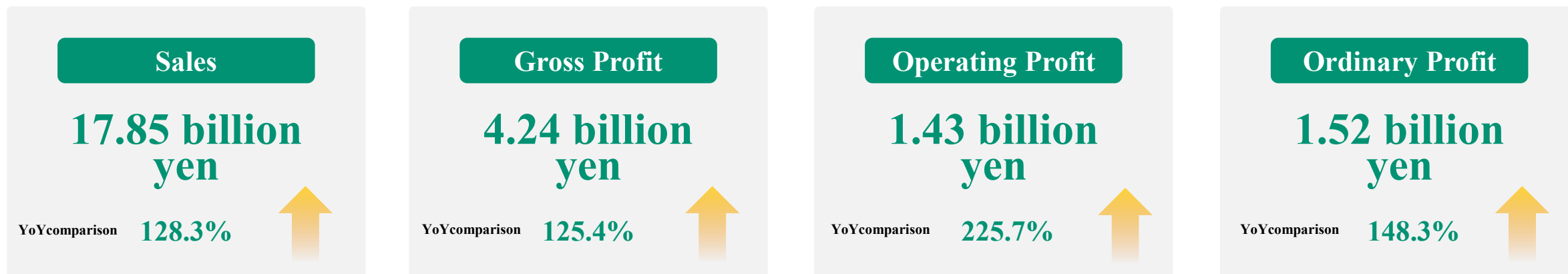
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Achieved record highs for all items!

Recording of sales from GSS projects started and results grew significantly

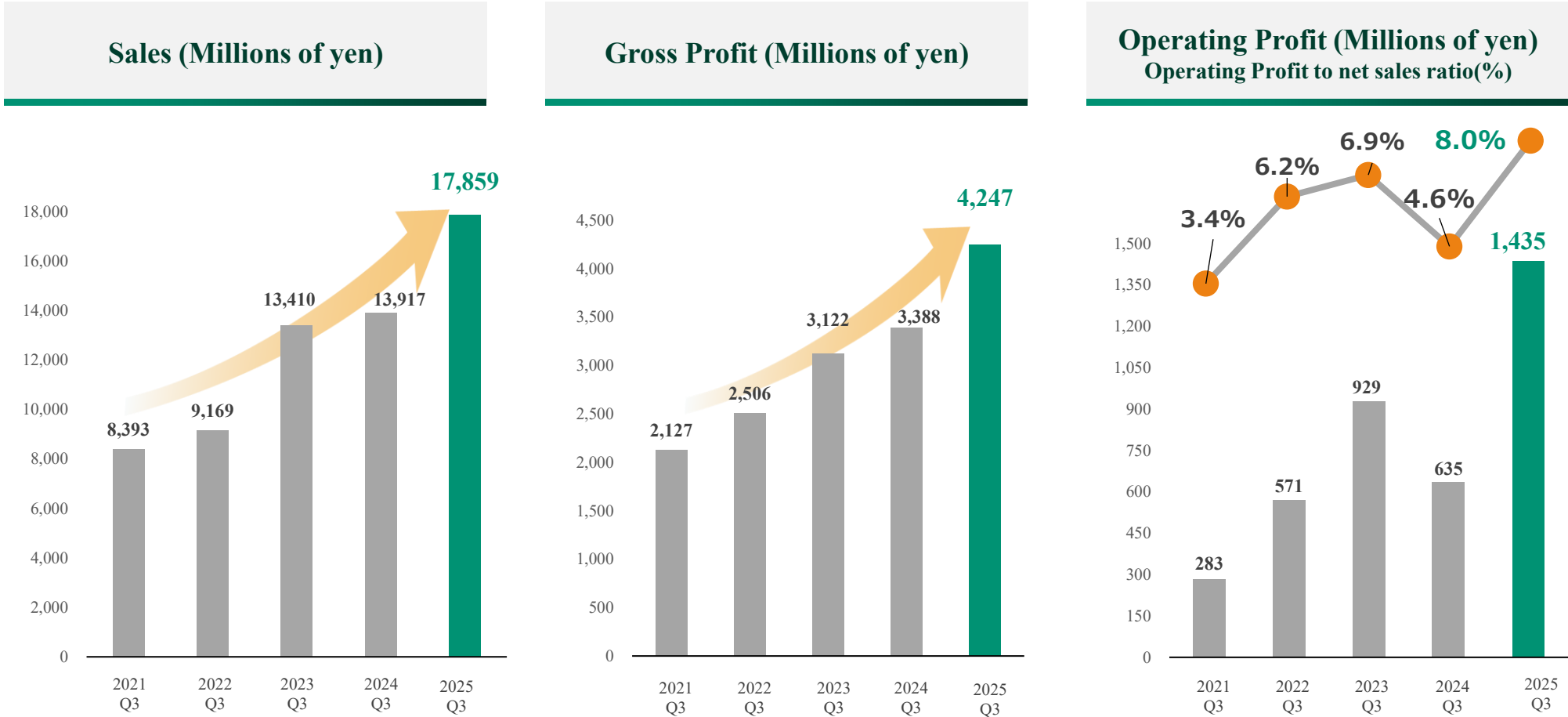
Operating Profit more than doubled YoY



Performance Summary

- **Sales:** Strong performance mainly in VAD businesses
- **Gross Profit:** Increased due to growth in sales and a significant increase in gross profit
- **Operating Profit:** Change in shareholder return measures and M&A strategy mainly due to large increase in gross profit
Significant profit increase due to temporary cost reduction through optimization, etc.
- **Ordinary Profit:** Temporary non-Operating Profit due to large increase in gross profit
(gain on cancellation of derivatives: approx. 400 million yen)
Significant increase in gross profit leads to record high profit

As the recording of sales from national GSS projects and several large-scale projects, business performance has progressed significantly, with sales, gross profit, and Operating Profit all reaching record highs for the third quarter.



Due to growing social DX and security needs, as well as orders for GSS projects,
both orders (184%) and backlog (210%) increased significantly YoY.

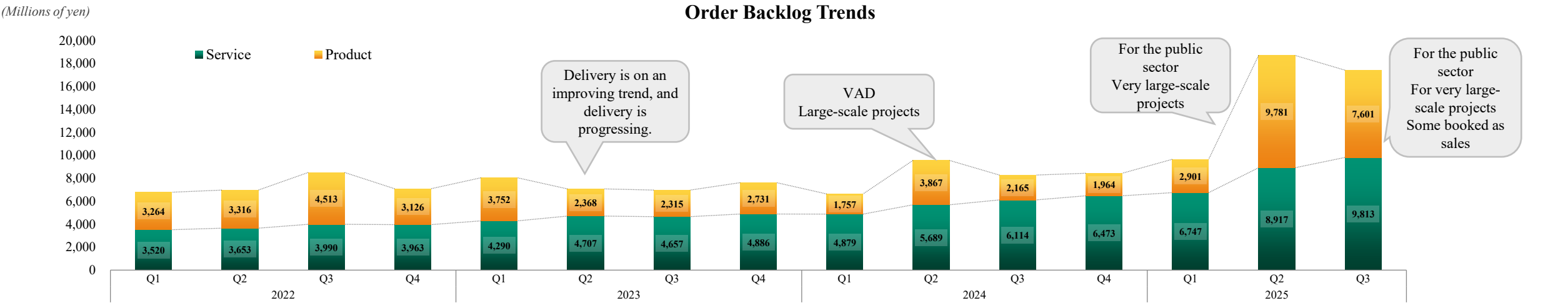
GSS projects are expected to continue to be recorded as revenue in the next fiscal year and beyond.

Orders and backlog for services with a high stock-based services profile both grew significantly, reaching approximately 10 billion yen.

Order Intake Trends

Millions of yen

	2022. Q3	2023. Q3	2024. Q3	2025. Q3	Compared to 2025/2024 Rate of change
Product	6,948	7,650	7,574	17,187	+126.9%
Service	4,295	5,642	7,005	9,648	+37.7%
Total	11,244	13,293	14,579	26,835	+84.1%

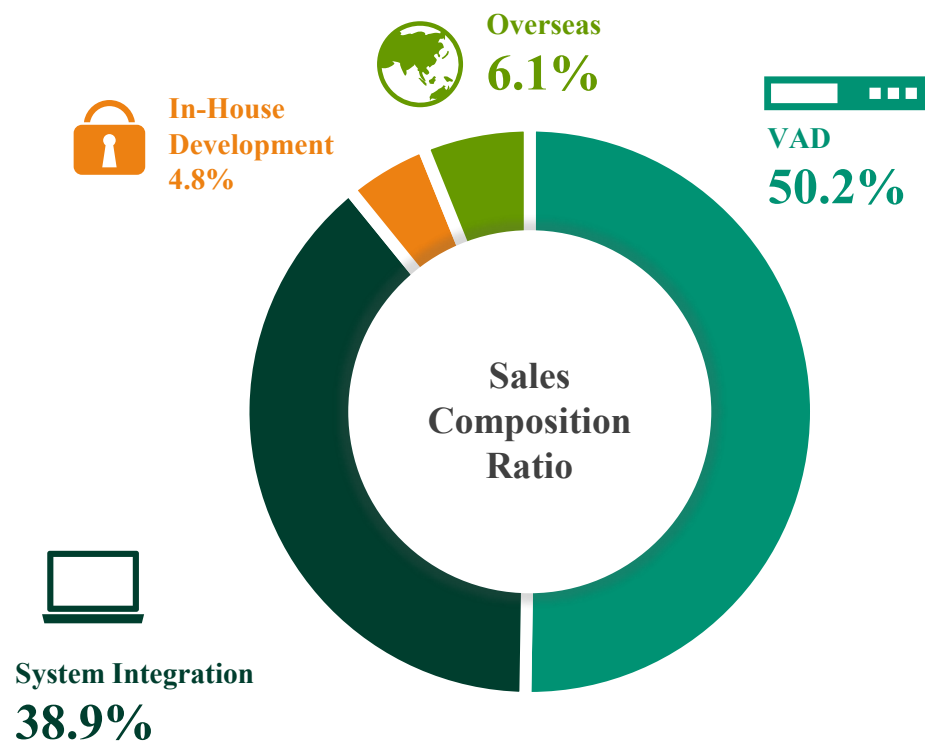


In VAD, increased highly due to sales from GSS projects and multiple large projects..

In System Integration, Sales from infrastructure system projects for the service industry contributed.

In-house development, stock-based services from RevoWorks Cloud and Segue Security services grew steadily, leading to solid sales, while gross profit remained roughly flat due to upfront investments to provide services.

In Overseas, sales and gross profit increased due to the addition of First One Systems.



VAD Business	<div>Sales</div> <div>8.973 billion yen</div> <div>+35.3%</div>	<div>Gross Profit</div> <div>2.248 billion yen</div> <div>+43.8%</div>
System Integration Business	<div>Sales</div> <div>6.946 billion yen</div> <div>+18.9%</div>	<div>Gross Profit</div> <div>1.194 billion yen</div> <div>+2.1%</div>
In-house Development Business	<div>Sales</div> <div>848 million yen</div> <div>+4.2%</div>	<div>Gross Profit</div> <div>447 million yen</div> <div>+0.1%</div>
Overseas Business	<div>Sales</div> <div>1,090 million yen</div> <div>+73.2%</div>	<div>Gross Profit</div> <div>357 million yen</div> <div>+71.7%</div>

■ VAD businesses

- ✓ Started recording sales from GSS projects.
- ✓ Orders remained extremely strong due to demand for DX infrastructures and cybersecurity.
- ✓ Recorded sales for several large-scale projects, such as Juniper, Extreme projects.
- ✓ Maintenance services, which generate stock-type income, remained firm and profitability improved.

■ System Integration Business

- ✓ Large-scale infrastructure system projects for end users in the service industry contributed to sales growth.
- ✓ Remaining flat due to increased Personnel expenses, primarily related to technology.

■ In-house development business

- ✓ Steady acquisition of projects from local governments and medical institutions.
- ✓ RevoWorks Cloud contributes to its provision to major financial institutions.
- ✓ Focusing on increasing orders for large government projects for the next fiscal year.
- ✓ Announced a RevoWorks ZENMU-Storage equipped with secret-dispersion techniques.
- ✓ In Segue Security, their managed Security Service (MSS) and security assessment services are performing well.

■ Overseas business

- ✓ In ISS Resolution, sales and profits increased YoY due to the addition of First One Systems as a consolidated entity, despite delays in the start-up of new businesses.
- ✓ Focus on business activities focusing on DX infrastructure and cybersecurity demand in the future (expect Thai public transport infrastructure projects and other projects to be Q4)

Consolidated Income Statement

Business performance is strong, with sales and profits at each stage reaching new record high!

GSS projects received in the first half of the year will contribute to business performance in the second half and beyond.

Shareholder benefits planned for Q4, with a focus on activities looking ahead to next fiscal year.

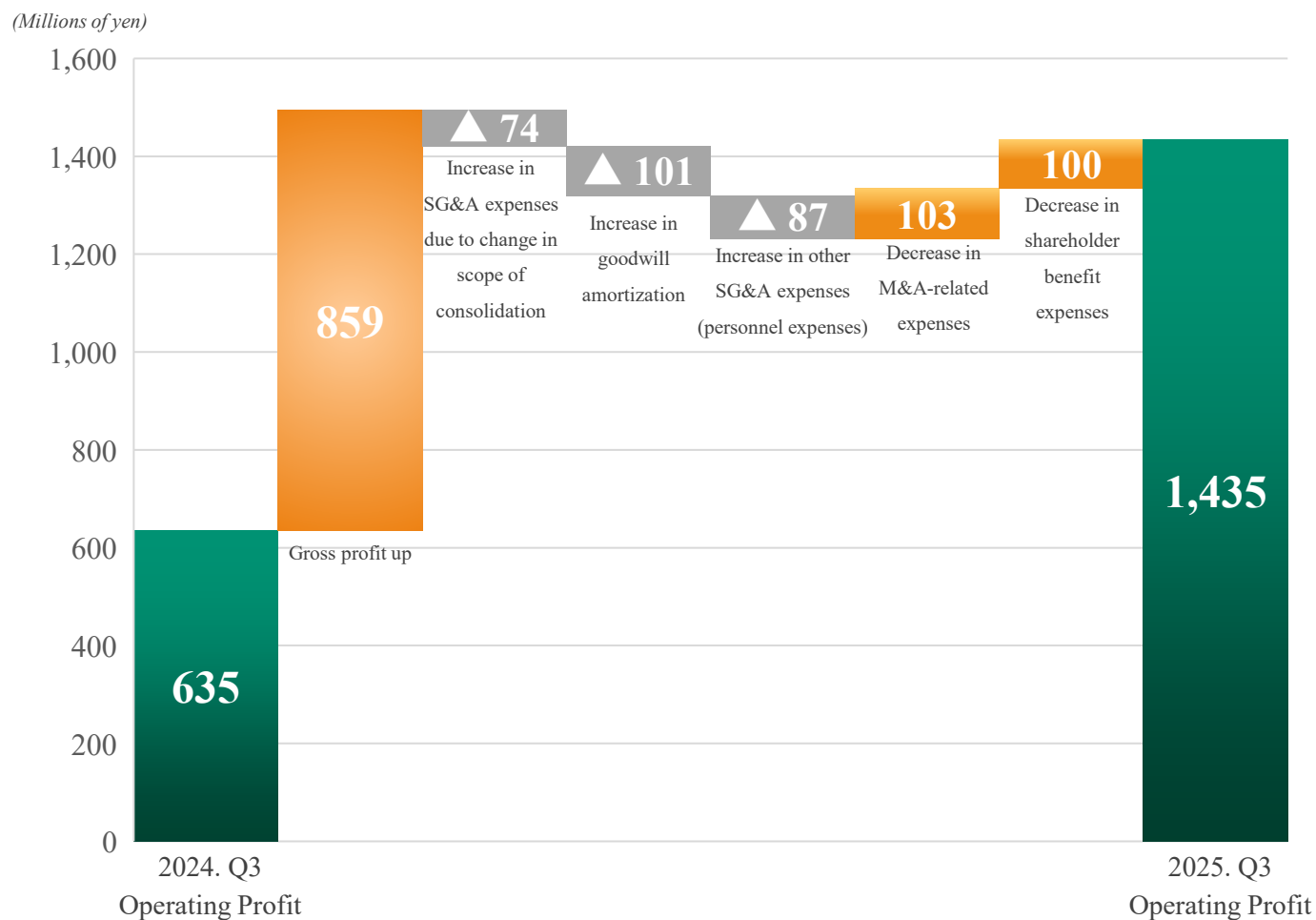
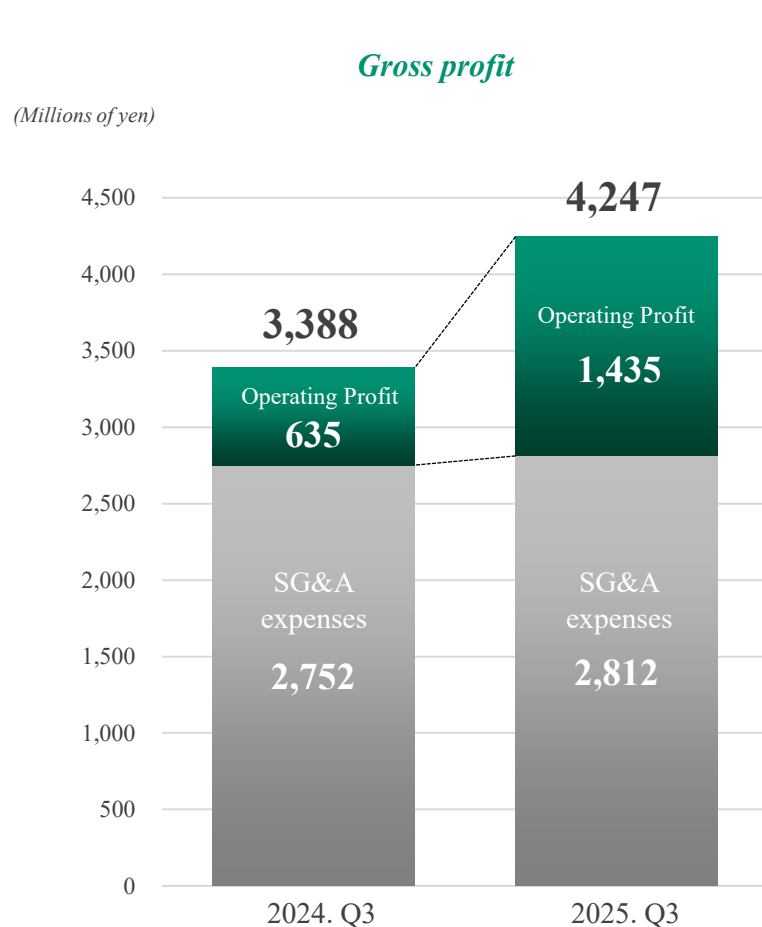
	2024.12 Q3	2025.12 Q3	YoY change		Full-year forecast (Initial)※	Rate of Progress
			Increased/Decreased amount	Rate of change		
Sales	13,917	17,859	+3,941	+28.3%	24,800	72.0%
Gross Profit	3,388	4,247	+859	+25.4%		
(Profit Margin)	24.3%	23.8%	▲0.6pt			
Selling and General Administrative Expenses	2,752	2,812	+60	+2.2%		
Operating Profit	635	1,435	+799	+125.7%	1,512	94.9%
(Profit Margin)	4.6%	8.0%	+3.5pt		6.1%	
Ordinary Profit	1,030	1,527	+497	+48.3%	1,480	103.2%
(Profit Margin)	7.4%	8.6%	+1.2pt		6.0%	
Net Profit※	614	947	+333	+54.2%	780	121.4%
EBITDA※	838	1,755	+917	+109.4%		

※Disclosed in the Announcement of Revisions to the Full-Year Consolidated Financial Forecasts (Upward Revisions) dated August 13, 2025

※Profit attributable to owners of parent ※EBITDA is calculated as "Operating Profit + Depreciation + Amortization of goodwill"

Breakdown of Changes in Operating Profit

In addition to robust VAD businesses, gross profit increased significantly due to the reorganization of group companies (M&A, carve-out). Operating Profit increased significantly (225% YoY) partly due to the elimination of one-time expenses incurred in the previous fiscal year.



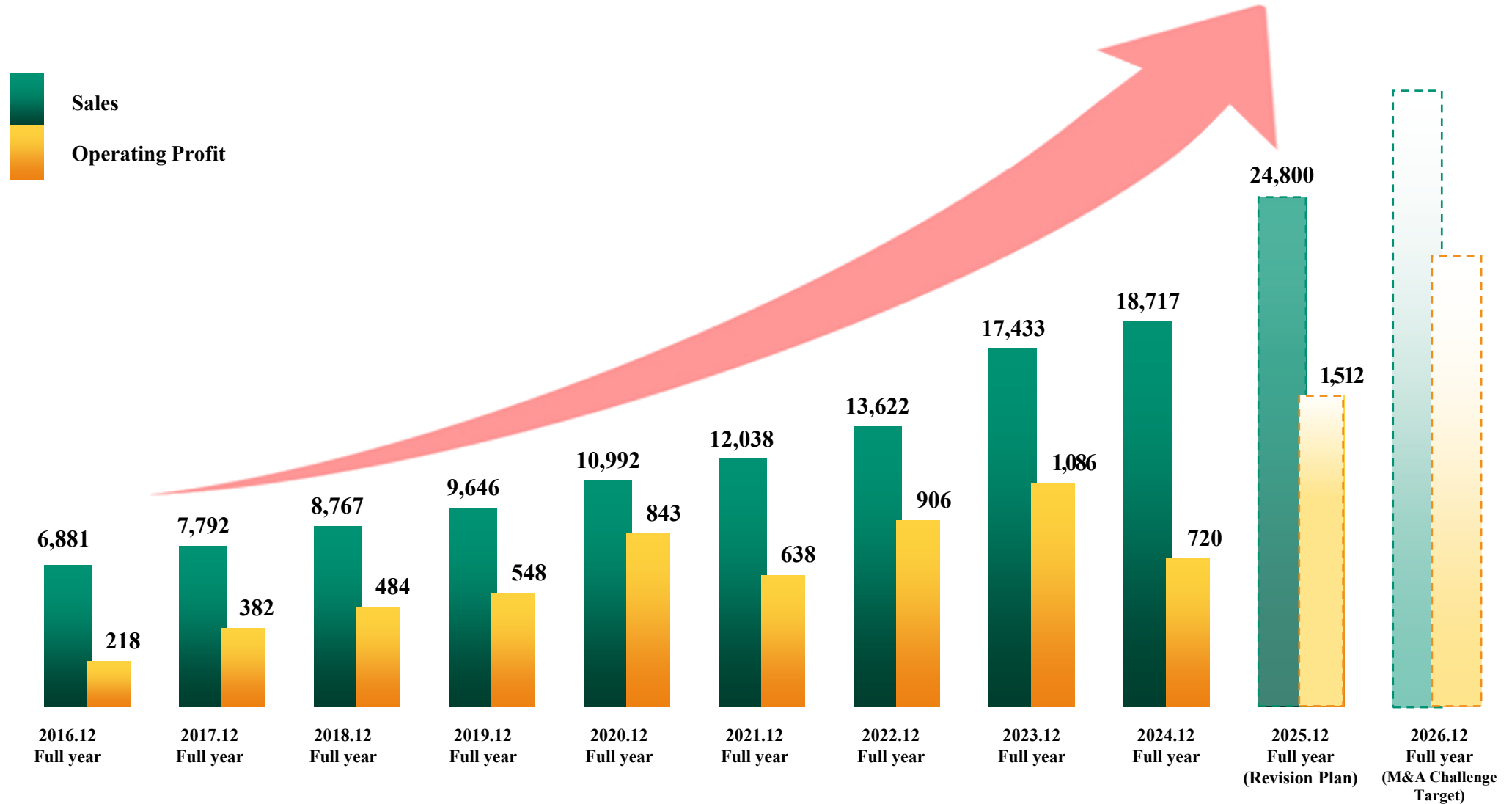
Inventory, accounts receivable and payable, short-term borrowings, and advances representing future sales increased significantly, primarily due to the receipt of orders for the GSS project and several other large projects in the first half of the year.

Millions of yen

	2024.12 Q3	2024.12 Term end	2025.12 Q3
Current assets	10,348	10,795	17,874
Cash and deposits	2,949	3,909	4,084
Trade notes receivable, Trade account receivable, And Electronically recorded monetary claims.	3,298	3,094	5,459
Inventories	2,119	1,687	4,809
Others	1,979	2,104	3,519
Fixed assets	3,110	2,837	3,230
Tangible fixed assets	379	377	409
Intangible assets	1,586	1,575	1,454
Other Investments	1,144	884	1,365
Total assets	13,459	13,633	21,104

	2024.12 Q3	2024.12 Term end	2025.12 Q3
Current liabilities	8,043	8,312	15,253
Trade accounts payable	1,624	1,410	5,202
Short-term debt & others	539	632	2,159
Advance received	4,627	4,873	6,681
Other liabilities	1,252	1,396	1,210
Long-term liabilities	1,872	2,127	1,708
Long-term debt	1,383	1,652	1,100
Others	488	474	608
Total liabilities	9,916	10,440	16,962
Total Equity	3,542	3,193	4,141
Total liabilities and Equity	13,459	13,633	21,104

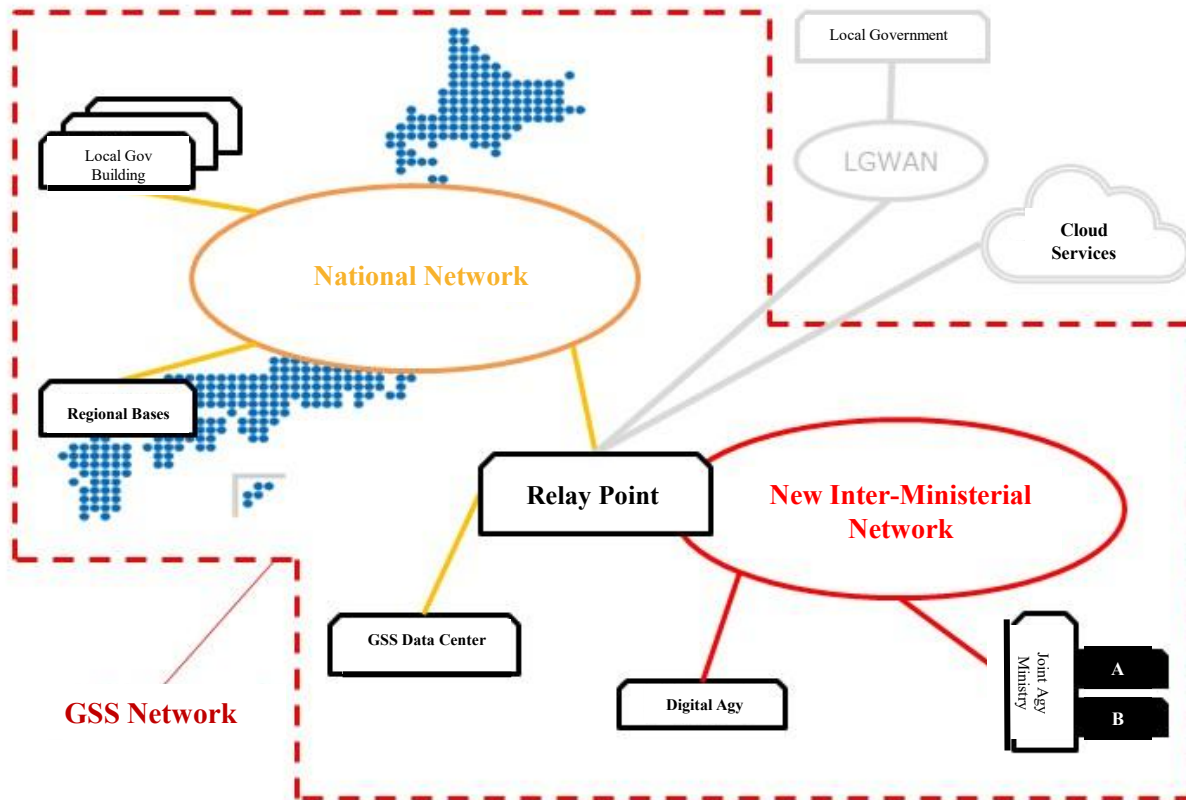
We are aiming to achieve our "challenging goals" for fiscal 2026 (the final year of our medium-term management plan), and we will strive for continuous growth in order to take "further leaps" beyond that.



Source: Digital Agency
From expert meeting materials May 29, 2024

What is Government Solution Service?

In order to realize digital companies,
it is necessary to improve the digital infrastructure used by government agencies.



Summary of the "Priority Plan for the Realization of a Digital Society" (Cabinet Decision)

[Network]

- ✓ The currently used "Common Government Network" will be abolished, and a new inter-ministerial network will be constructed and put into operation.
- ✓ To connect the national government with local branch offices, etc., we will begin using and operating our own line network (nationwide network), for which the installation has been completed.

[Business Environment]

- ✓ Providing a standard business environment common to the government.
Each government agency will take the opportunity to upgrade their network to integrate into this environment.

(Reference) "Segue300 Performance Targets" in the Medium-Term Management Plan

On May 22, 2024, we announced the formulation of the New Medium-Term Management Plan (FY2024 to FY2026).

Millions of yen

	FY2024.12	FY2025.12 ※ Revised on August 13, 2025	FY2026.12	Reference Period 2026.12 M&A Challenge
Sales	18,800	22,500	26,000	30,000
Gross profit	4,680	5,750	6,880	7,840
(Profit margin)	24.9%	25.6%	26.5%	26.1%
Selling and General Administrative Expenses	3,720	4,490	5,080	5,840
Operating Profit	960	1,260	1,800	2,000
(Profit margin)	5.1%	5.6%	6.9%	6.7%
Ordinary Profit	1,330	1,260	1,800	2,000
Net income*	773	701	1,050	1,178
EBITDA	1,150	1,600	2,160	2,610

※ Profit attributable to owners of parent

※ EBITDA = Operating Profit + Depreciation + Amortization of goodwill

(Reference) 2025 Notice List (1/2)

Date of publication	Title
2025/1/17	Segue Group Segue Security to begin providing managed EDR services that provide a set of endpoint security and data protection(Link)
2025/1/23	About publishing our sponsored search report(Link)
2025/2/5	As a of the renewal of the website of SEG SECURITY, which is responsible for the cybersecurity business in our group(Link)
2025/2/13	Notice regarding compliance with the prime-market listing maintenance standard(Link)
2025/2/13	Regarding the change in the shareholder benefit program(Link)
2025/2/13	Notice Regarding Issuance of Stock Compensation-type Stock Options (Stock Acquisition Rights) to Directors(Link)
2025/2/13	Notification on Differences between Forecasts and Actual Values(Link)
2025/2/20	Notice regarding the partial change of the article(Link)
2025/2/20	Announcement on Distribution of Surplus(Link)
2025/2/25	ZenmuTech, a capital-and-business partner of the Segue Group, to obtain listing approval on the Tokyo Stock Exchange Growth Market(Link)
2025/2/28	Notice regarding the determination of the content of stock options (stock acquisition rights) (Link)
2025/3/3	Announcement on the issuance of the sponsor search report (FY12/2024 follow-up) (Link)
2025/3/12	Independent Director Notification (Link)
2025/3/27	ZenmuTech, a capital-and-business partner of the SEGUE Group, to be newly listed on the Tokyo Stock Exchange Growth Market(Link)
2025/4/3	Notification regarding the launch of in-house developed RevoWorks ZONE(Link)
2025/4/23	Segue Security Obtaining First Acronis MSSP Certification in Asia(Link)

(Reference) 2025 Notice List (2/2)

Date of publication	Title
2025/5/28	Notice on issuance of sponsorship search report (Follow-up of Q1 results for FY12/2025) (Link)
2025/6/24	Notice regarding merger of wholly owned companies (simple merger/summary merger) (Link)
2025/6/27	Legal Pre-Disclosure Documents (Merged) (Jays Solutions, Inc.) (Link)
2025/6/27	IR Small Meeting (for institutional investors and analysts) Material (Link)
2025/7/11	Jays Communications Receiving Japan Partner Driven Distributor of the Year 2024 from Juniper Networks(Link)
2025/8/13	Announcement Regarding Revisions (Upward Revisions) of Full-Year Business Forecasts(Link)
2025/8/15	Post-Statutory Disclosure Documents (Merged) (Jays Solutions, Inc.) (Link)
2025/8/20	Notice regarding the acquisition of business by our consolidates(Link)
2025/8/26	December 31, 2025 2nd quarterly earnings briefing Logmy Finance and of publication of story(Link)
2025/9/24	Jays Communications study on the security transition of financial institutions(Link)
2025/9/24	Notice on issuance of sponsorship search report (Follow-up of Q2 results for FY12/2025) (Link)
2025/9/24	Notice regarding the sale of a portion of investment-in security(Link)
2025/10/1	Hideaki Kogawa, President and CEO, Segue Security Co., Ltd. of the Cyber Security Seminar Okinawa in ResorTech EXPO 2025(Link)
2025/10/7	Notification concerning provision of RevoWorks ZENMU-Storage, a next-generation file sharing system equipped with homegrown and secret distribution technology(Link)
2025/10/21	The distribution of the Company Research Report by FISCO, Inc. (Link)
2025/10/22	Begin handling Black Kite Platform-Supply Chain Risk Management(Link)

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Inquiries for IR

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