



FY2025.12 Financial Results Supplementary Materials

Securities code: 3968

February 13, 2026

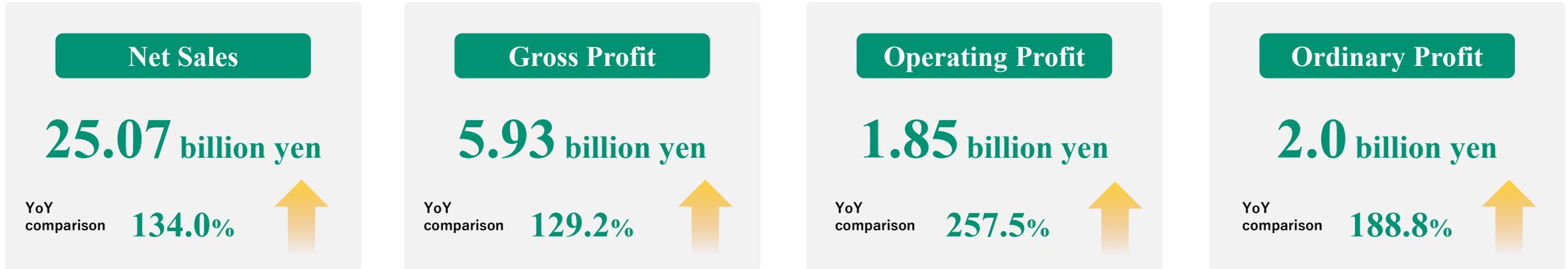
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Significantly surpassed record highs in Sales and all profit line items!

Recording of sales from the mega-scale government project (GSS projects) resulted in significant growth in results

Operating Profit approximately 2.6x YoY / Ordinary Profit approximately 1.9x YoY



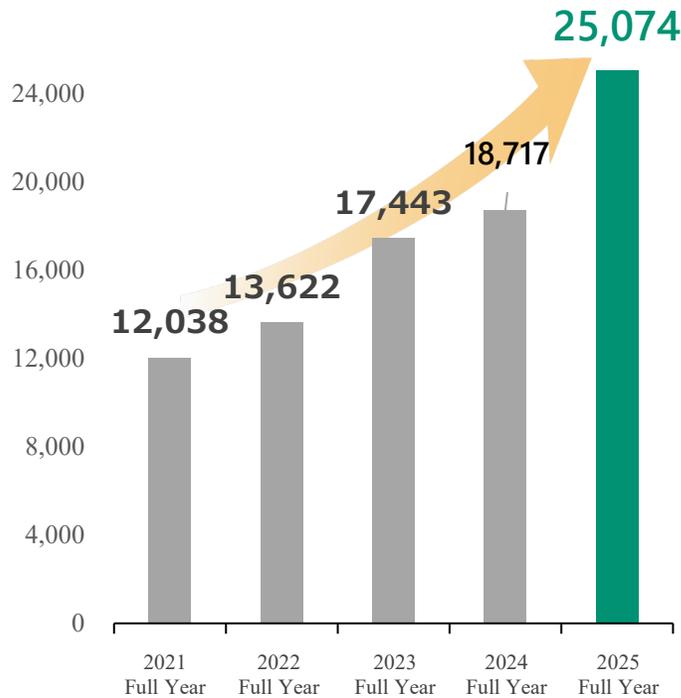
Performance Summary

- **Net Sales:** GSS projects and other large-scale projects drove strong performance mainly in VAD businesses
- **Gross Profit:** Significant increase in Sales led to higher profits
- **Operating Profit:** Significant increase in Gross Profit combined with optimization of SG&A expenses, achieving record-high profit
- **Ordinary Profit:** Significant increase in Operating Profit plus gains from sale of investment securities, achieving record-high profit

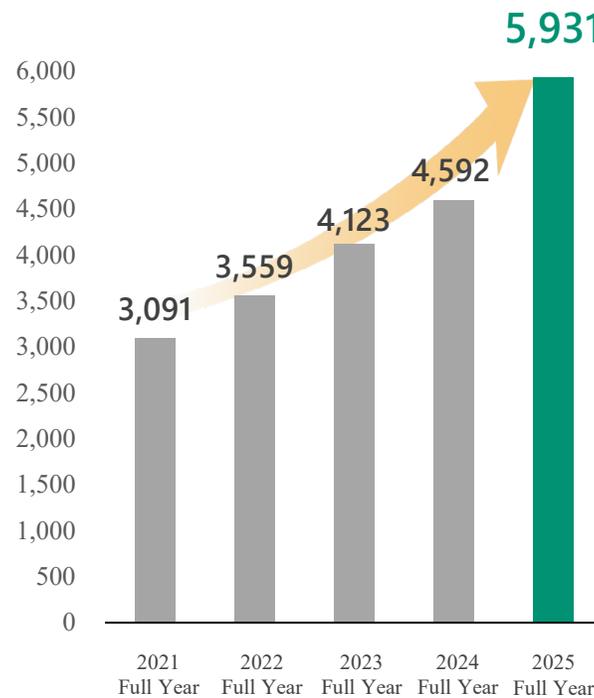
National GSS projects and multiple large-scale projects were recorded as sales, driving significant progress in full-year results.

Sales, Gross Profit, and Operating Profit all reached record highs.

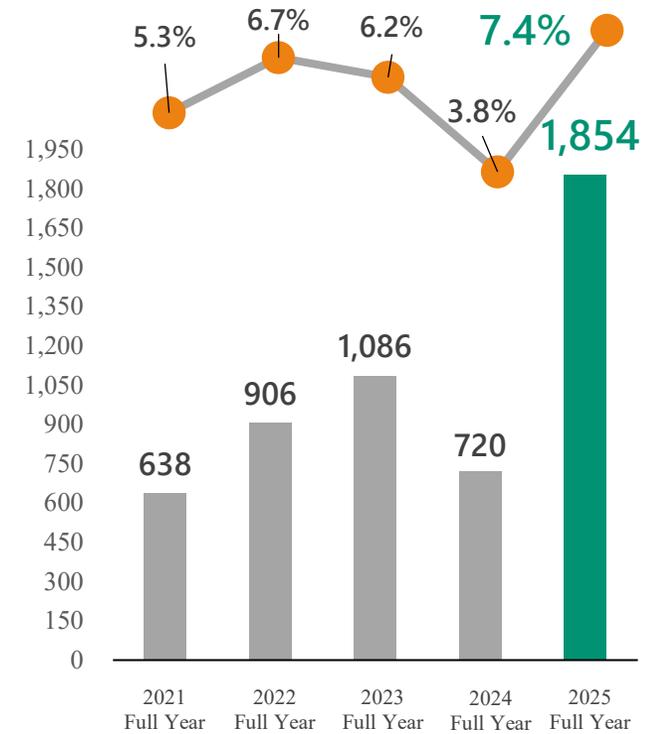
Net Sales (Millions of yen)



Gross Profit (Millions of yen)



**Operating Profit (Millions of yen)
Operating Profit Margin(%)**



In addition to growing demand for DX (digital transformation) and cybersecurity across society,
Orders from GSS projects resulted in

full-year orders of 32.4 billion yen (164%), Order Backlog 15.7 billion yen (183%) both significantly increased YoY

Order Backlog is expected to contribute to results from the next fiscal year onward, forming a foundation for future revenue expansion.

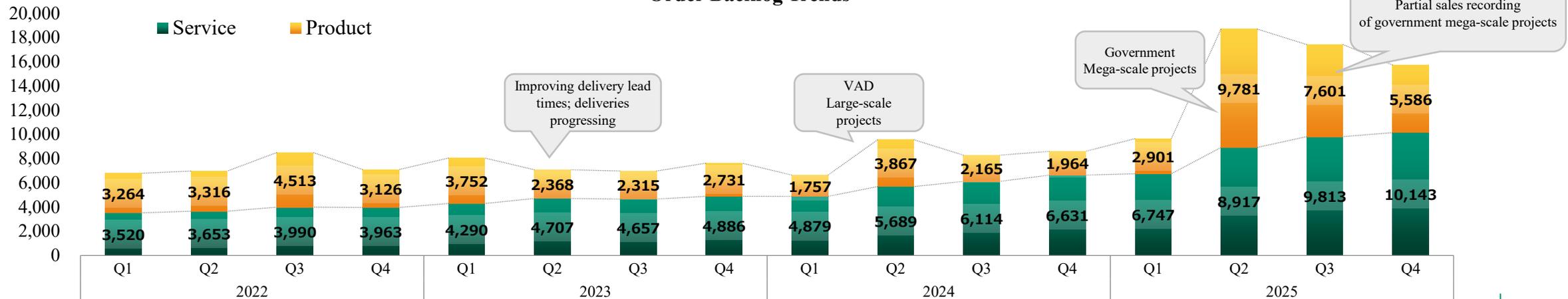
Order Intake Trends

Unit: Millions of yen

	2022.Full Year	2023.Full Year	2024.Full Year	2025.Full Year	YoY Comparison
Product	8,620	10,361	10,233	20,255	197.9%
Service	5,652	7,608	9,463	12,111	128.0%
Total	14,272	17,970	19,696	32,367	164.3%

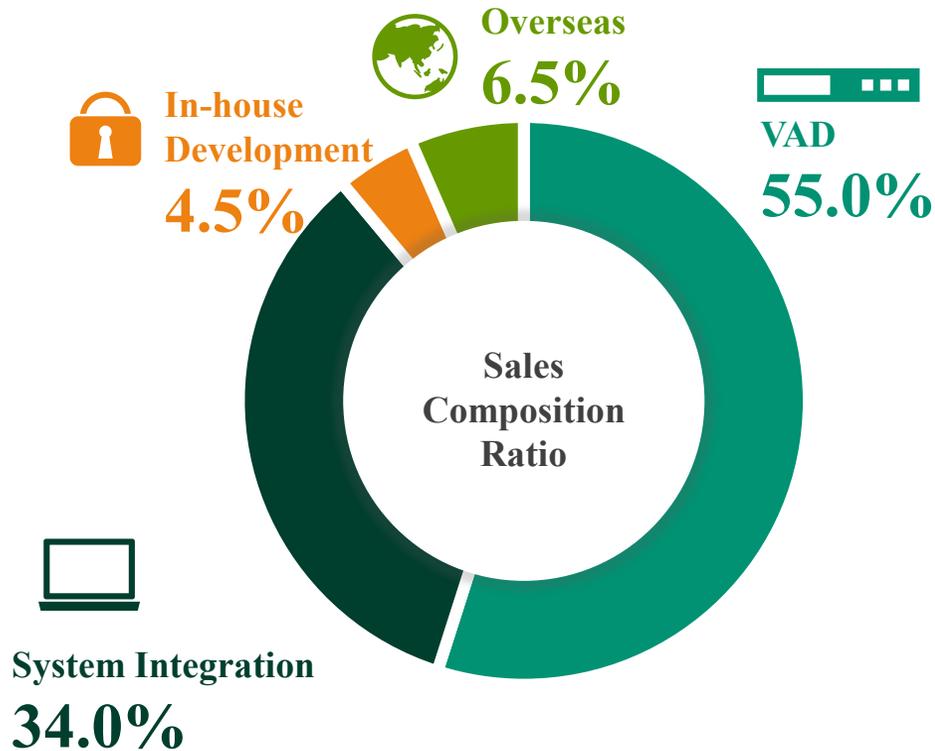
Order Backlog Trends

(Millions of yen)



Results by Business Segment

VAD GSS projects and multiple large-scale projects drove significant revenue growth, leading overall results
 System Integration benefited from large project wins, though some other large projects weighed on margins
 In-house Development recurring revenue sales of RevoWorks Cloud and Segue Security services grew steadily;
 however, some projects were deferred to next fiscal year, resulting in a softer trend
 Overseas First One Systems was added to consolidation, increasing both Sales and Gross Profit.



Business Segment	Sales (billion yen)	Sales YoY Change (%)	Gross Profit (billion yen)	Gross Profit YoY Change (%)
VAD Business	13.76	+43.8%	3.38	+53.5%
System Integration Business	8.53	+21.9%	1.47	+2.2%
In-house Development Business	1.13	+4.7%	0.58	-2.8%
Overseas Business	1.63	+55.3%	0.48	+42.0%

* Percentages represent YoY change

■ VAD Business

- ✓ Orders received for GSS projects in Q2; full-scale revenue contribution begins in Q3.
- ✓ Driven by cybersecurity demand, orders for advanced security products remained strong, centered on central government ministries.
- ✓ Recurring revenue maintenance services grew steadily with improved profitability.

■ System Integration Business

- ✓ Large project wins in the service industry contributed to Sales growth, though some other large projects weighed on margins.
- ✓ Increased personnel expenses mainly for technical staff led to softer profits.

■ In-house Development Business

- ✓ Steady acquisition of projects for local governments and medical institutions; RevoWorks Cloud contributed through provision to major financial institutions.
- ✓ Focusing on expanding government project orders and new product RevoWorks series orders for next fiscal year onward.
- ✓ Announced RevoWorks ZENMU-Storage equipped with secret sharing techniques.
- ✓ Segue Security is focusing on development of new AI-powered services.

■ Overseas Business

- ✓ ISS Resolution: Despite delays in new business launches, First One Systems was added to consolidation, resulting in YoY revenue and profit increases.
- ✓ ISS Resolution: 110 million yen impairment loss on goodwill recorded at fiscal year-end.

Strong performance led to 2 upward revisions

Sales and all profit items increased significantly, achieving record highs!

GSS projects ordered in the first half are expected to continue contributing to results from FY2026 onward.

Unit: Millions of yen

	2024.12 Full Year	2025.12 Full Year	YoY Comparison		Full-year Forecast* ¹ (Revised)	Rate of Progress
			Increased/ Decreased Amount	Rate of Change		
Net Sales	18,717	25,074	+ 6,356	+ 34.0%	25,070	100.0%
Gross Profit	4,592	5,931	+ 1,338	+ 29.2%		
(Profit Margin)	24.5%	23.7%	- 0.8pt			
Selling and General Administrative Expenses	3,872	4,076	+ 204	+ 5.3%		
Operating Profit	720	1,854	+ 1,134	+ 157.5%	1,880	98.6%
(Profit Margin)	3.8%	7.4%	+ 3.6pt		7.5%	
Ordinary Profit	1,060	2,001	+ 941	+ 88.8%	2,030	98.6%
(Profit Margin)	5.7%	8.0%	+ 2.3pt		8.1%	
Net Profit* ²	507	1,191	+ 683	+ 134.6%	1,170	101.8%
EBITDA* ³	1,026	2,300	+ 1,274	+ 124.2%		

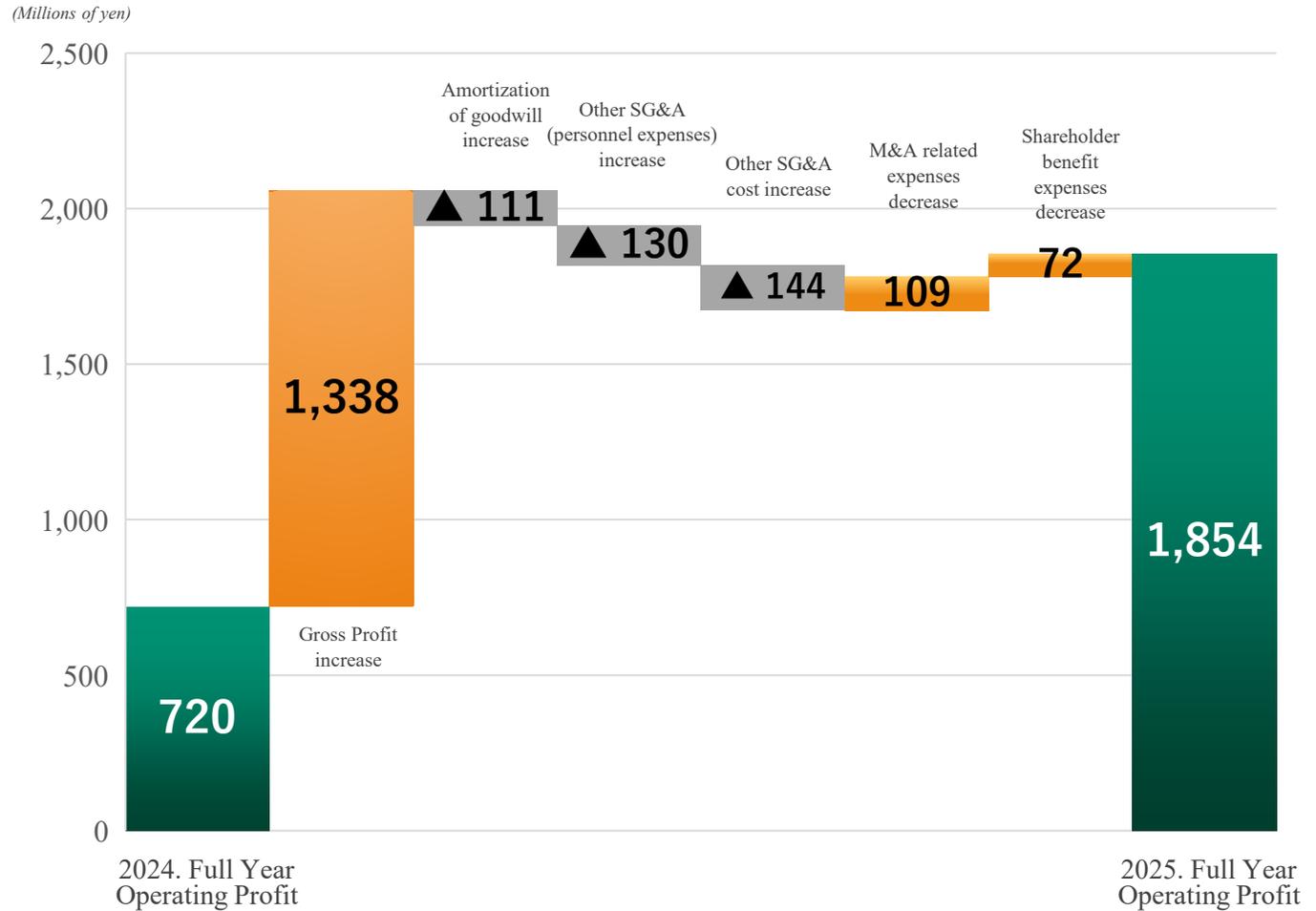
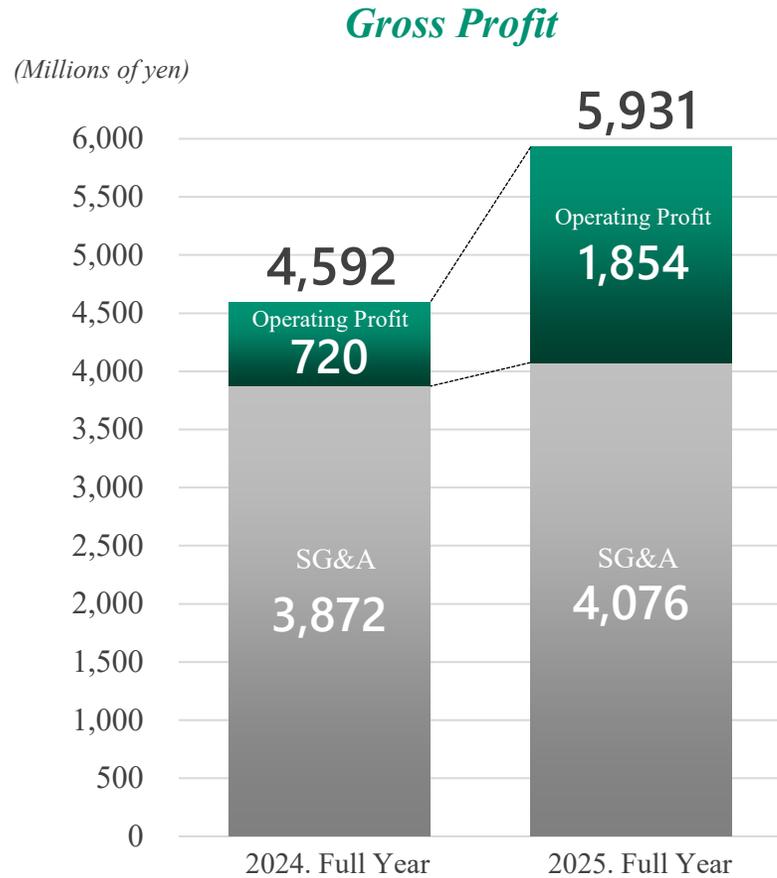
*1: 2026/1/23 "Notice Revisions to Consolidated Earnings Forecast for the Fiscal Year Ended December 2025 (Upward Revision) and Amendment to Numerical Targets of Medium-Term Management Plan (Fiscal Year Ended December 2026) (Upward Revision) "

*2: Profit attributable to owners of parent

*3: EBITDA is calculated as "Operating Profit + Depreciation and Amortization + Goodwill Amortization"

Operating Profit Variance Analysis

In addition to winning the mega-scale (GSS) projects, significant increase in Sales led to a substantial increase in Gross Profit
 As a result, Operating Profit increased significantly (257% YoY)



Advance received, representing future sales, increased significantly
GSS projects and multiple large-scale projects ordered in the first half were the main factors behind
increases in inventories, trade receivables and payables, and short-term debt.

Unit: Millions of yen

	2024.12 Year End	2025.12 Year End	Increased/ Decreased Amount
Current Assets	10,795	15,579	4,783
Cash and Deposits	3,909	2,382	- 1,527
Trade Notes Receivable, Trade Account Receivable, And Electronically Recorded Monetary Claims	3,094	5,501	2,406
Inventories	1,687	3,909	2,221
Others	2,104	3,787	1,683
Fixed Assets	2,837	3,067	230
Tangible Fixed Assets	377	432	54
Intangible Assets	1,575	1,345	- 229
Investments and Other Assets	884	1,289	404
Total Assets	13,633	18,647	5,014

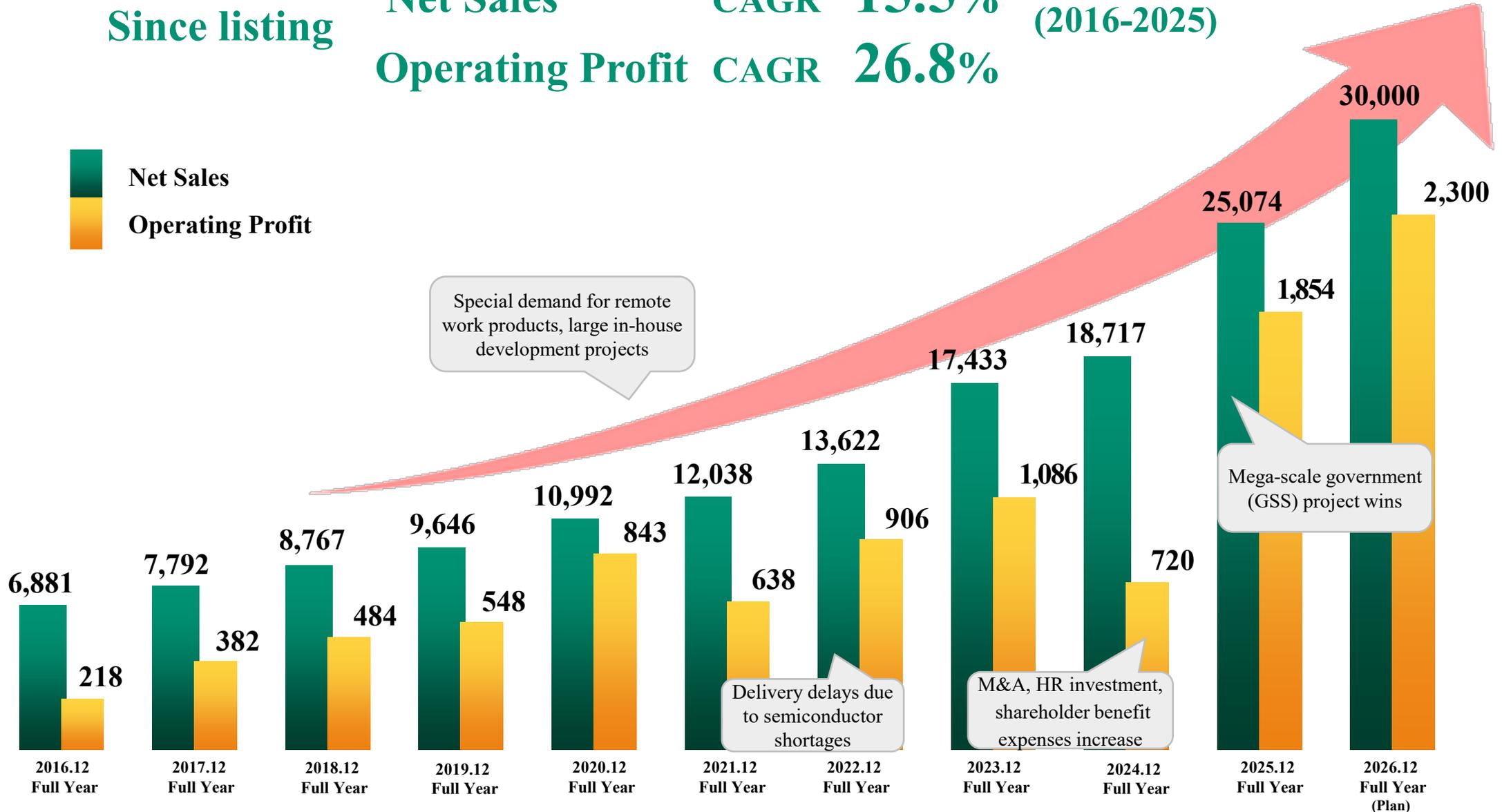
	2024.12 Year End	2025.12 Year End	Increased/ Decreased Amount
Current Liabilities	8,312	12,789	4,476
Trade Accounts Payable	1,410	1,368	- 42
Short-term Debt & Others	632	3,029	2,397
Advance Received	4,873	6,759	1,886
Others	1,396	1,631	234
Long-term Liabilities	2,127	1,457	- 669
Long-term Debt	1,652	925	- 727
Others	474	531	57
Total Liabilities	10,440	14,246	3,806
Total Equity	3,193	4,400	1,207
Total Liabilities and Equity	13,633	18,647	5,014

Financial Results Trends and Forecast

Since listing

Net Sales CAGR **15.5%** (2016-2025)
 Operating Profit CAGR **26.8%**

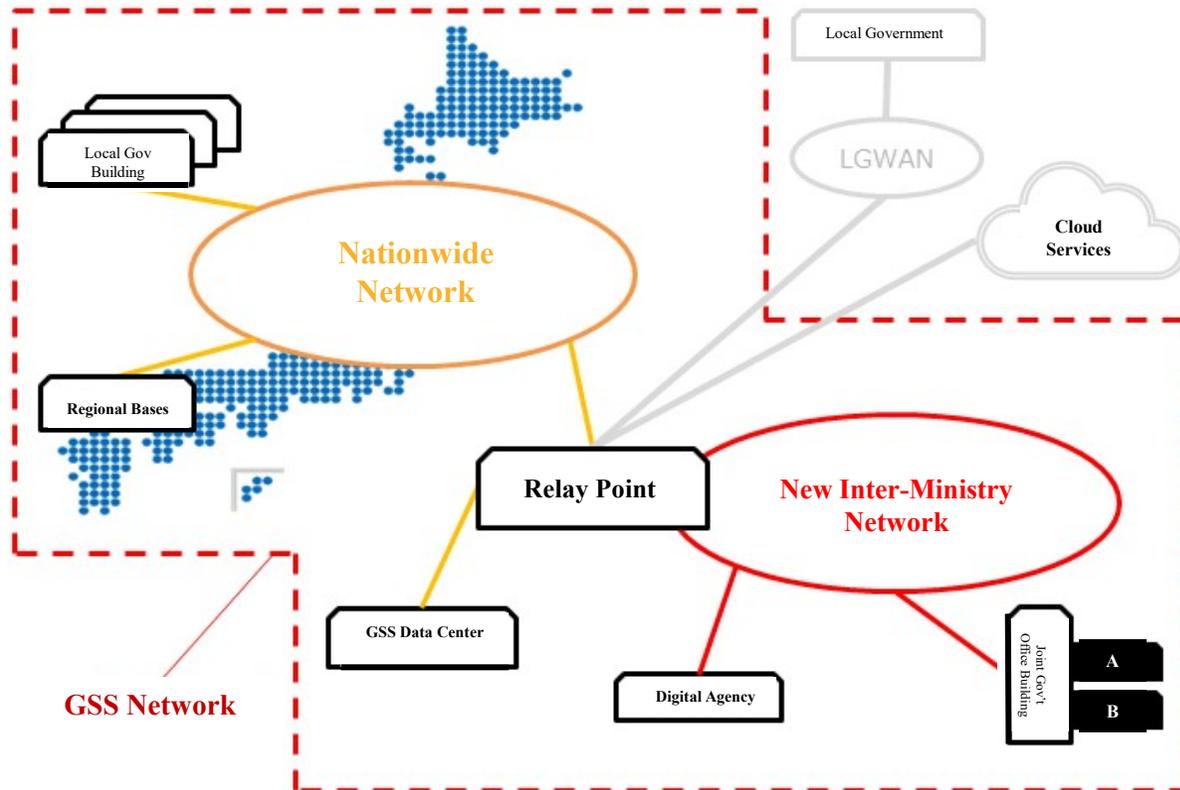
Net Sales
 Operating Profit



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

What is Government Solution Service(GSS)?

In order to realize a digital society, it is necessary to modernize 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)2026/12 Full-year Financial Results Forecast

Based on recent performance trends, the numerical targets for FY2026/12 in the Medium-Term Management Plan announced in May 2024 have been revised upward.※1

Additionally, an annual dividend increase of 5 yen is forecast, reflecting emphasis on shareholder returns.

Unit: Millions of yen

	FY2025 Full Year	FY2026 Forecast	YoY	
			Net Change	Percentage Change
Net Sales	25,074	30,000	+4,926	+19.6%
Operating Profit	1,854	2,300	+446	+24.0%
(Profit margin)	7.4%	7.7%		
Ordinary Profit	2,001	2,299	+298	+14.8%
(Profit margin)	8.0%	7.7%		
Net income※2	1,191	1,403	+212	+17.8%
Dividend (JPY)				
Interim	6	9		
Year-end	7	9		
Full-year	13	18		
Payout Ratio	35.1%	47.2%		

※1: 2026/1/23 "Notice Revisions to Consolidated Earnings Forecast for the Fiscal Year Ended December 2025 (Upward Revision) and Amendment to Numerical Targets of Medium-Term Management Plan (Fiscal Year Ended December 2026) (Upward Revision) "

※2: Profit attributable to owners of parent

Public Offering & Secondary Offering

On 2026/1/23, the Company resolved to issue new shares and conduct a secondary offering. As disclosed on 2026/2/2 in "Notice Regarding Determination of Issue Price and Offering Price," approximately 2.27 billion yen* was raised.

New Shares Issued	Public offering: 4,600,000 shares; Third-party allotment: up to 783,700 shares (※)
Amount Raised	Public offering: Approx. 2.27 billion yen; Third-party allotment: up to approx. 380 million yen (※)
Purpose and Background	<p>In FY2025 / 12 , the Company received orders for government GSS (Government Solution Service) projects, achieving record highs in Sales, Gross Profit, Operating Profit, and all other profit items.</p> <p>Under these circumstances, by raising funds through the issuance of new shares, the Company intends to proactively and continuously acquire GSS projects, thereby accelerating further growth.</p> <p>In addition, the Company aims to further expand results and corporate value through M&A, and conducted a secondary offering to improve stock liquidity and expand the shareholder base from the perspective of tradable share market capitalization.</p>
Use of Proceeds	<p>Allocation of Maximum Proceeds (Approx. 2.64 billion yen):</p> <p>① Approx. 1.98 billion yen: To be allocated to funding needs for large-scale government orders by the end of the fiscal year ending December 2026.</p> <p>② Approx. 660 million yen: To be allocated as M&A standby funds contributing to the Group's business expansion by the end of the fiscal year ending December 2027.</p>

※ As of 2026/2/9

The number of shares and amount for the third-party allotment represent the maximum, in the event that an application is submitted by the lead managing underwriter.

Changes to Shareholder Benefit Plan

From the perspective of further improving stock liquidity, realizing a shareholder benefit plan commensurate with the number of shares held, and building medium- to long-term relationships with shareholders, the following changes have been made.

	(Before)	(After) 2026/12 onward
Eligibility	Shareholders holding 10 units (1,000 shares) or more	No change
Record Date	2025/12/31 (Includes a loyalty bonus for continuous holding since 2025/6/30)	End of December only
Benefit Amount	A flat rate of 10,000 yen, regardless of the number of shares held (Includes the continuous holding bonus)	5,000 - 60,000 points, based on shares held
Benefit Type	Digital Gift® *QUO Card also available	Shareholders will receive shareholder benefit points redeemable for their choice of gifts from a selection of over 5,000 items. ※ Some electronic gifts are also available.

✓ The Company intends to maintain the shareholder benefit plan without further modification or abolishment through the fiscal year ending December 2029 (four years).

(Reference) 2025/12 Announcements(1/3)

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 research report(Link)
2025/2/5	Segue Security, the Group's cybersecurity business unit, has renewed its website(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 Plan(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 Partial Amendment to the Articles of Incorporation (Link)
2025/2/20	Notice Regarding Dividend 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 research 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) 2025/12 Announcements(2/3)

Date of publication	Title
2025/5/28	Notice on issuance of sponsorship research report (Follow-up of Q1 results for FY12/2025) (Link)
2025/6/24	Notice Regarding Absorption-type Merger of Wholly Owned Subsidiary (Simplified Merger / Short-form Merger)(Link)
2025/6/27	Statutory Pre-merger Disclosure Documents (J's Solution Co., Ltd.) (Link)
2025/6/27	IR Small Meeting (for institutional investors and analysts) Material (Link)
2025/7/11	J's 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) (J's Solutions, Inc.) (Link)
2025/8/20	Notice regarding the acquisition of business by our consolidated subsidiary(Link)
2025/8/26	Notice Regarding Publication of FY2025.12 Q2 Financial Results Briefing Transcript on Log-mi Finance(Link)
2025/9/24	J's Communications study on the security transition of financial institutions(Link)
2025/9/24	Notice on issuance of sponsorship research report (Follow-up of Q2 results for FY12/2025) (Link)
2025/9/24	Notice Regarding Partial Sale of Investment Securities(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	Notice Regarding Provision of RevoWorks ZENMU-Storage, a Japan-developed Next-generation File Sharing System Equipped with Secret Sharing 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)

(Reference) 2025/12 Announcements(3/3)

Date	Title
2025/11/13	J's Communication (JSC) receives "Distributor of the Year 2024" award from Ruckus Networks
2025/11/13	Notice Regarding Special Incentive Payment to Segue Group Employee Stock Ownership Plan Members
2025/11/13	2025/12 Q3 Financial Results Supplementary Explanation Materials
2025/11/21	Notice Regarding Receipt of Dividends from Consolidated Subsidiary
2025/11/27	Notice Regarding Partial Changes to Shareholder Benefit Plan
2025/12/8	Notice Regarding Change of Representative Director at J's Communication (JSC)
2025/12/11	Extreme Networks "FY26 Diamond Elite Partner" Certification
2025/12/15	J's Communication (JSC) receives "Fortra Long-standing Excellence Partnership" award from Fortra
2025/12/19	Issuance of Sponsor research report (FY2025/12Q3 Financial Results Follow-up)
2026/1/23	Notice Regarding Changes to the Shareholder Benefits Plan (Applicable from the Record Date of December 31, 2026)
2026/1/23	Notice Regarding Issuance of New Shares and Secondary Offering
2026/1/23	Notice Revisions to Consolidated Earnings Forecast for the Fiscal Year Ended December 2025 (Upward Revision) and Amendment to Numerical Targets of Medium-Term Management Plan (Fiscal Year Ended December 2026) (Upward Revision)
2026/2/2	Notice Regarding Determination of Issue Price and Offering Price
2026/2/2	Notice Regarding Determination of Issue Price (Public Announcement under Article 15, Paragraph 5 of the Financial Instruments and Exchange Act)

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