

*November 13, 2023***Notice of Revision to Full-year Business Forecasts**

Segue Group Co., Ltd. has revised its consolidated business forecasts announced on February 13, 2023, in light of recent operating trends and other factors, as follows.

1. Revision to consolidated business forecasts

(1) Revision to consolidated business forecasts for the fiscal year ending December 2023
(January 1, 2023 to December 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share (Yen)
Previous forecasts (A)	15,700	1,000	1,000	679	60.05
Revised forecasts (B)	17,300	1,000	1,000	679	60.05
Change (B-A)	1,600	-	-	-	-
Percentage change (%)	10.2	-	-	-	-
(Reference) Previous results (FY12/22)	13,622	906	1,050	743	66.47

(2) Reasons for the revision

For the performance in the fiscal year ending December 2023, sales of Digital Transformation (DX) infrastructure products significantly increased due to demand related to DX. Additionally, there was substantial growth in product sales due to improved delivery delays caused by shortages of semiconductors. Regarding sales of services, system design and construction services (professional services) increased in conjunction with favorable product sales, and support services also increased. Given these circumstances, net sales for the nine months reached a record high, and full-year net sales are expected to exceed the forecast previously announced.

With regard to profits, until the third quarter, despite the inclusion of low-margin product sales in the System Integration Business, strong sales led to an increase in gross profit, which absorbed SG&A expenses and operating profit increased significantly. However, in the fourth quarter, the Company is investing in the promotion of the RevoWorks Cloud launch, environmental improvements such as office expansion and renovations to address ongoing personnel increases, and the hiring of new executive talent. In addition, the Company expects to record expenses related to the consideration of First One Systems Co., Ltd. of Thailand as a subsidiary, and to incur a valuation loss on a portion of its product inventory. Therefore, the Company has not changed its initial forecasts for operating profit, ordinary profit, and profit attributable to owners of parent for the full year.

(Note) The above forecast is based on information available as of the date of publication of this document. Actual results may differ from the forecast due to a variety of factors.