Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3968

FY2026

Second Quarter

Financial Results Supplementary Explanation Materials

August 13, 2026

Segue Group

Segue Group Co., Ltd.

FY 2026

Q2

SECOND QUARTER REPORT

Contents

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01

Revision of Earnings Forecast (Upward Revision)

Revision of Earnings Forecast (Upward Revision)

Upward Revision of All Profit Levels

Sales recognition from a large-scale project for the in-house developed RevoWorks and increased sales of support services, combined with SG&A expenses (advertising and recruitment-related costs, etc.) coming in lower than expected, were the main drivers of the upward revision.
Note: the dividend forecast for FY2026 remains unchanged at this time.
Dividends will be determined based on full-year net income, targeting a payout ratio of approximately 50%.

Unit: JPY million

	Previous Forecast(A) (Announced Feb 13, 2026)	Revised Forecast(B)	Change (B－A)	(Reference)Previous Period Actual (FY2025.12)
Sales	30,000	30,000	0	25,074
Operating Profit	2,300	2,600	+300	1,854
Ordinary Profit	2,299	2,600	+301	2,001
Profit attributable to owners of parent	1,403	1,600	+197	1,191
EPS (Yen)	38.60	45.44	+6.84	37.58

02

Financial Highlights

Cumulative Second-Quarter Results achieved record highs in sales and all levels of profit!

Sales 1.6x, Gross Profit 1.7x, Operating Profit 3.2x, Ordinary Profit 3.2x (YoY)

Sales	Gross Profit	Operating Profit	Ordinary Profit
15.90 JPY billion	4.24 JPY billion	2.19 JPY billion	2.19 JPY billion
+59.1% YoY Change	+65.8% YoY Change	+220.6% YoY Change	+223.3% YoY Change

Sales
Performed well on backlog carried over from last year and new government projects (GSS projects) as well as large-scale projects for private-sector and university clients, landing broadly in line with plan

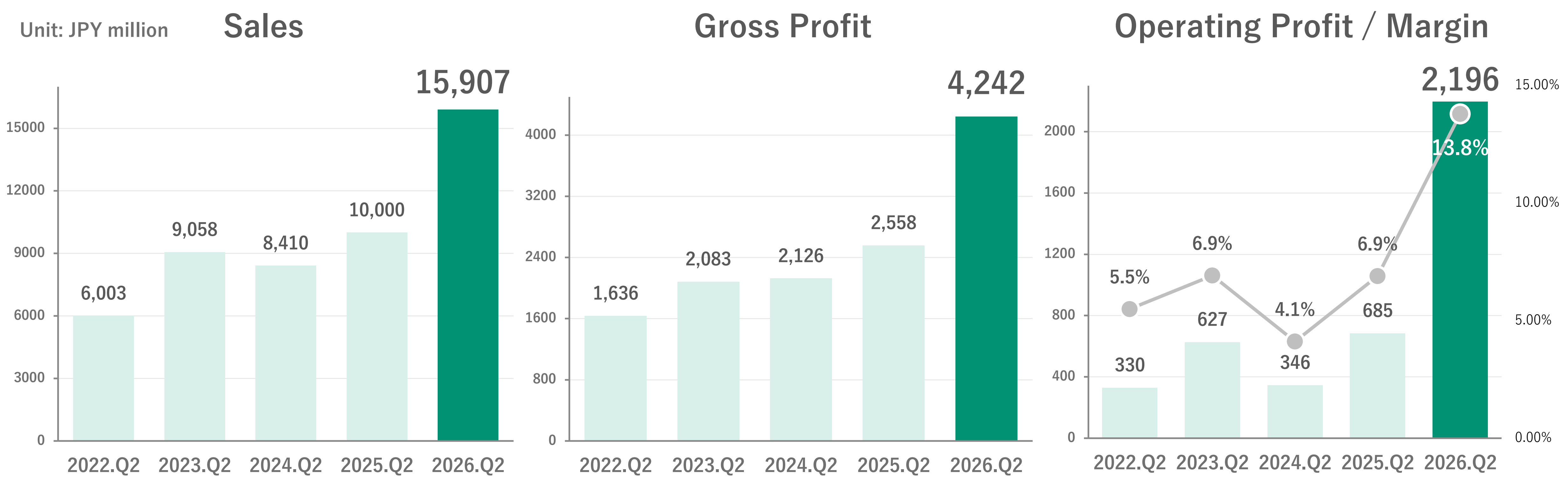
Gross Profit
GSS-related government project sales recognition, plus the acquisition of large-scale government projects for RevoWorks, and growth in security software and support services, boosted profit

Operating Profit / Ordinary Profit
Significant gross profit growth and only a modest increase in SG&A resulted in higher profits

Orders / Order Backlog
Steadily secured large-scale projects, maintaining a high level
Order backlog for recurring services continued to grow steadily

Cumulative Results Trend for Q2

Following Q1, significant increases in sales and profit driven by sales recognition of GSS projects and multiple large-scale projects



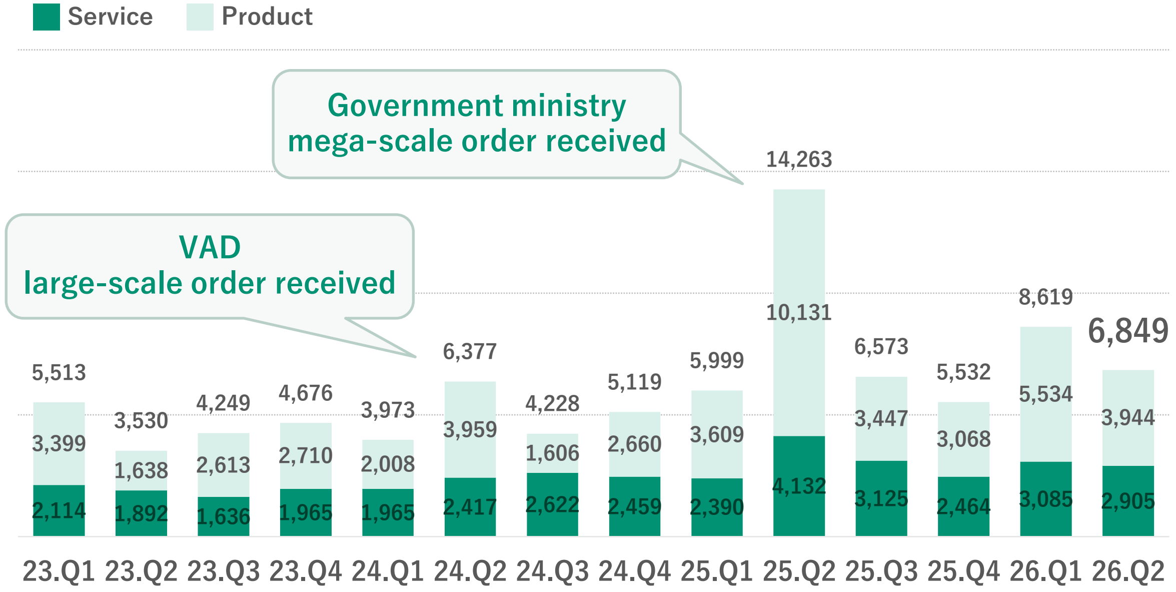
Sales 1.6 x / Gross Profit 1.7 x / Operating Profit 3.2 x (YoY)

Order Intake and Order Backlog Trends

Decreased YoY due to an extraordinarily large-scale project in the prior-year period, but remained at a high level.
In H2, we will continue to focus on new GSS projects and other large-scale projects, aiming to increase orders.

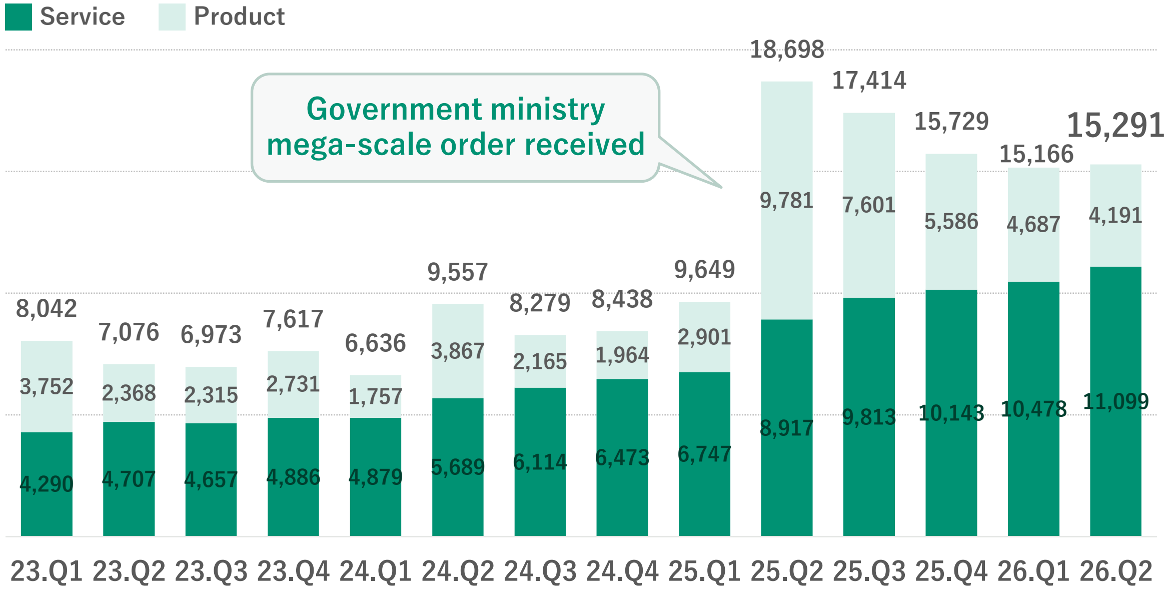
Order Intake Trends

Unit: JPY million



Order Backlog Trends

Unit: JPY million



26.Q2 Order Intake

6,849 JPY million

Product **3,944** JPY million

Service **2,905** JPY million

An extraordinarily large-scale GSS project in the prior-year period caused a YoY decrease, but steady acquisition of large-scale projects kept orders and backlog **at a high level.**
Order backlog for recurring services **continued to grow steadily**

26.Q2 Order Backlog

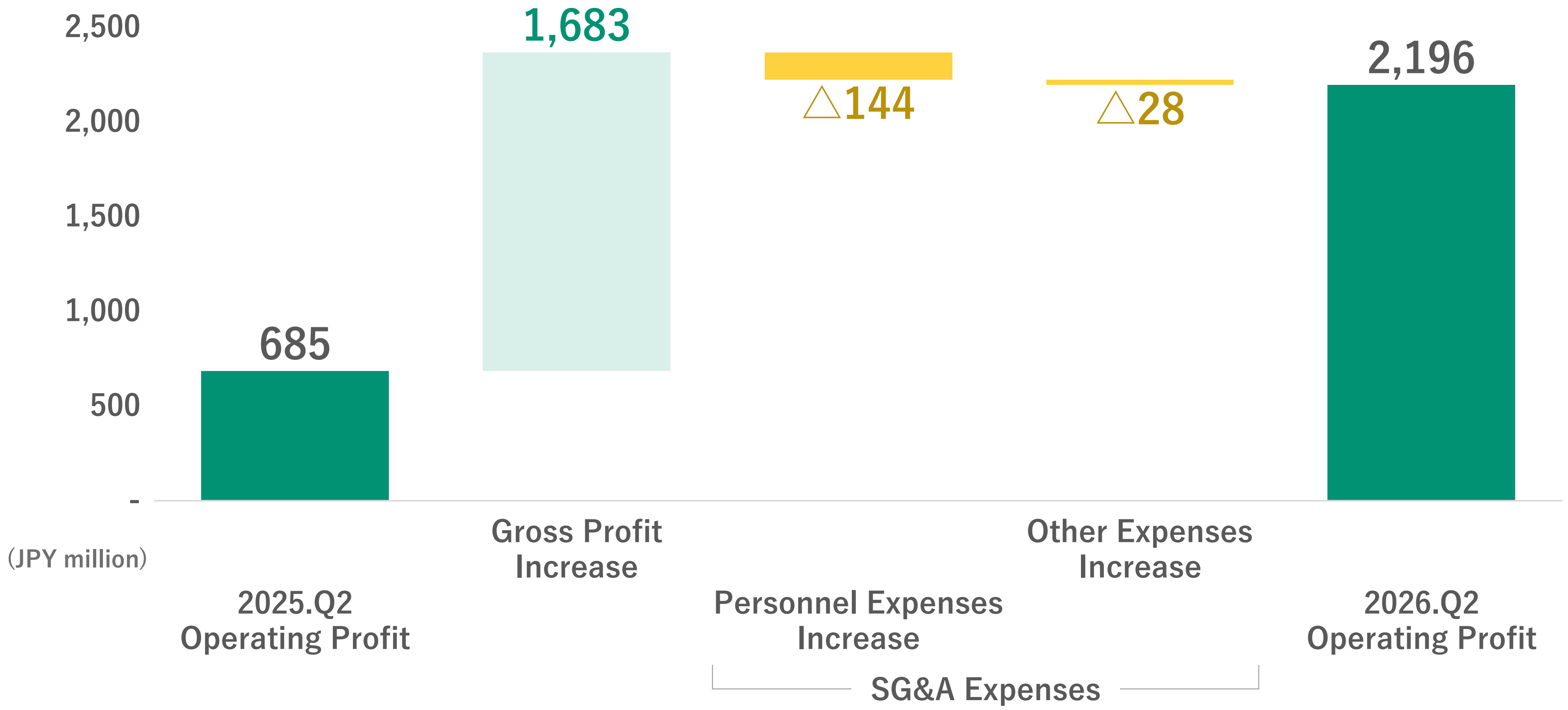
15,291 JPY million

Product **4,191** JPY million

Service **11,099** JPY million

Operating Profit Variance Analysis

Gross profit increased significantly (+65.8%), while SG&A expenses rose only slightly (+9.2%), expanding Operating Profit by 3.2x

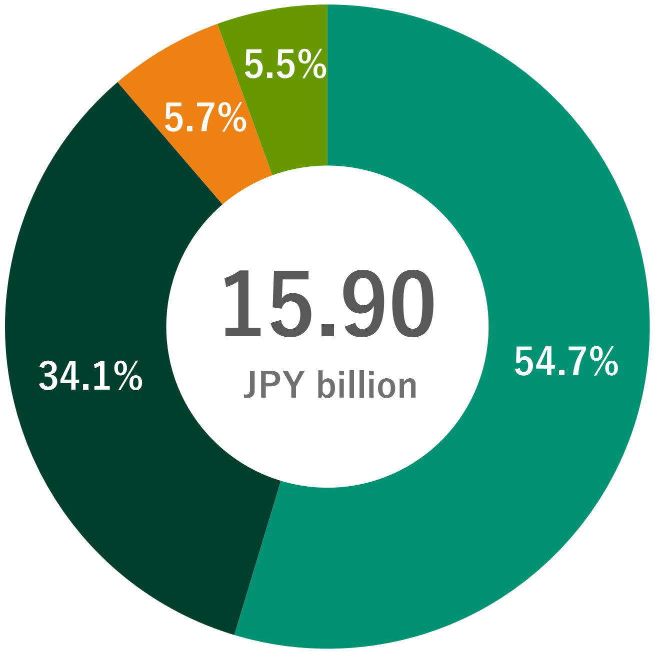


03

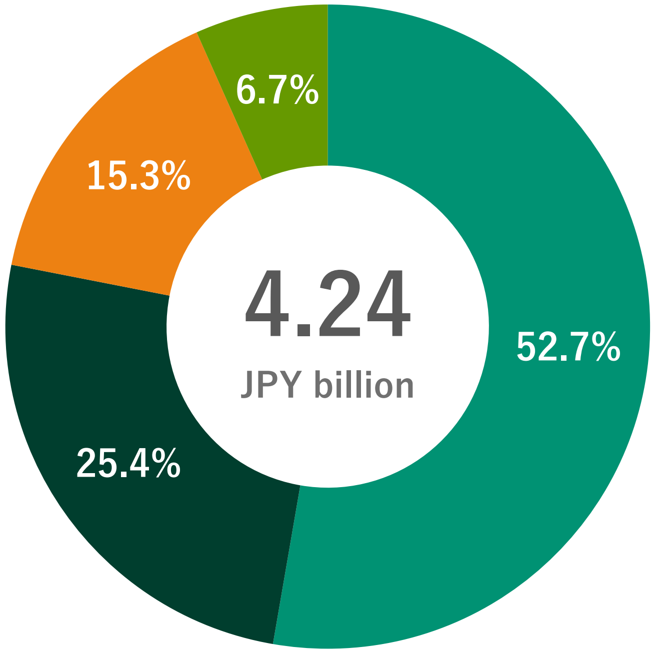
Business Performance

Sales and Gross Profit by Business Segment

Sales



Gross Profit



Segment	Sales	Sales YoYChange	Gross Profit	Gross Profit YoYChange
VAD	8.69 JPY billion	+64.3%⬆	2.23 JPY billion	+59.5%⬆
SI	5.41 JPY billion	+56.2%⬆	1.07 JPY billion	+77.8%⬆
In-house Development	0.91 JPY billion	+50.5%⬆	0.64 JPY billion	+87.6%⬆
Overseas	0.88 JPY billion	+39.5%⬆	0.28 JPY billion	+37.1%⬆

VAD Business

GSS projects, plus the acquisition of multiple large-scale projects, drove a significant increase in sales and profit

Sales

8.69 JPY billion

+64.3% YoY Change

Gross Profit

2.23 JPY billion

+59.5% YoY Change

Gross Profit Margin

25.7 %

-0.8pt YoY Change

Highlights

1. GSS projects, large-scale security software projects, and support services increased sales and profit
2. GSS projects' flow-type sales increased, boosting gross profit, though the margin declined slightly
3. GSS projects excluded, sales and profit still increased year-on-year
4. Strategic sales activities increased the number of large-scale projects from major system integrators

System Integration (SI) Business

Increased sales and profit driven by multiple large-scale projects and margin improvement

Sales

5.41 JPY billion

+56.2% YoY Change

Gross Profit

1.07 JPY billion

+77.8% YoY Change

Gross Profit Margin

19.9 %

+2.4pt YoY Change

Highlights

1. Following Q1, sales were recorded from a large-scale project for a major services-industry client, as well as projects for government ministries and agencies, universities, and financial institutions
2. VAD Business's design/build and GSS project professional services also contributed to SI Business's increased sales and profit
3. Last year, a low-margin large-scale project weighed on profit, but this year we secured a stable margin
4. AI technical capability improvement initiatives are being advanced to strengthen AI solutions

In-house Development Business

RevoWorks's large-scale project for government ministries and agencies drove a significant increase in profit

Sales	Gross Profit	Gross Profit Margin
0.91 JPY billion	0.64 JPY billion	71.0 %
+50.5% YoY Change	+87.6% YoY Change	+14.0pt YoY Change

Highlights

1. While accounting for only approximately 6% of total sales, the business contributed 15% of total gross profit, supporting overall gross profit growth
2. RevoWorks secured its largest-ever order from government ministries and agencies, contributing to increased sales and profit
3. Strengthened sales activities toward replacement of the municipal information system resilience improvement project
4. Sales of Segue Security's SOC project for government ministries and agencies will be recorded from H2 onward

Overseas Business

Overseas business (Thailand) posted increased sales and profit

Sales	Gross Profit	Gross Profit Margin
0.88 JPY billion	0.28 JPY billion	32.0 %
+39.5% YoY Change	+37.1% YoY Change	-0.5pt YoY Change

Highlights

1. First One Systems achieved higher revenue and earnings on solid order intake; sales rose 1.6x YoY, and Operating Profit rose more than 2x
2. First One Systems is strengthening its business foundation through growth investment in laboratory facilities and other areas
3. In response to weak sales, ISS is considering a restructuring of its operating framework Improvement efforts will focus on maintenance and services to enhance profitability
4. ISS launched its partnership with KnowBe4 for security-awareness training, and began providing services to government-related organizations

04

Financial Detail

Consolidated Income Statement

Compared to Q1, which recorded sales from an extraordinarily large-scale project, Q2 was calmer, though sales landed broadly in line with plan.
Meanwhile, Operating Profit landed well above plan, boosted by a gross-margin lift from security software and RevoWorks sales to new customers.

Unit: JPY million	2025.12 H1	2026.12 H1	Change	Change (%)	Before Revision		After Revision	
					Full-year Forecast	Rate of Progress	Full-year Forecast	Rate of Progress
Sales	10,000	15,907	+5,906	+59.1%	30,000	53.0%	30,000	53.0%
Gross Profit	2,558	4,242	+1,683	+65.8%	—	—	—	—
(Profit Margin)	25.6%	26.7%	+1.1pt	—	—	—	—	—
SG&A	1,873	2,045	+172	+9.2%	—	—	—	—
Operating Profit	685	2,196	+1,511	+220.6%	2,300	95.5%	2,600	84.5%
(Profit Margin)	6.8%	13.8%	+7.0pt	—	7.7%	—	8.7%	—
Ordinary Profit	677	2,191	+1,513	+223.3%	2,299	95.3%	2,600	84.3%
(Profit Margin)	6.8%	13.8%	+7.0pt	—	7.7%	—	8.7%	—
Net Profit*	402	1,361	+958	+238.1%	1,403	97.0%	1,600	85.1%

*Profit attributable to owners of parent

Consolidated Balance Sheets

Net assets and cash and deposits increased due to the public offering and advances received, strengthening the financial base. Advances received totaled approximately ¥8.9 billion, securing future revenue from service contracts.

Assets

Unit: JPY million	2025.12 Q2	2025.12 Year-end	2026.12 Q2
Current Assets	12,782	15,579	20,333
Cash and Deposits	3,983	2,382	9,938
Trade Receivables and Others	3,681	5,501	3,976
Inventories	2,663	3,909	2,069
Others	2,453	3,787	4,349
Fixed Assets	4,131	3,067	3,008
Total Assets	16,913	18,647	23,342

Liabilities and Equity

Unit: JPY million	2025.12 Q2	2025.12 Year-end	2026.12 Q2
Current Liabilities	10,571	12,789	14,439
Trade Accounts Payable	2,691	1,368	2,555
Short-term Debt & Others	903	3,029	731
Advance Received	5,673	6,759	8,877
Others	1,303	1,631	2,274
Long-term Liabilities	2,039	1,457	1,062
Total Equity	4,302	4,400	7,840
Total Liabilities and Equity	16,913	18,647	23,342

05

Business Topics

J's Communication began offering BlueVoyant's “Cyber Defense Platform”

* Refer to the disclosure published on May 20, 2026

Cyber Defense Platform is an AI-driven security operations platform that integrates detection, defense, and response against cyber risk across an organization's internal and external environment and supply chain
J's Communication began offering the especially important “TPRM” and “DRP”

Third-Party Risk Management (TPRM)

Identifies and remediates critical cybersecurity issues in an organization's third-party ecosystem, including zero-day and emerging vulnerabilities.

Digital Risk Protection (DRP)

Detects and eliminates cyber threats from the clear web, deep web, and dark web before they affect an organization's business, brand, or customers.

Rollout in the Japanese Market

Priority industries: Manufacturing, financial institutions, government agencies, and social infrastructure operators

Adoption target: 50+ companies over 3 years, centered on priority industries

RevoWorks Sanitize Browser / Sanitize Apps Sales Launched (August 2026)

* Refer to the disclosure published on July 21, 2026

Making sanitization simpler

400 organizations and 150,000 users have relied on this file-sanitization technology;
now available as new products directly from the browser, Outlook, and Teams

Simple Yet Powerful Threat Neutralization
Automatically detects and neutralizes threats such as ransomware

Seamlessly Fits into Daily Operations
Continue using browsers and applications as usual for smooth deployment and operation

Secure File Usage
Safely use downloaded files and email attachments with confidence

RevoWorks Sanitize Browser

Safe file downloads for every organization

automatically sanitizes files downloaded from websites
A secure browser solution that protects users and organizations from internet threats

RevoWorks Sanitize Apps

Safe file storage in business applications

Microsoft Outlook and Teams: automatically sanitizes attachments when saved
A solution that enables safe file storage

* "Sanitization" refers to technology that removes only potentially malicious programs hidden within a file and reconstructs it in a safe state before delivery

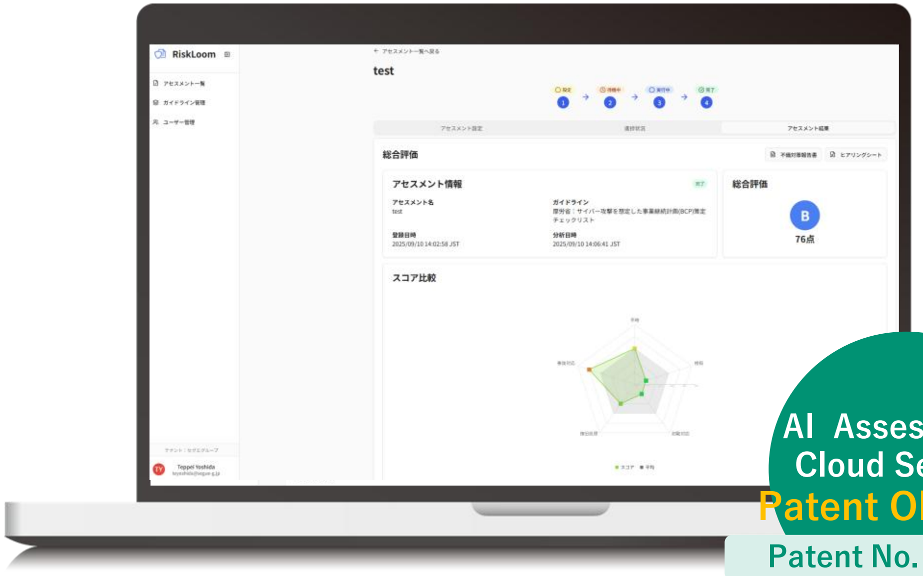
Segue Security: Patent Granted for RiskLoom-Related Technology (July 2026)

Patent granted for document analysis technology used in the AI-powered service "RiskLoom".

AI-based security document diagnostic service

RiskLoom

＊Available since April 2026



AI Assessment Cloud Service
Patent Obtained
Patent No. 7897686

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

06

Appendix

Company Profile

Company Name	Segue Group Co., Ltd.
Listed Market	Tokyo Stock Exchange, Prime Market (Securities code: 3968)
Address	Sumitomo Fudosan Kayabacho Building, 1-16-3 Shinkawa, Chuo-ku, Tokyo
Founded	April 14, 1995
Established	December 1, 2014
Stated Capital	1,666.48 million yen *As of the end of June 2026
Representative	President and Representative Director Yasuyuki Aisu
Business Description	Design, development, import and sales, implementation, operation, and maintenance services for security and IT infrastructure products and systems
Group Companies	7 companies *As of the end of June 2026
Number of Employees	709（consolidated） *As of the end of June 2026

Company Overview

Segue Group's Total Security Solutions deliver optimized security environments by combining advanced security products with IT infrastructure expertise.

— Providing consistent support from proposal and implementation to operation and monitoring (SOC) by our team of engineers —

Group | Core Mission

Providing a safe and comfortable digital network to everyone

Group | Core Philosophy

Creating value through IT technology, continuing to grow together with our customers, and contributing to the realization of an affluent society

Group | Core Promise

Providing security solutions that integrate information security and IT infrastructure

Segue Group

Total Security Solutions

Total Security Solution

Security & IT Infrastructure

In-house Development | VAD | Overseas | SI

J's Communication: In-house Development, VAD

J's Technology: SI

Segue Security: In-house Development, SI

Techno Creation: SI

ISS Resolution Limited (Thailand): Overseas

First One Systems Co., Ltd. (Thailand): Overseas

Main Business

VAD (Value Added Distributor)

We do more than simply source and sell advanced products from overseas and other markets; we add value based on our high level of technical expertise, including "implementation support," "Japanese-language support," and "combination of proprietary development and products."

Revenue Mix: 54.7%

E.g.

Technical Support
Logistics
Maintenance Support

- Discovery of new products/services
- Handling of manufacturers' full product lineups
- Industry-leading number of business partners
- Support for partners' sales negotiations
- Support for partners' up-selling/cross-selling

In-house Development

We develop our own products in the security field. The "RevoWorks" series of internet-isolation enterprise browsers, which utilize virtual browser technology, blocks the intrusion of various cyberattacks.

Revenue Mix: 5.7%

Products

RevoWorks

Adopted by 746 organizations nationwide
Cumulative150,000+ licenses across government and public institutions

- Municipalities: 382 organizations
- Medical institutions: 140 institutions
- Financial institutions: 50 etc…

■ RevoWorks series new products

RevoWorks Sanitize Browser
RevoWorks Sanitize Apps

SI (System Integration)

Leveraging extensive experience, a strong track record, know-how built up over many years, and synergies with Group companies, we provide services that support the enhancement of our partner companies' business value, from proposals to customers through design, implementation, and maintenance.

Revenue Mix: 34.1%

E.g.

Cloud
Virtualization
Storage
Net work
Authentication

- Requirements definition/proposal support
- System design/implementation/operation
- Security countermeasure support
- Group company collaboration solutions

Overseas

Creating synergy effects and expanding J's Communication's proprietary product business, etc., in Thailand. Aiming to expand across ASEAN in the future.

Revenue Mix: 5.5%

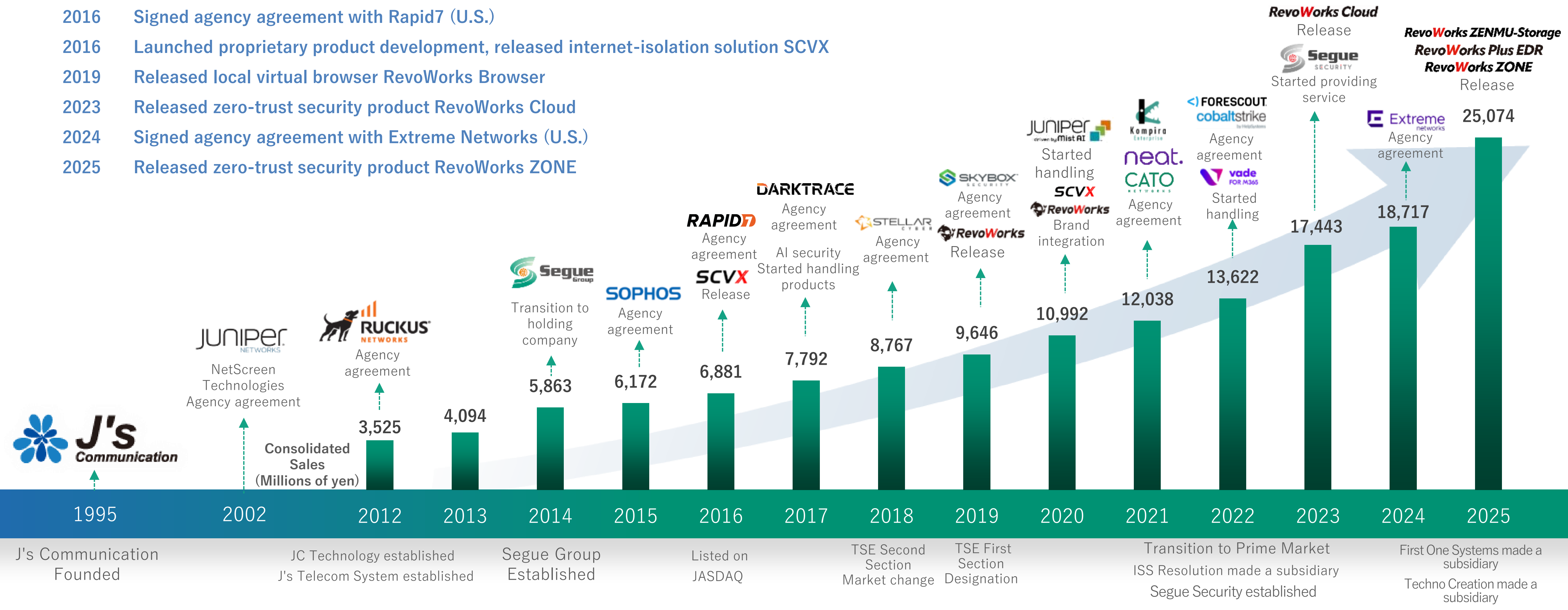
Thailand

ISS Resolution Limited

First One Systems Co., Ltd.

Expansion of Product Portfolio and Sales Trends

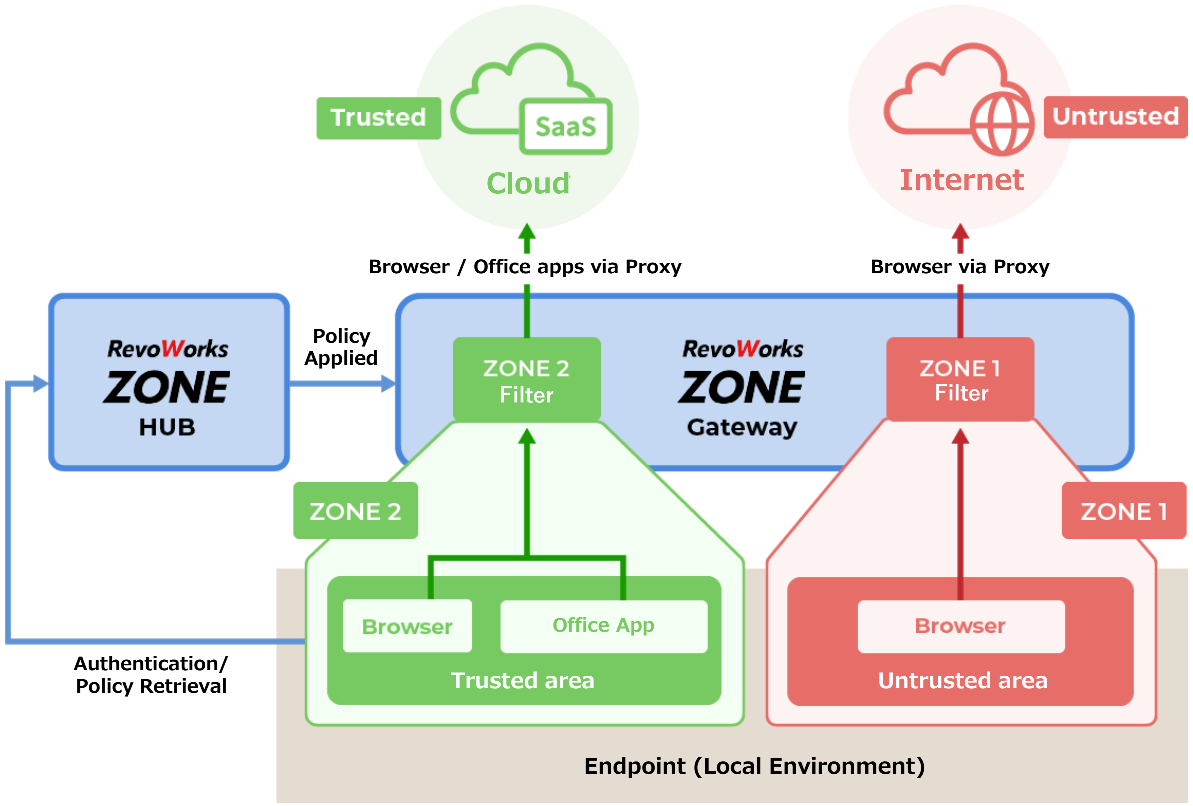
2002 Signed agency agreement with NetScreen Technologies (U.S.) (later Juniper Networks)
2012 Signed agency agreement with Ruckus Wireless (U.S.) (later RUCKUS Networks)
2015 Signed agency agreement with Sophos (U.K.)
2016 Signed agency agreement with Rapid7 (U.S.)
2016 Launched proprietary product development, released internet-isolation solution SCVX
2019 Released local virtual browser RevoWorks Browser
2023 Released zero-trust security product RevoWorks Cloud
2024 Signed agency agreement with Extreme Networks (U.S.)
2025 Released zero-trust security product RevoWorks ZONE



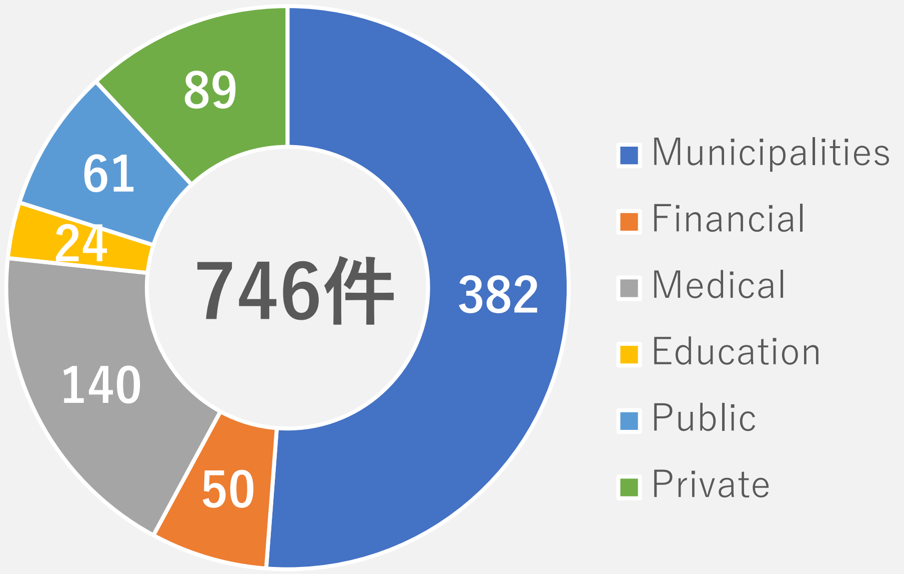
In-house Development Business: RevoWorks ZONE (Released April 2025)

RevoWorks ZONE: A next-generation zero-trust browser enabling a safe browsing environment

"RevoWorks ZONE" reduces the security risks arising from web browsing by using our proprietary sandbox technology to logically separate cloud access used for business from general internet access, providing effective security even against unknown malware.



Reference: RevoWorks Deployment Results
(As of end of June 2026)



*Total across 4 products (RevoWorks SCVX, RevoWorks Browser, RevoWorks Cloud, RevoWorks ZONE)

Provision of One-Stop Solutions

Providing one-stop IT solutions from network and security product sales through implementation and operation

1	Analysis/ Proposal	Current environment survey, security risk analysis, network issue identification, etc.
2	Requirements Definition	Product selection, multi-vendor comparison, PoC (proof of concept),system architecture design, requirements definition, etc.
3	Sales	Selling products through direct purchases from manufacturers, indirect purchases via primary agents, and proprietary development
4	Design/ Implementation	Infrastructure implementation, security product deployment, cloud environment construction, proprietary product integration, and system migration support
5	Operation/ Maintenance	SOC monitoring, MSS operation services, incident response, license renewal, upgrade proposals, and replacement proposals

VAD

Providing IT infrastructure and security products from leading overseas manufacturers with added technical value

In-house Development

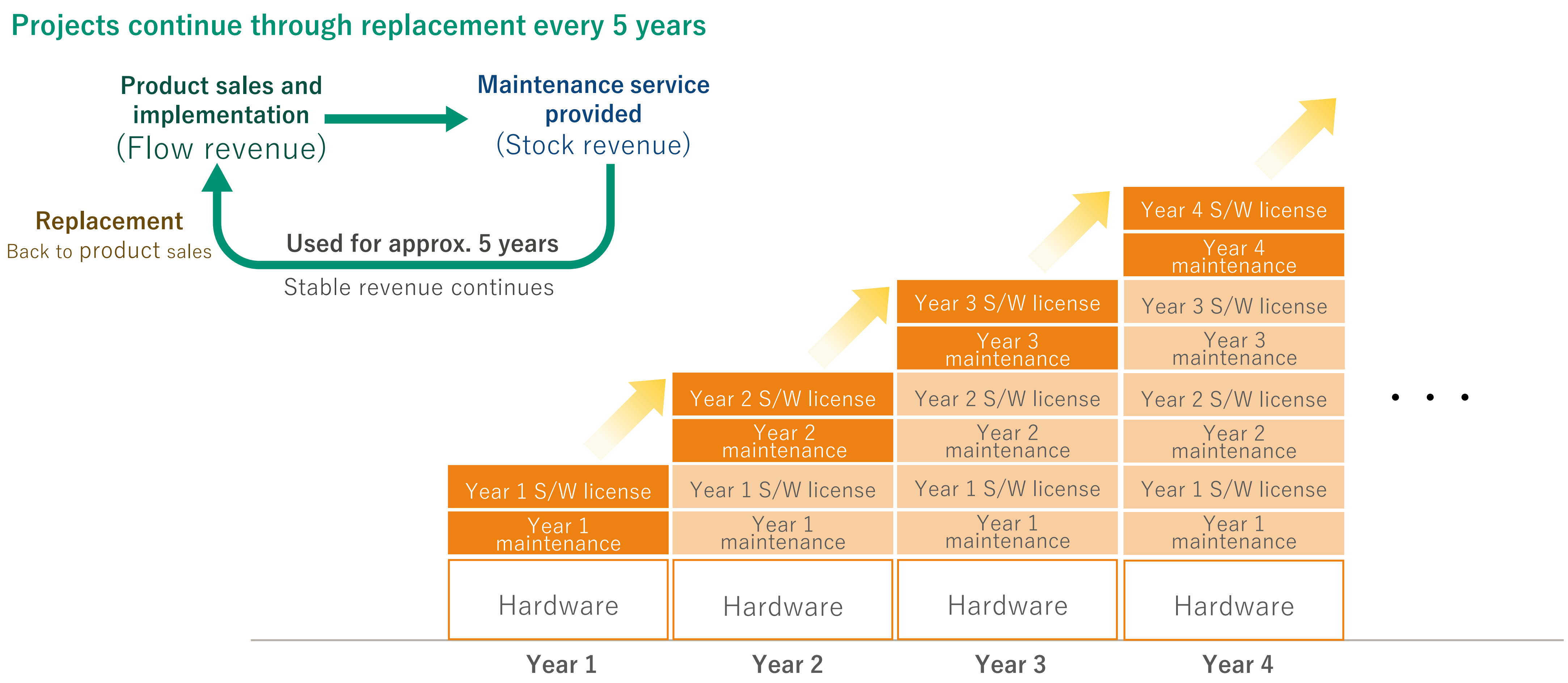
Providing proprietary security products (RevoWorks series) and security services (SOC, MSS)

SI

Providing consistent support from proposal and design through operation and maintenance

A Business Poised for Sustainable Growth through Flow and Stock Revenue

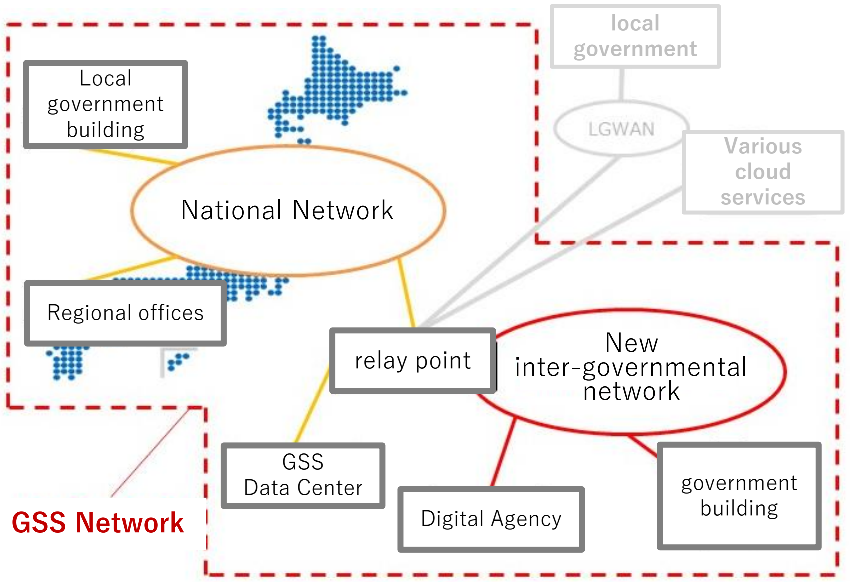
Achieving stable revenue and sustainable growth by cycling through sales, implementation, maintenance, and renewal



<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 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 (1/2)

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 Confirmation of Details of 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"

(Reference) FY2026.12 Announcements (2/2)

Date	Title
2026/5/20	J's Communication began offering BlueVoyant's “Cyber Defense Platform”
2026/5/28	J's Communication received Extreme Networks' FY25 “APAC Distributor of the Year” award
2026/6/23	Notice Regarding Publication of Sponsored Research Report (FY2026.12 Q1 Results Follow-up)
2026/7/21	J's Communication began selling new products “RevoWorks Sanitize Browser” and “RevoWorks Sanitize Apps,” usable directly from the browser, Outlook, and Teams

Initial Budget vs. Actual Results (Since Listing)

Unit: JPY million

Fiscal Year	Sales			Operating Profit		
	Initial Budget	Actual	Achievement Rate	Initial Budget	Actual	Achievement Rate
2016.12	6,878	6,881	100.0%	191	218	114.1%
2017.12	7,593	7,792	102.6%	303	382	126.1%
2018.12	8,436	8,767	103.9%	458	484	105.7%
2019.12	9,476	9,646	101.8%	566	548	96.8%
2020.12	11,012	10,992	99.8%	581	843	145.1%
2021.12	12,500	12,038	96.3%	919	638	69.4%*1
2022.12	13,300	13,622	102.4%	760	906	119.2%
2023.12	15,700	17,443	111.1%	1,000	1,086	108.6%
2024.12	18,800	18,717	99.6%	960	720	75.0%*2
2025.12	22,500	25,074	111.4%	1,260	1,854	147.14%

*1: A temporary factor from the global semiconductor shortage (delayed product delivery timing) coincided with planned upfront investment in technical talent
*2: Profit decreased due to the initial introduction of the shareholder benefit program and one-time M&A costs related to Techno Creation and First One Systems

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