



FY2023

Financial Results

February 26, 2024

Segue Group Co., Ltd.

Stock Code:3968

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And we do not guarantee the accuracy of the information.
Actual results may differ materially from the forward-looking statement due to changes in various factors.

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1

Business Overview of Segue Group

Supporting customers' Business foundations
By providing total solutions for Security and IT infrastructure

Security

Target attack countermeasures

Information leakage countermeasures

Vulnerability countermeasures

Telework security



IT infrastructure

Network

Virtualization

Cloud

Wireless

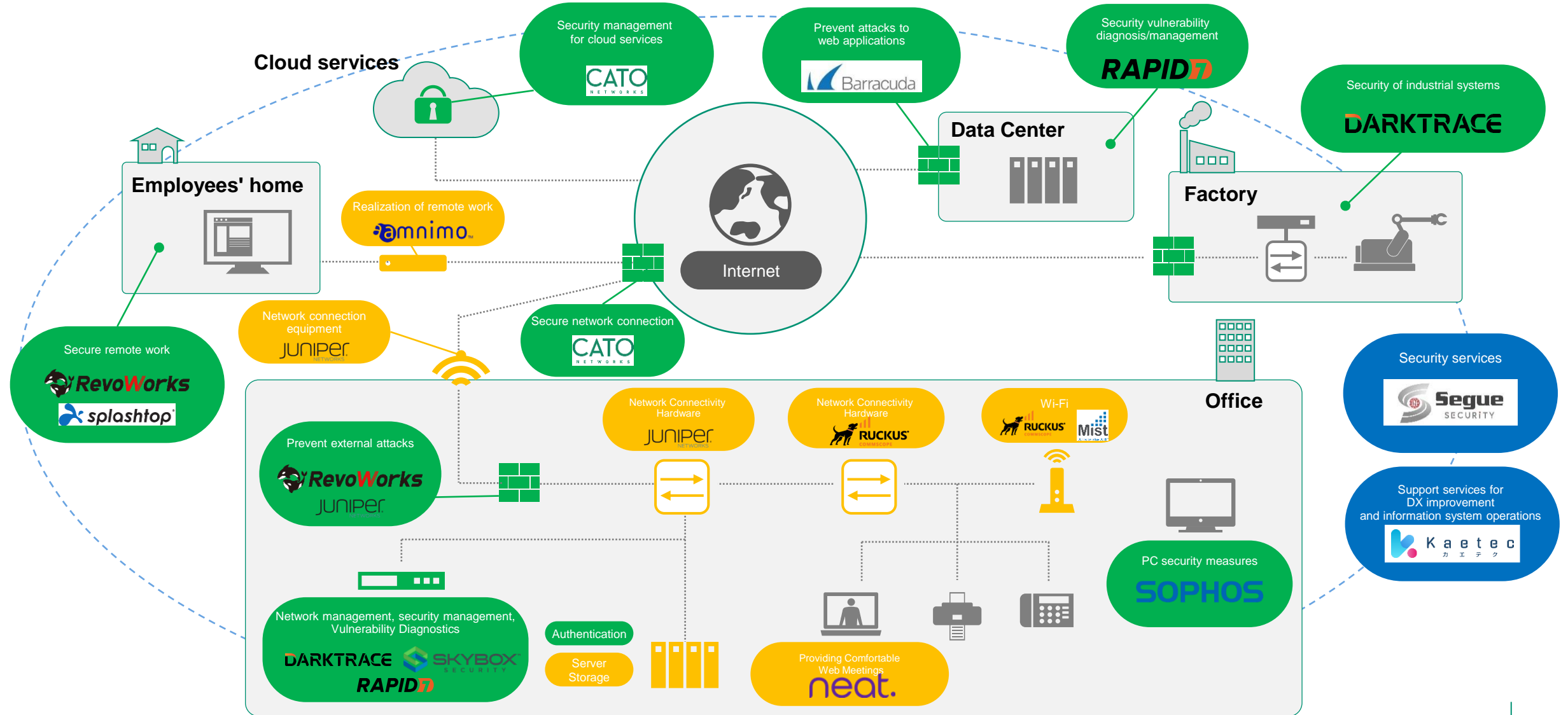
**Carrier data center
Service provider**

**Government agencies and local governments
Academic institutions
Medical institutions**

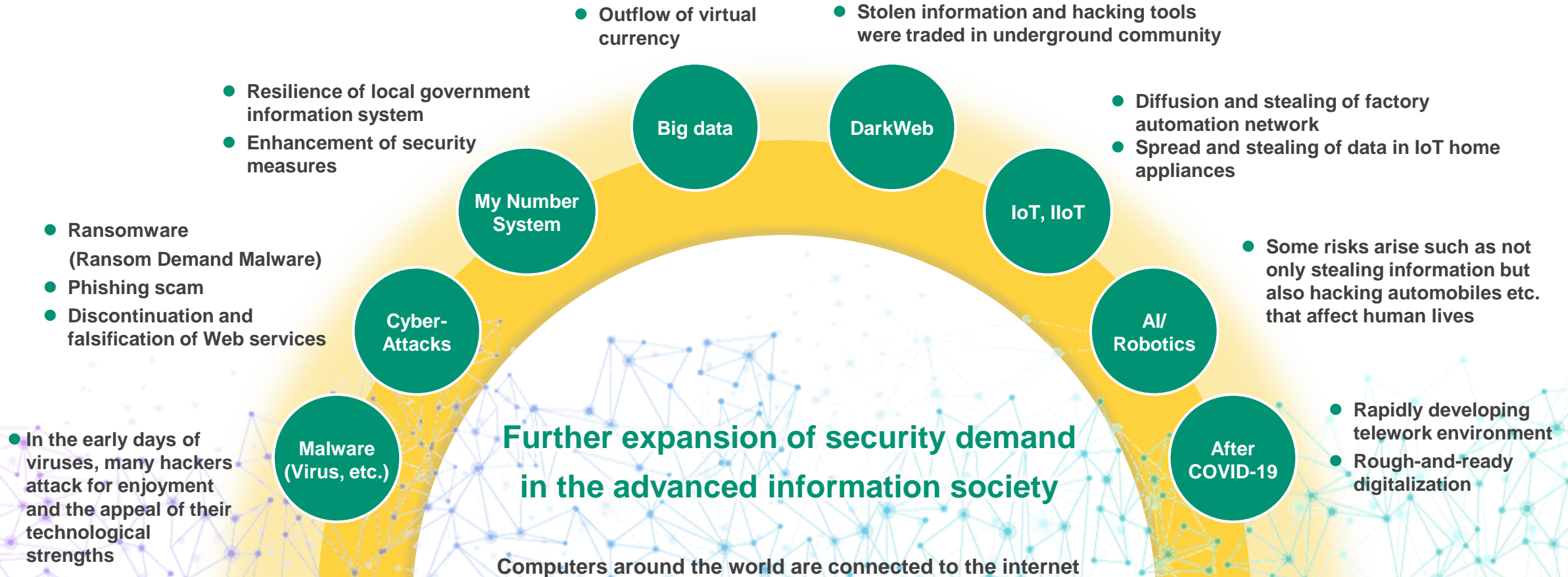
**Enterprise
Manufacturing industry
Financial institution etc..**

Business Overview: Business Domain

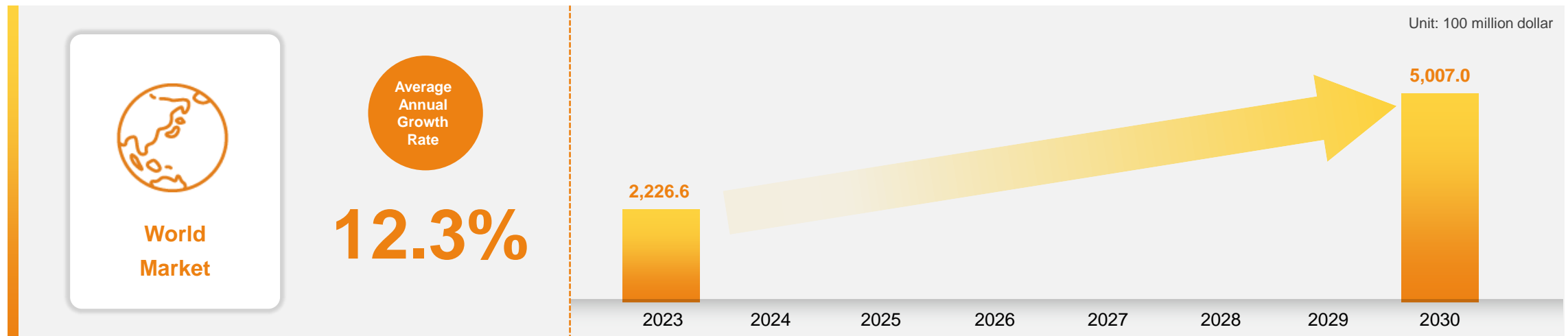
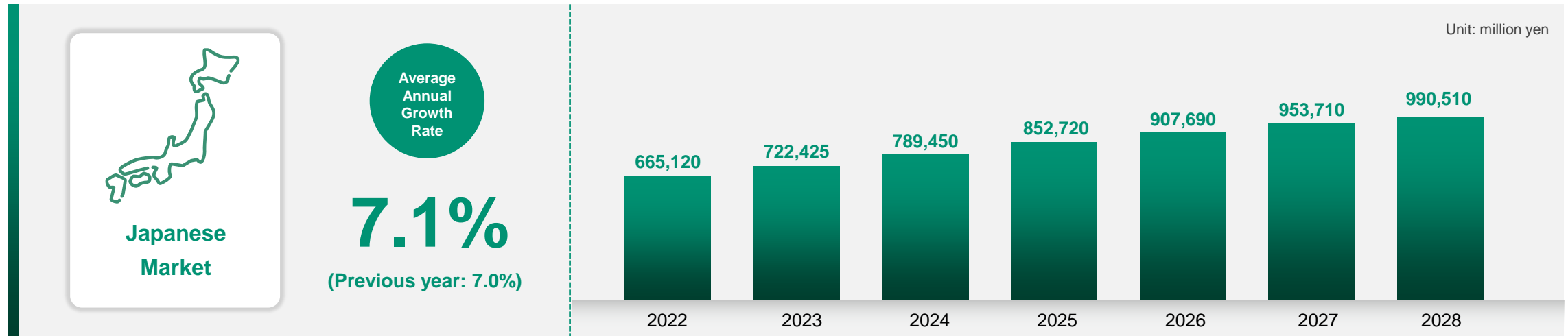
We support customers use the network safely and securely.



Business Environment: Security Market Environment



Business Environment: Security (Products and Services) Market



Source: Fuji Chimera Research Institute, "2023 Network Security Business Survey"
Grand View Research "Cyber Security Market size & Share Report, 2023-2030"

The Ministry of Defense allocated 211.5 billion yen for "capacity building in the cyber domain" for the proposed FY2024 budget.

In addition to using the funds to strengthen the security of information systems, including equipment and facility infrastructure, as well as education and research functions in the cyber field, they plan to establish guidelines for the introduction of new security functions based on the "Zero Trust*" concept in FY2024.

Other ministries and agencies also posted cybersecurity-related budgets.

Ministries and agencies	Item	Budget for FY2024 (100 million yen)
Ministry of Defense	Capacity Building in the Cyber Domain	2,115
Ministry of Economy, Trade and Industry	Industrial Cyber Security Resilience Project	23
	Cyber Security Economic Infrastructure Development Project	20
National Police Agency	Addressing Cyberspace Threats	49
Ministry of Internal Affairs and Communications	Improving ability to respond autonomously to cyber attacks (Strengthening human resource development, R&D, information gathering and analysis, etc.)	36

*Zero Trust: A framework for protecting information assets, rather than the traditional concept of boundaries, in security measures for cloud and mobile environments, basically the concept that any user or application should not be trusted.

Core businesses of Segue Group



VAD
(Value Added Distribution)
Overseas products

In addition to selling IT products and licenses, it supports sales activities and initiatives to improve proposal capabilities and technological capabilities together with system integrators and other system prime contractors. In line with user needs, it proposes value-added services such as consulting, System Integration, customization, operation and maintenance.



In-house Development

Planning, development, sales, and support services for its original security products and services. The RevoWorks series has been delivered to nearly 300 municipalities (more than 15% of all municipalities) and has the top class market share.



SI
(System Integration)

Developing IT solutions business with technological capabilities. Develop system integration with a focus on professional services, and provide solutions tailored to customer needs, including IT infrastructure equipment, servers, and cloud computing platforms.

Three Core Businesses

Providing a variety of added value in response to the needs of partners, system integrators, and customers.



VAD (Value Added Distribution) Overseas focus

- Sales of security/IT infrastructure products, and software license
- Support services, help desk
- On-site maintenance services

Products distributor

Support services

In-house Development

- Security software license sales
- Original security services
- Support services, Help desk

In-house products

Support services

System Integration

- Design, construction, and installation of IT infrastructure and security
- Information system support services

Server, etc.(H/W,S/W)

In-house products

Products distributor

Professional services

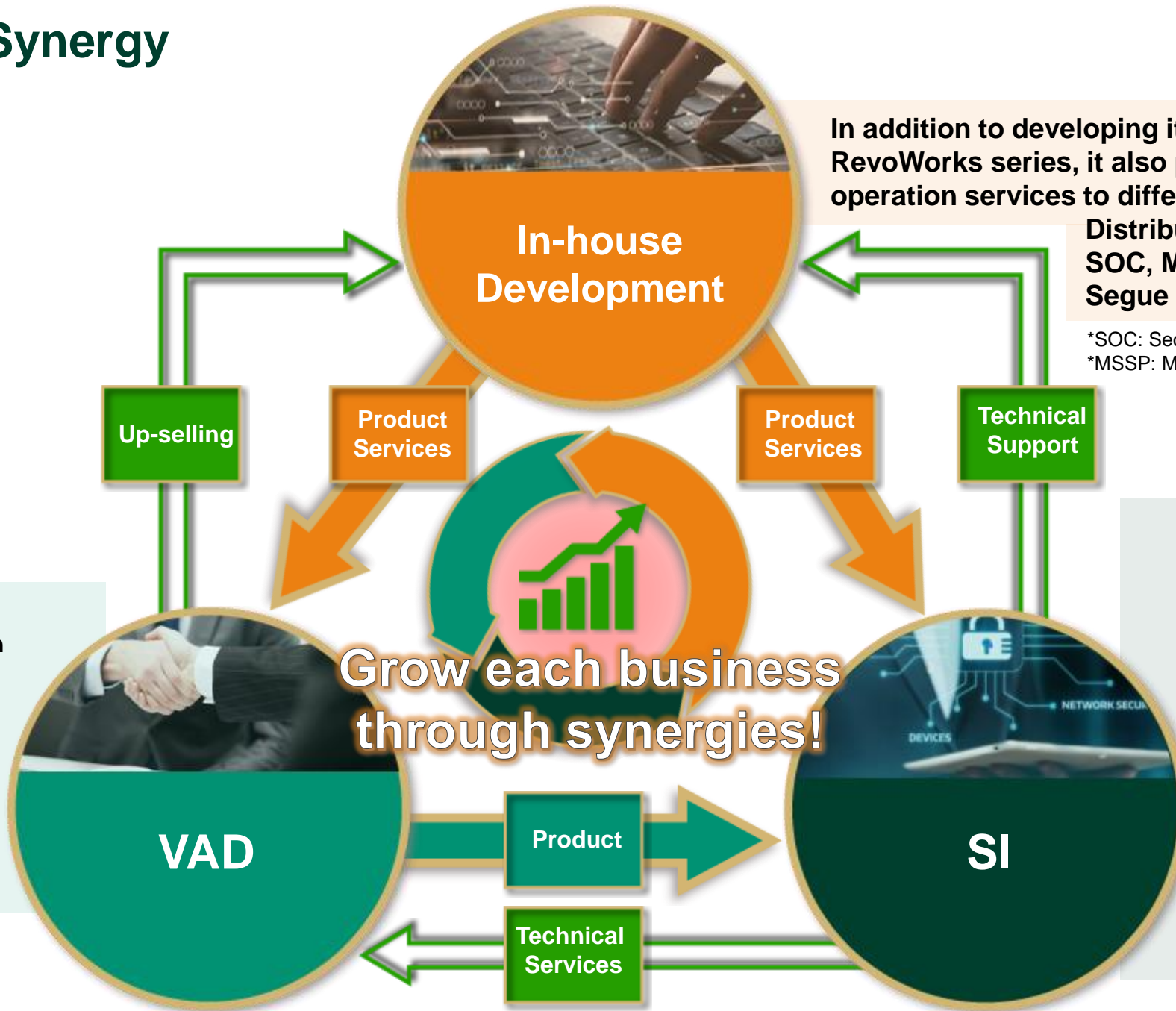
Professional services Design and construction	●	●	
SE services Contracting and dispatching	●	●	●
Managed services Operation of monitoring, management, etc.	●	●	●

Business Synergy



BUSINESS SYNERGY

Import and sales support for products equipped with overseas advanced technologies. Differentiation by developing combined packaging sales of In-house Development and Value Added Distribution products.



In addition to developing its own product RevoWorks series, it also provides security operation services to differentiate its Value Added Distribution products through SOC, MSSP services based on Segue Security.

*SOC: Security Operations Center
*MSSP: Managed Security Service Provider

Cultivate new customers by hooking on products of the In-house Development and the Value Added Distribution businesses and SES. We propose IT products that meet customer needs, not limited to products of the In-house Development and the Value Added Distribution businesses, and provide them along with various services. We will also develop DX projects.

Our Customers/System integrators

Manufacturer /Systems integrator

- Fujitsu
- Hitachi
- NEC
- Canon MJ
- Ricoh
- HP Japan

Systems integrator

- NTT Data
- NEC Networks & System Integration
- Nissho Electronics
- Net One Systems
- HITACHI SOLUTIONS
- TIS INTEC
- OTSUKA CORPORATION
- FUJISOFT
- Nomura Research Institute
- SCSK
- Itochu Techno-Solutions



In-house Development



VAD



SI

Telecommunications Carrier

- NTT Docomo
- SoftBank
- KDDI

Service provider

- Arteria Networks
- NIPPON TELEGRAPH AND TELEPHONE WEST
- Ehime CATV
- IJ Global Solutions

Distributor

- DAIWABO INFORMATION SYSTEM
- SBC&S

End users

Government agencies, local governments, educational institutions, medical institutions, enterprise, manufacturing, and financial institution, etc.

1

Technology-oriented

In addition to highly specialized technologies for overseas security products and network and IT infrastructure products, open source, cloud, and AI technologies are also available. About 70% of all employees are engineers.

Security technology

IT infrastructure technology

Software

2

Business model that can build a recurring revenue model

Stable revenue growth through relationships accumulated with partners/customers, mainly in the Value Added Distribution business, and support contracts.

Contracts accumulate each year as products and systems are sold.

		3rd-year S/W licence
		3rd-year maintenance
	2nd-year S/W licence	2nd-year S/W licence
	2nd-year maintenance	2nd-year maintenance
1st-year S/W licence	1st-year S/W licence	1st-year S/W licence
1st-year maintenance	1st-year maintenance	1st-year maintenance
Hardware	Hardware	Hardware

3

Alliances with global manufacturers

JUNIPER NETWORKS

COMMSCOPE®

RAPID7

DARKTRACE

SOPHOS

cobaltstrike

by HelpSystems
FORESCOUT

1

In-house Development

Focus on the development and sales of packaged software in the In-house Development business, including RevoWorks, an Internet separation solution, and WisePoint, an authentication solution. Top class market share among municipalities.



2

Security Value Added Distribution Business

Discover new security products and services in the Value Added Distribution Business, expand the portfolio by handling new products and services, upsell to existing industry-leading clients and partners, and develop new partner customers from new client manufacturers.

- Expansion of security product categories
- Combined sales of security products
- Addition of MSS, SOC and other services

3

White hat hacker



Provide countermeasure solutions ranging from security consulting by advanced security engineers to SOC, MSSP, forensics, etc.

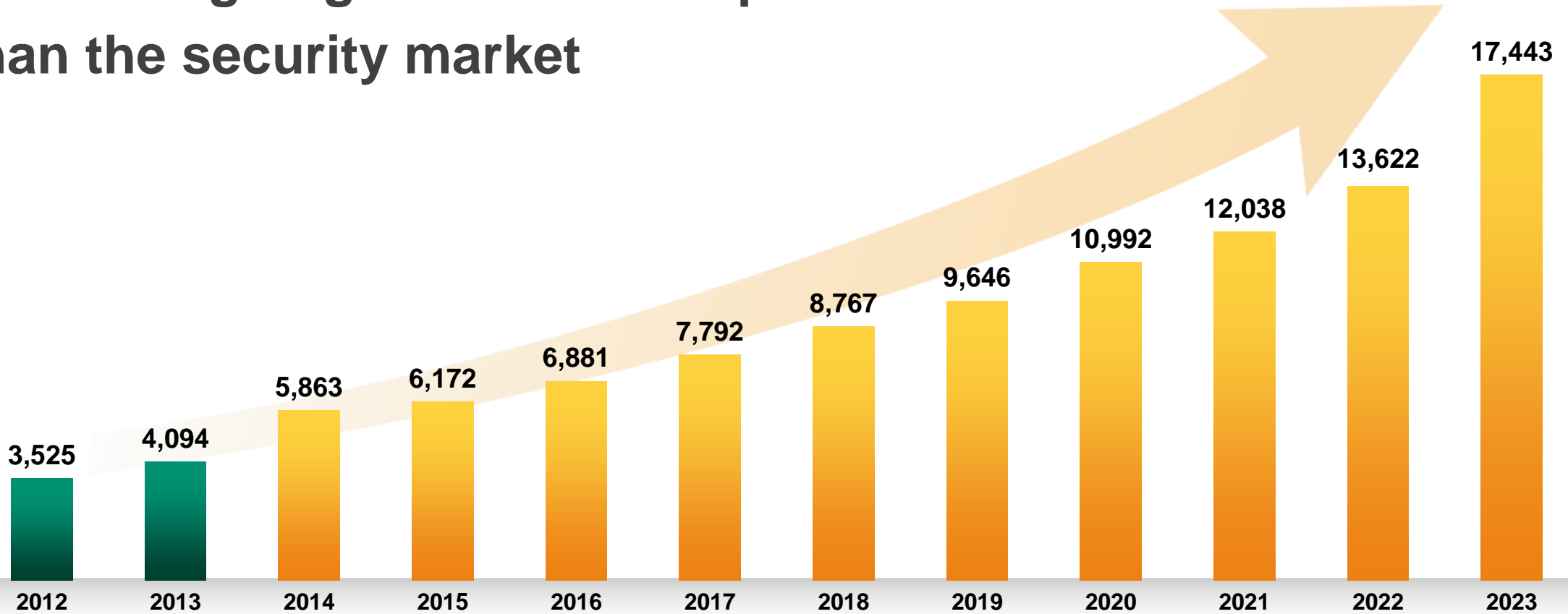
Recruit and train security engineers (white hat hackers).

Changes in Net Sales

Net sales CAGR: **15.6%** (2012-2023)

Continuing to grow at a faster pace than the security market

Unit: million yen



*Figures for 2012 and 2013 are based on actual figures of J's Communication Co., Ltd.



2

FY2023 Highlights

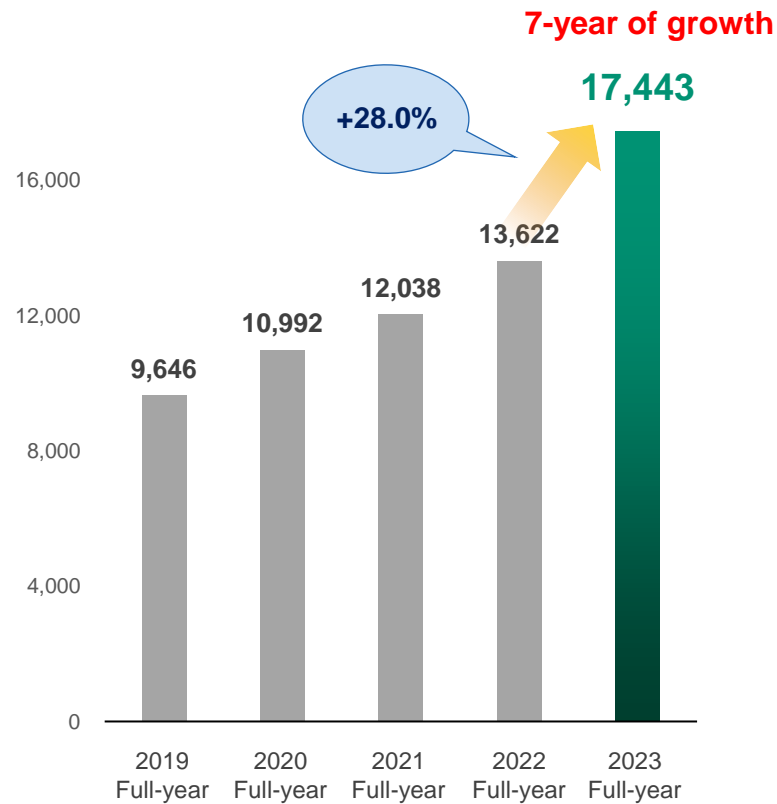
Demand for digital transformation (DX) and improved delivery delays contributed greatly to growth in net sales. Gross profit and operating income grew significantly, despite the initial forecast of upfront investments and the incurrence of inventory valuation losses and other expenses.



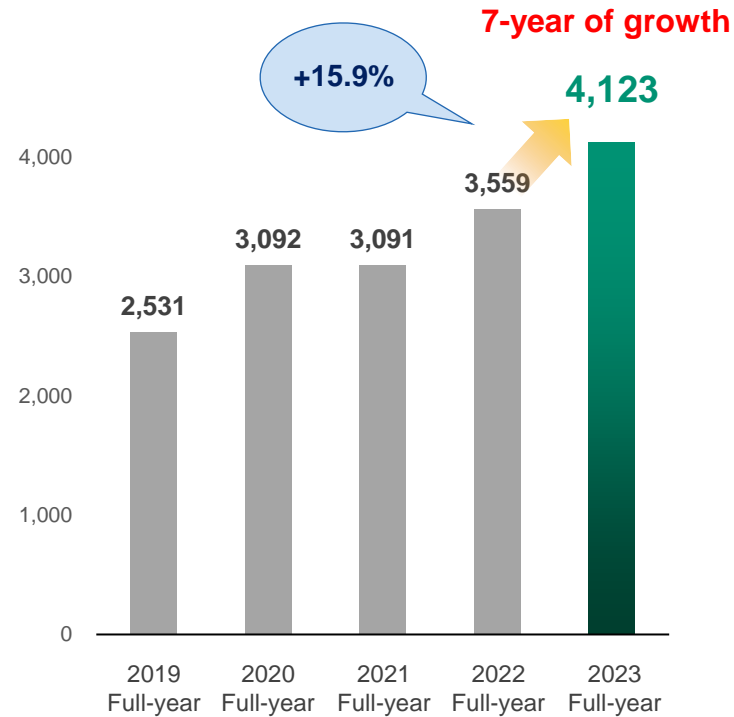
- **Net Sales:** In addition to the demand for DX, the backlog of orders decreased more than expected due to improved delivery delays, resulting in strong product sales. In addition, sales of services accompanying product sales were strong, and sales grew significantly.
- **Gross Profit and Operating Income:** In addition to the write-down of certain inventories held as a measure against delayed delivery, we booked expenses for recruiting and training human resources, expanding business sites, opening SOC, and developing RevoWorks cloud services. However, gross profit and operating income also increased due to significant growth in net sales.
- **Ordinary Income:** Foreign exchange losses were recorded due to the weakening trend of the yen, and valuation losses on derivatives from SBI Securities' "proprietary forward stock price contracts with settlement for difference" were recorded.

Highlights: Performance Trends

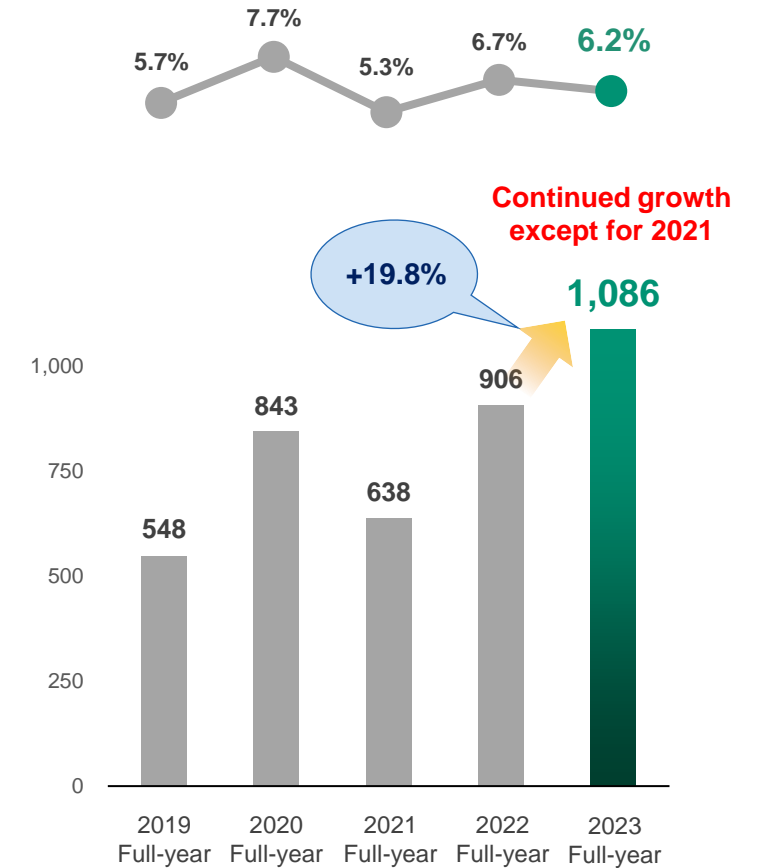
Net sales (million yen)



Gross profit (million yen)



Operating income (million yen) Operating income margin(%)

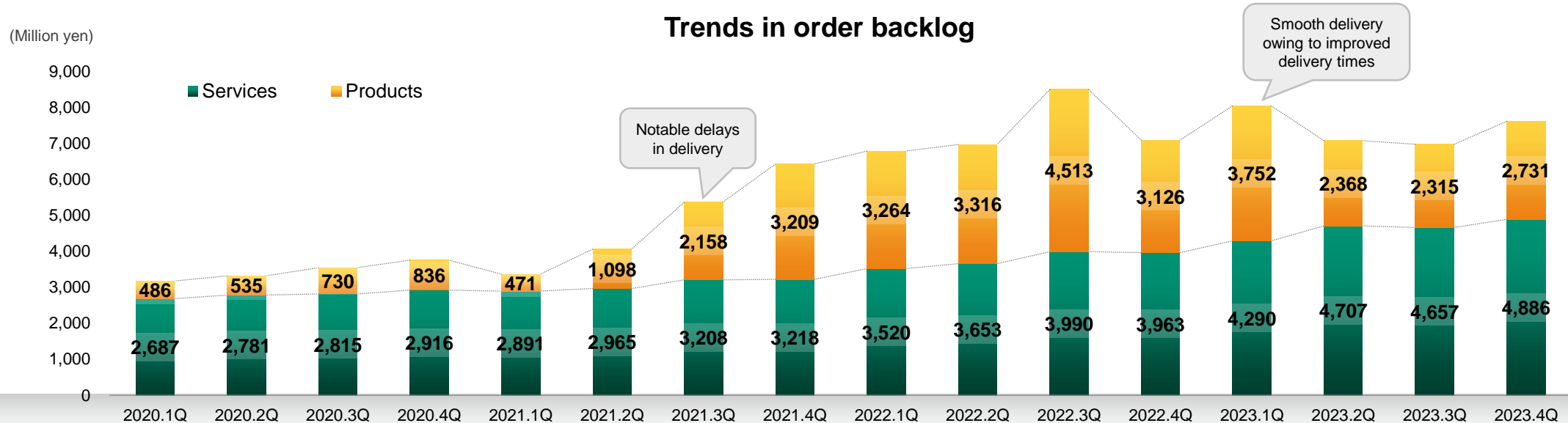


Highlights: Status of Orders

Orders received reached a record high of 18 billion yen owing to strong orders for both products and services. The order backlog for products remained at a higher level than under normal conditions, despite progress in deliveries due to an improvement in delivery delays. Service order backlog increased steadily, mainly in recurring revenue orders

Cumulative Orders Received

	FY2020 Full-year	FY2021 Full-year	FY2022 Full-year	FY2023 Full-year	FY2023 vs. FY2022 Change ratio
Products	6,559	8,956	8,620	10,361	+20.2%
Services	5,280	5,758	5,652	7,608	+34.6%
Total	11,840	14,715	14,272	17,970	+25.9%



Highlights: Number of Each Business

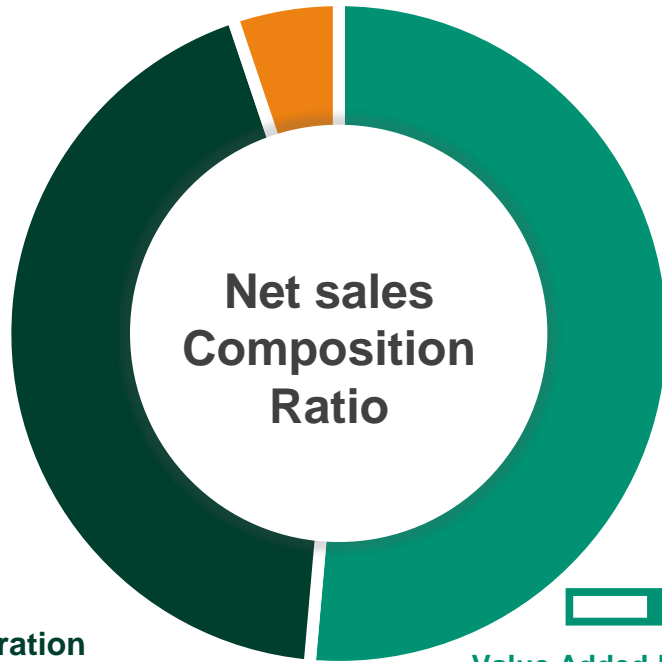
In the Value Added Distribution business, despite the significant YoY growth owing to the progress in deliveries of backlog, gross margin fell short of forecasts due to rapid exchange rate movements during delivery delays. In the System Integration business, sales and profits increased owing to increased product sales, despite some low-margin projects. In the In-house Development business, sales and profits declined YoY as expected, since demand for projects to strengthen local government information systems peaked. On the other hand, net sales did not reach the target due to the development of RevoWorks Cloud and the delay in the plan for Segue Security from the beginning.



In-house Development

5.2%

(Plan: 7.1%)



System Integration

43.4%

(Plan: 43.5%)



Value Added Distributor

51.4%

(Plan: 49.4%)

Business	Net sales	Growth	Gross profit	Growth
Value Added Distribution Business	8.966 billion yen (Plan: 7.76 billion yen)	+41.6%	1.757 billion yen (Plan: 1.94 billion yen)	+35.3%
System Integration Business	7.575 billion yen (Plan: 6.82 billion yen)	+22.1%	1.664 billion yen (Plan: 1.49 billion yen)	+17.4%
In-house Development Business	901 million yen (Plan: 1.11 billion yen)	▲ 17.2%	701 million yen (Plan: 670 million yen)	▲ 16.6%

Highlights: Business Topics

– Value Added Distribution, System Integration Business

Value Added Distribution Business

- ✓ Sales of IT infrastructure-related products were strong due to the firm DX demand.
- ✓ Including new products, sales of security-related products also remained firm.
- ✓ Delivery of order backlog progressed due to improved delivery timing.

System Integration Business

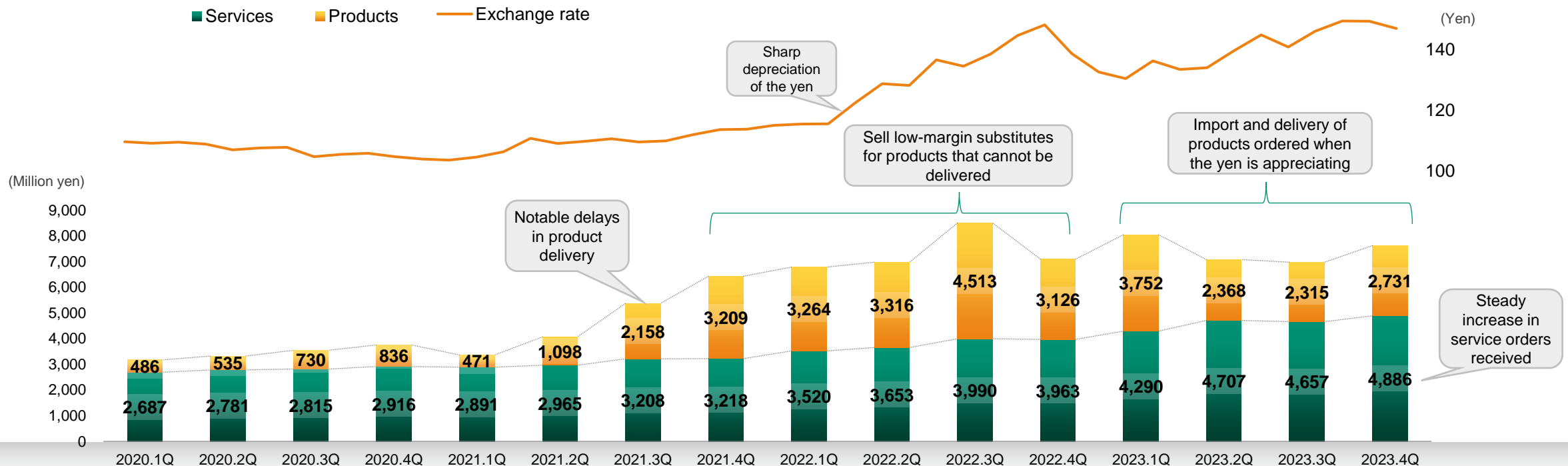
- ✓ Sales grew due to the acquisition of large-scale projects.
- ✓ J's Technology opened DX centers in Tokyo and Fukuoka to strengthen support for DX (Opened The 3rd DX Center in Osaka in January 2024).
- ✓ ISS Resolution in Thailand achieved profitability on a non-consolidated basis.

Trends in Products and Services

Products: Delivery delays due to semiconductor shortages and sudden fluctuations in exchange rates led to low-profit margins in 2022 and 2023. Gross profit is expected to improve due to a recovery in delivery delays.

Service: Steady increase in order backlog mainly in recurring revenue services.

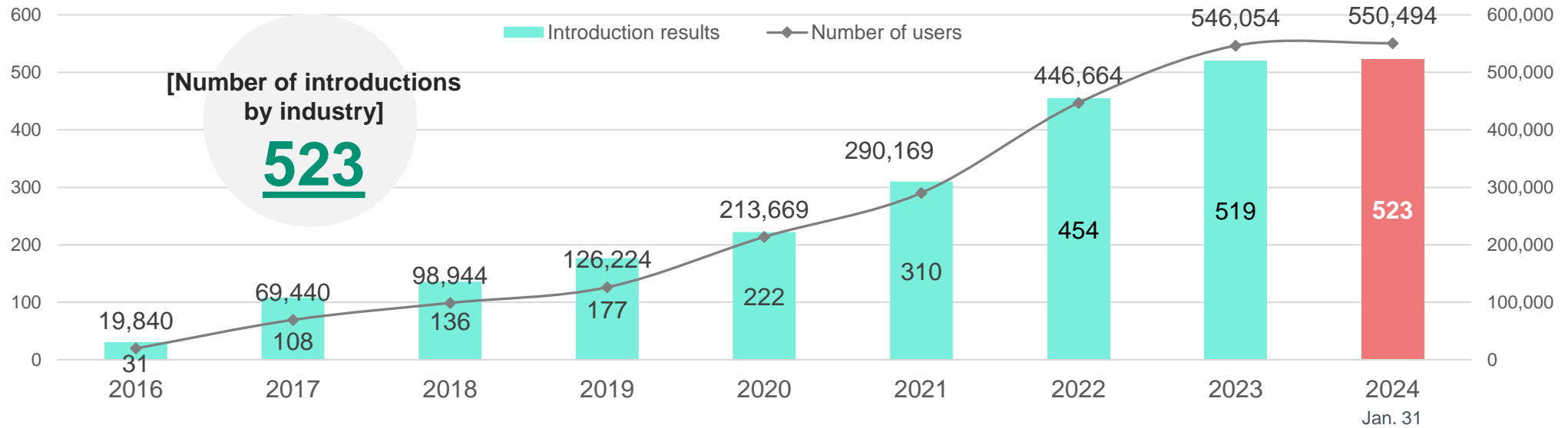
Order Backlog and Exchange Rate Trends



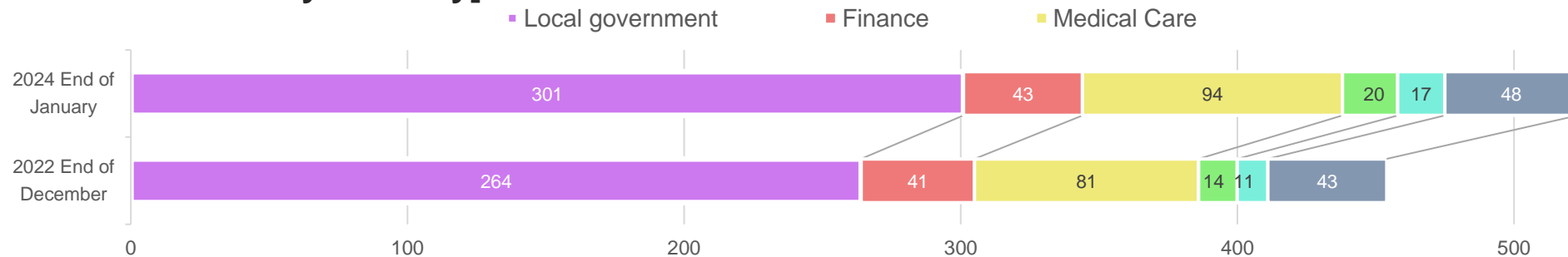
Highlights: Business Topics – In-house Development Business

In RevoWorks, despite the termination of special demand by local governments, sales remained steady, reflecting the acquisition of large-scale projects for prefectural governments, etc.

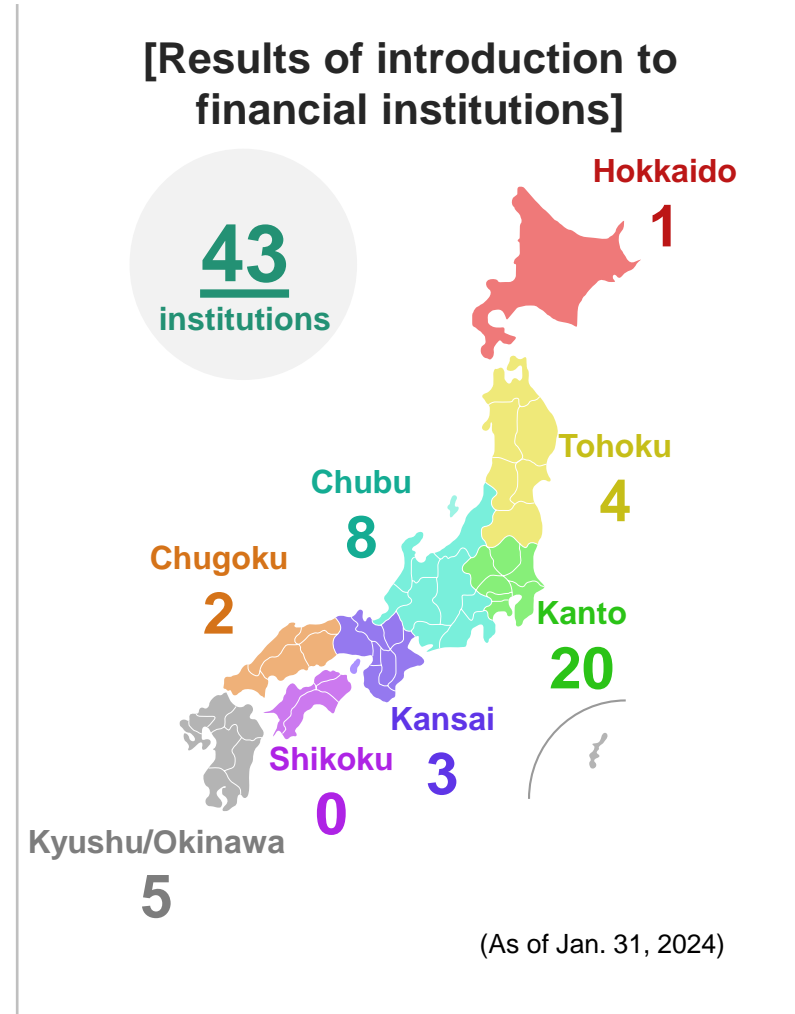
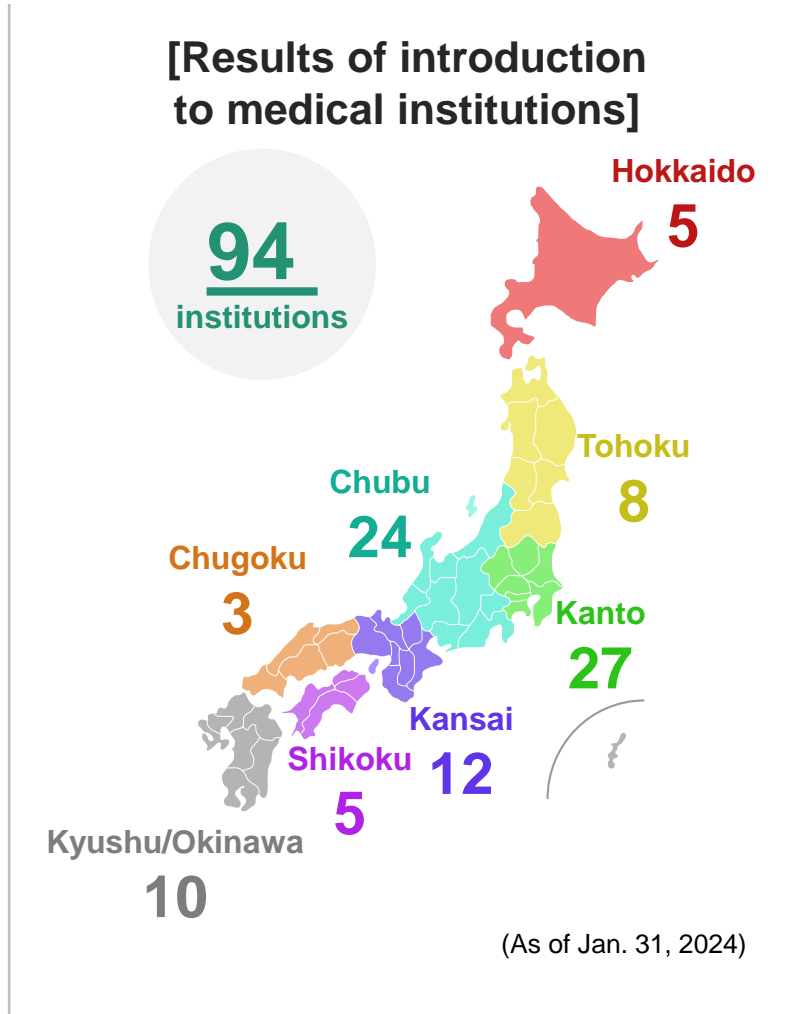
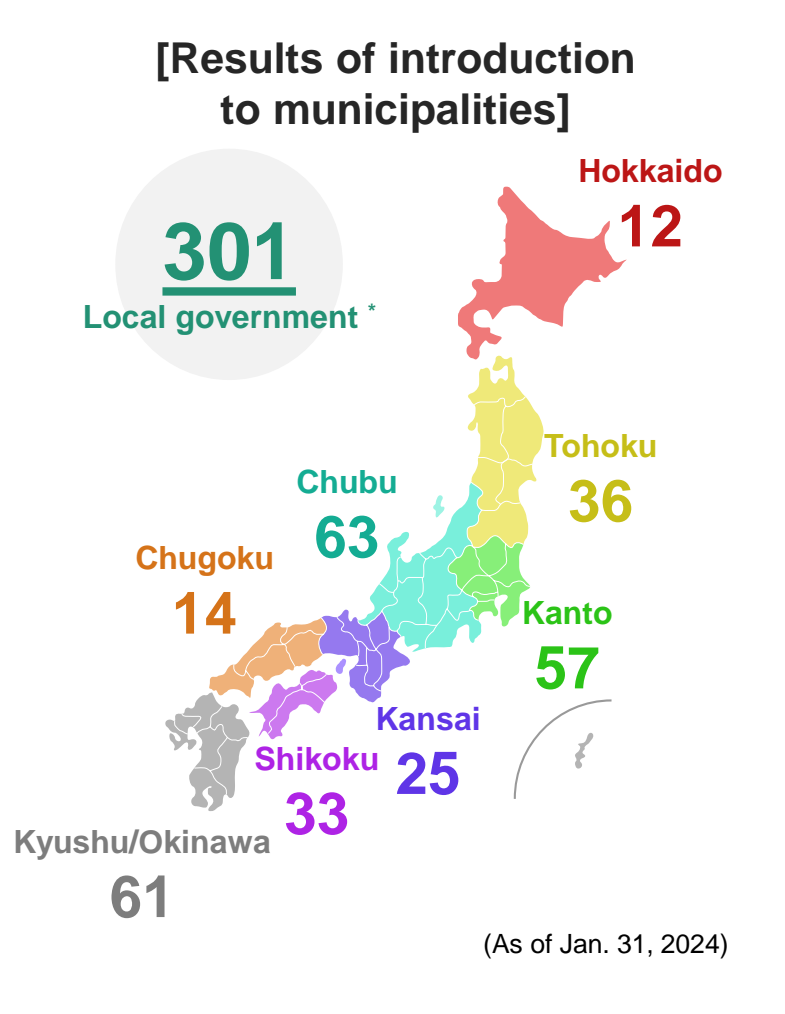
RevoWorks Introduction Results (As of Jan. 31, 2024)



[Number of introductions by industry]



Steady increase in inquiries from medical institutions and financial institutions.



*Figures for municipalities are totals for prefectural and municipal governments.

Highlights: Business Topics – In-house Development Business

RevoWorks Cloud, a new product compatible with Zero Trust Security, was released in December. We received several inquiries after holding a briefing session for partners and started test operations at financial institutions.

We will promote demand for security measures accompanying the spread of cloud service usage, and aim to capture particularly private demand.

Features of RevoWorks Cloud

High security and convenience

We achieve secure web access by separating browsers and workspaces for each access point using proprietary technology. Workspace can be switched smoothly, contributing to increased productivity.

Simplified introduction

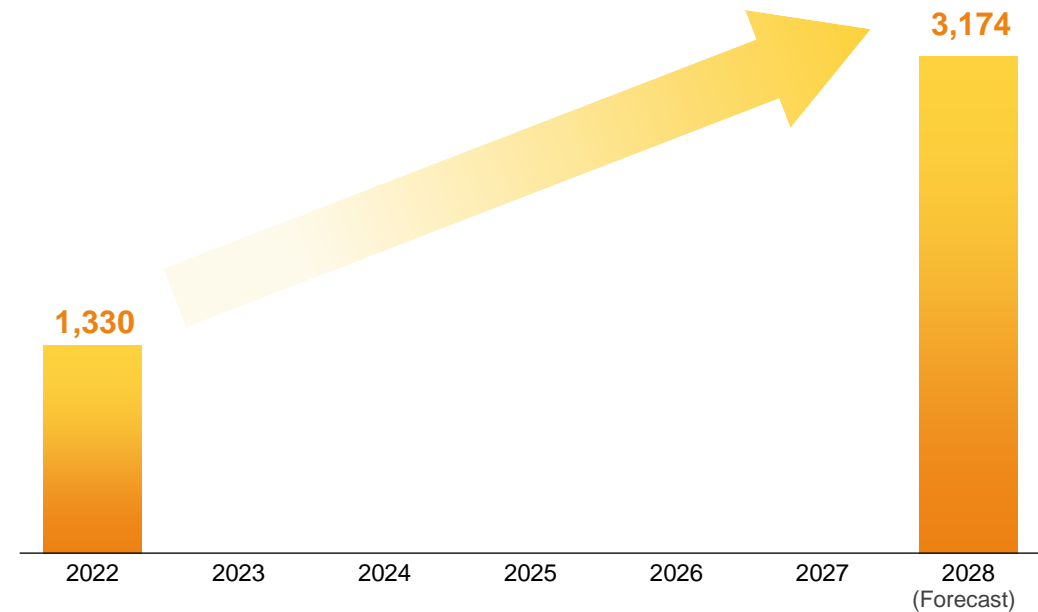
Ready to use by installing on Windows terminal

Subscription-based service

Expect to contribute to the expansion of recurring revenue by making it an annual pay-as-you-go billing model.

Zero-Trust-related market

(100 million yen)



Source: 2023 Network Security Business Survey, Fuji Chimera Research Institute

Highlights: Business Topics – In-house Development Business

Segue Security opened its Security Operations Center (SOC) in December. Started full-scale provision of in-house developed managed security services (a service that operates and manages security systems and responds to incident resolution in the event of an emergency)



In our SOC (Security Operations Center), we have security-savvy engineers and analysts stationed to enable early threat detection. We utilize technologies like SIEM* to monitor and analyze a wide range of products and services.

Our strength lies in the robust collaboration with numerous security product-savvy engineers across group companies, enabling us to deliver high-quality services.

*SIEM: Abbreviation for Security Information and Event Management. This mechanism involves collecting and analyzing records from security devices and network equipment to detect anomalies and identify signs of cyber-attacks or malware.

Recruitment and personnel enhancement

- ✓ The number of employees increased from 527 at the end of December 2022 to 570 at the end of December 2023
- ✓ Recruitment of executives

Expansion of the floor space of the Tokyo headquarters office

- ✓ In November 2023, the Tokyo office was expanded. Increase employees and promote new services.

Opened Yokohama Center (distribution base)

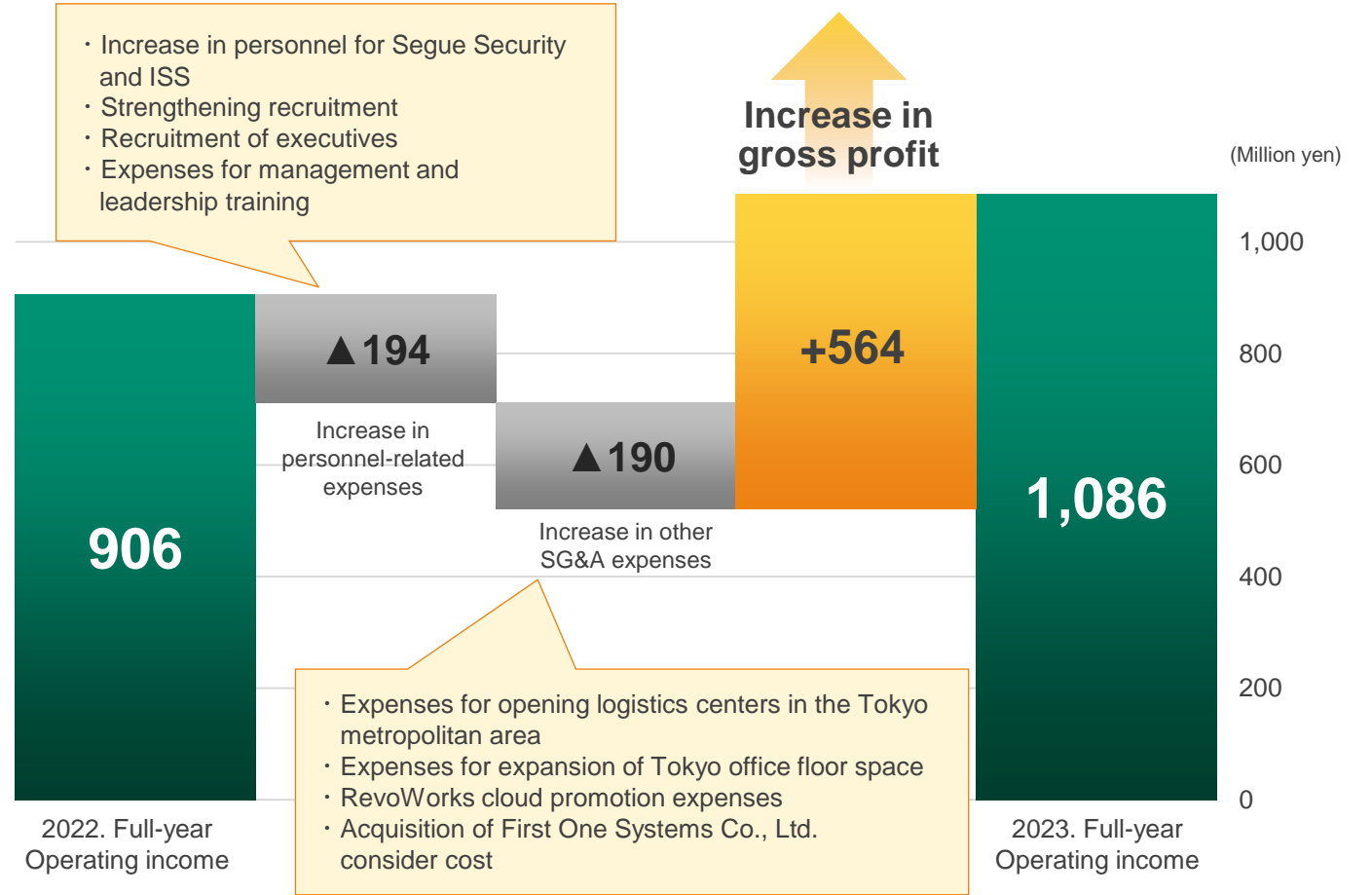
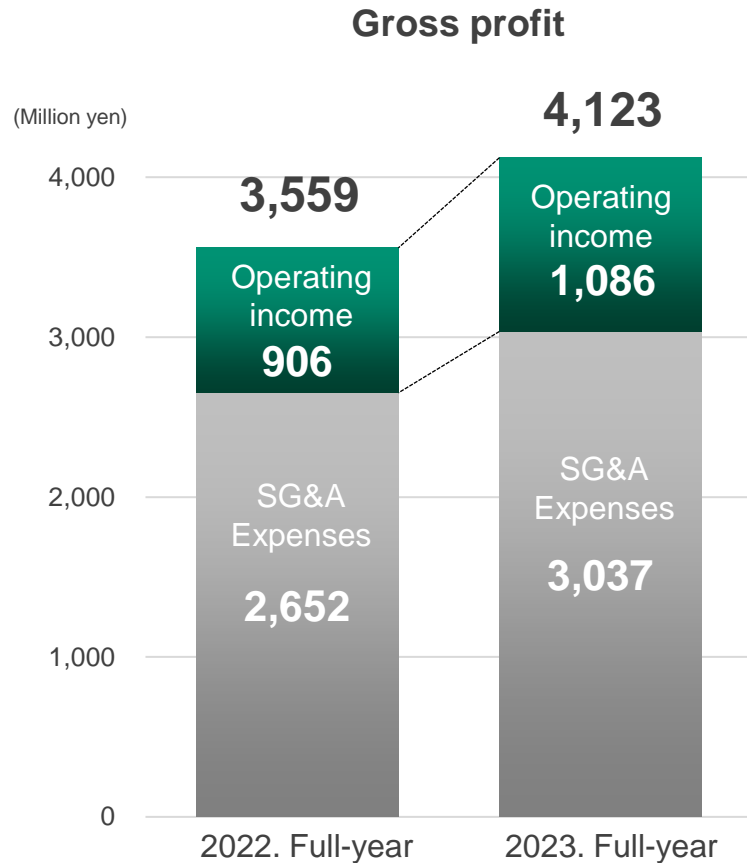
- ✓ In November 2023, we opened the Yokohama Center, which will serve as a distribution base in the Tokyo metropolitan area. Establish a system capable of responding to orders that are increasing year by year together with the existing Osaka Center.

Overseas expansion

- ✓ October 2023: Acquisition agreement with First One Systems Co., Ltd., a company in Thailand. (Currently under asset review)

Highlights: Breakdown of Changes in Operating Income

The increase in gross profit offset the increase in personnel and various investments due to the addition of a new subsidiary, as well as the cost of considering making a Thailand company a subsidiary, which was not originally planned, and resulted in a significant increase in profit.



Highlights: Consolidated Statements of Income

Significant increases in sales and profits YoY on the back of strong demand.
Net sales, operating income, and ordinary income exceeded revised forecasts.

Unit: million yen

	FY2022 Full-year	FY2023 Full-year	YoY		Full-year Initial plan	Full-year forecast Revised on Nov. 13, 2023	Achievement rate to revised forecasts
			Change	Change ratio			
Net sales	13,622	17,443	3,820	+28.0%	15,700	17,300	100.8%
Gross profit	3,559	4,123	564	+15.9%			
(Profit margin)	26.1%	23.6%	▲2.5pt				
SG&A expenses	2,652	3,037	384	+14.5%			
Operating income	906	1,086	179	+19.8%	1,000	1,000	108.6%
(Profit margin)	6.7%	6.2%	▲0.4pt		6.4%	5.8%	
Ordinary income	1,050	1,015	▲35	▲3.4%	1,000	1,000	101.5%
(Profit margin)	7.7%	5.8%	▲1.9pt		6.4%	5.8%	
Net income*	743	660	▲82	▲11.1%	679	679	97.2%

*Net income attributable to owners of parent

*Foreign exchange losses (38 million yen) and loss on valuation of derivatives (38 million yen) were recorded in non-operating expenses.

*In the previous period, foreign exchange gain (197 million yen) was recorded in non-operating income and gain on sales of securities (188 million yen) was recorded in extraordinary income.

Non-operating profit/loss (gain/loss on valuation of derivatives) from "Forward Contracts for In-House Stock Prices Settled for Difference" concluded with SBI Securities Co., Ltd.

✓ Summary of Transactions

- Our stock price at the end of each quarter during the term of the agreement affects our results (non-operating profit/loss).
- Specifically, the following conditions shall apply. If the Company's stock price at the end of the current quarter exceeds/falls below the stock price at the end of the previous quarter (the forward price for the first time)...
 - If it exceeds the previous quarter price: "Non-operating income" will be recorded.
 - If it falls below the previous quarter price: "Non-operating expense" will be recorded.

*For details of this agreement, please refer to the November 13, 2023 announcement "Forward Contracts for In-House Stock Prices Settled for Difference."

✓ Impact in 4Q

- Non-operating profit/loss in 4Q: ▲38 million yen

	As of November 14, 2023 (Forward price)	End of 4Q
Stock price	992 yen	928 yen
Valuation gains or losses	—	▲38,400,000 yen

Highlights: Consolidated Balance Sheets

Advances received for recurring revenue services, which will become sales in the future, increased significantly (+28.1%).

Unit: million yen

	FY2022 Year-end	FY2023 Year-end	Change
Current assets	9,975	10,029	53
Cash and deposits	2,989	3,357	367
Notes and accounts receivable, and electronically recorded monetary claims	2,360	2,018	▲342
Inventory assets	3,103	2,848	▲255
Other	1,521	1,805	283
Non-current assets	1,276	1,802	525
Property, plant and equipment	248	377	128
Intangible assets	258	263	5
Investments and other assets	770	1,161	391
Total assets	11,252	11,831	579

	FY2022 Year-end	FY2023 Year-end	Change
Current liabilities	6,367	6,853	486
Accounts payable-trade	1,885	1,512	▲373
Short-term debt	287	273	▲14
Advances received	3,137	4,018	880
Other	1,055	1,048	▲6
Non-current liabilities	1,200	963	▲236
Total liabilities	7,567	7,817	249
Total net assets	3,685	4,014	329
Total liabilities and net assets	11,252	11,831	579



3

Shareholder Return

- ✓ **Change in Dividend Policy from FY2023 (started to pay interim dividends, and the payout ratio around 50%)**

*The revised dividend policy will be applied until FY12/26, for the time being.

- ✓ **Plan to pay a year-end dividend of 15 yen per share in line with initial forecast.**

FY2023	Interim dividend	Year-end dividend (plan)
Dividend per share	15 yen	15 yen
Payout ratio	51.5%	

Changes in dividends

	FY2018	FY2019	FY2020	FY2021	FY2022
Dividend per share	5 yen (Commencement of dividends)	10 yen (Including 5 yen commemorative dividends)	16 yen (10 yen planned at the beginning of the term)	16 yen	18 yen (16 yen planned at the beginning of the term)
Dividend payout ratio	15.1%	27.9%	29.2%	40.0%	27.4%

Further Shareholder Return Measures

In addition to a target dividend payout ratio of 50% for shareholder returns, we implemented three shareholder return measures aimed at improving the liquidity of our shares and expanding our investor base (disclosed on February 13, 2024).

① Retirement of treasury stock

Retire all of our treasury stock on February 22, 2024

Number of shares retired: 375,360 shares
(3.2% of the total number of issued shares before retirement)

Increase shareholders' incomes and net worth per share.

② Stock split

3-for-1 stock split effective March 1, 2024

Reduce the amount per investment unit to expand the investor base and improve liquidity

③ Introduction of shareholder benefit plan

We will give QUO cards worth ¥15,000 to shareholders holding 10 units of our shares (1,000 shares or more) as of the record dates of the end of March and the end of September of each year, for a total of ¥30,000 cards for one year.

*Number of shares after the stock split



4

Medium-Term Management Plan and Business Forecasts for FY12/24

Initiatives to Achieve Medium-Term Targets

Initiatives to meet the criteria ①

Significantly increase the number of engineers who are the foundation of our business

Approximately 70% of our Group's personnel are engineers, and they are engaged in the consideration of new products, quality assurance, development of in-house products, and provision of various services. They are essential to the foundation of our business.

We will form a new recruitment team and aim to double the number of engineers hired over the next three years.

Estimated transition of engineers

Period	Number of Engineers
End-Dec. 2019	~280
End-Dec. 2020	~310
End-Dec. 2021 (Forecast)	~330
End-Dec. 2022 (Target)	~380
End-Dec. 2023 (Target)	~420
End-Dec. 2024 (Target)	~470

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Initiatives to meet the criteria ②

Growth in Value Added Distribution Business

- Continuous handling of new security products
- Strengthening of efficient sales system
- Accumulation of steady support services (recurring revenue)

Expansion of In-house Development Business

- Acquisition of local governments' projects for information systems resilience
- Expansion of private sector demand, including medical institutions, financial institutions, and manufacturing companies
- Expansion of sales partners and accelerate of collaboration
- Development of new series and cloud versions
- Provision of cloud services
- Strengthening development team

Strengthening System Integration Business

- Acceleration of increase in consultants, sales and technical staffs
- Development of sales areas such as western Japan
- Expansion of domains such as cloud, DX, AI
- Increasing the size of projects

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Initiatives to meet the criteria ③

Expansion of recurring revenue business

- Establishment of a new division specializing in services
- Improvement of customer satisfaction
- Strengthening cloud-based service model
- Development of new services

Business transformation

- Recruitment and training of IT engineers
- Hiring and training of engineers for advanced security
- Promotion of digital transformation (DX)
- Regional expansion
- Establishment of new domestic offices
- Consideration of overseas expansion

M&As, Capital and business alliances

- Execution of M&As
- Expansion of alliances with companies possessing leading-edge and proprietary technologies

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Initiatives to meet the criteria ④

IR/capital policy

- Increase opportunities for communication with shareholders and investors
- Communication with existing shareholders regarding measures to increase the liquidity of our shares, including requests for existing shareholders to sell our shares.

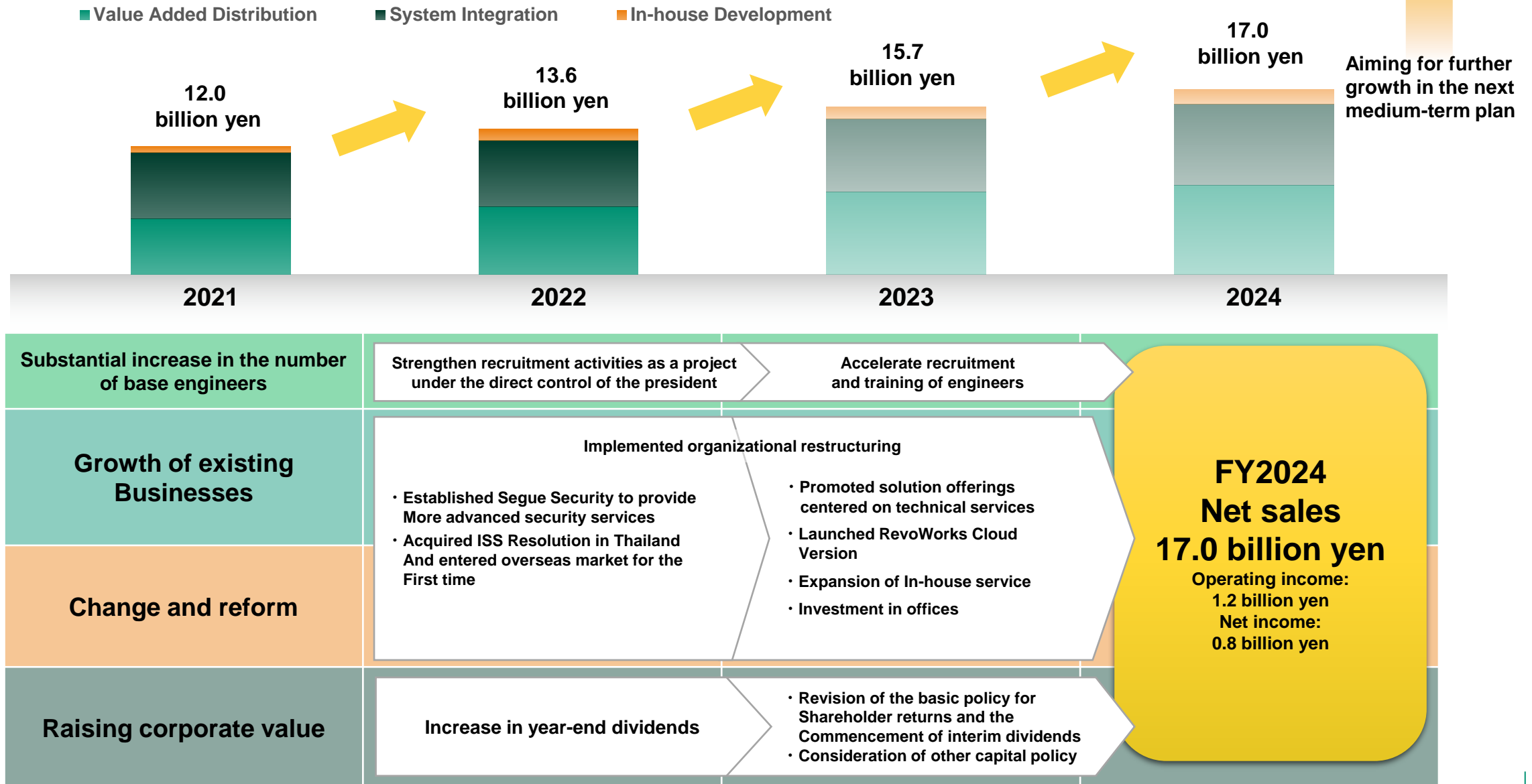
SDGs Initiatives

- Development and production of IT and security personnel
- Provision of engineer training to customers
- Development of human resources who can achieve high value-added results
- Creation of an environment that enables employees to perform more rewarding work
- Continuous investment in companies with new and unique technologies, such as AI

*The medium-term targets are currently being formulated based on the figures on page 4 and the outline above, but the content may change during the process of formulation.
More specific details of the medium-term targets are scheduled to be announced in February 2022.

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Progress in Initiatives to Achieve Medium-term Targets



Medium-term Management Plan

Achieved the sales plan for the final year of the current medium-term management plan (FY12/24) one year ahead of schedule!

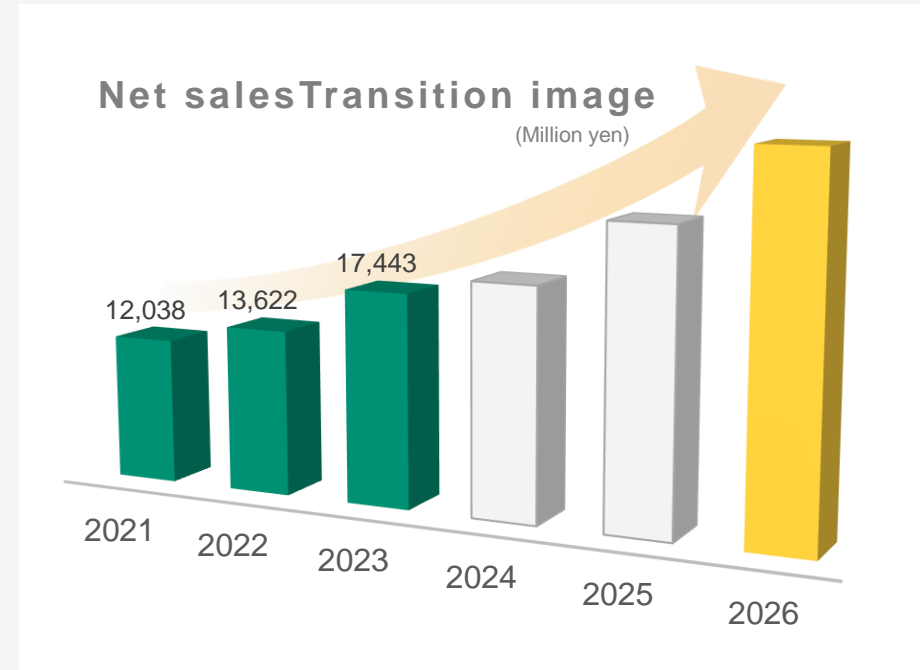
We plan to announce a new medium-term management plan starting in May 2024, considering major changes in the business environment, investment for business growth, M&A, etc.

Medium-term targets formulated on December 29, 2021

	Net sales	Operating income	Net income
FY2021 (Result)	¥12.0bn	¥0.63bn	¥0.45bn
FY2022 (Result)	¥13.6bn	¥0.9bn	¥0.74bn
FY2023 (Result)	¥17.4bn	¥1.08bn	¥0.66bn
FY2024 Target	¥17.0bn	¥1.2bn	¥0.8bn

*The "Accounting Standard for Revenue Recognition" has been applied since FY12/22.

Net sales exceeded the final target in FY2023
Revise the medium-term plan starting in FY2024



FY2024 Full-year Business Forecasts

Make a new start toward achieving the new medium-term management plan by promoting sales of Security and IT infrastructure products and related services while continuing to strengthen personnel and make investments.

Unit: million yen

	FY2023 Full-year	FY2024 Full-year (Plan)	YoY	
			Change	Change ratio
Net sales	17,443	18,800	1,356	+7.8%
Operating income	1,086	1,130	43	+4.0%
(Profit margin)	6.2%	6.0%	▲0.2pt	
Ordinary income	1,015	1,130	114	+11.3%
(Profit margin)	5.8%	6.0%	0.2pt	
Net income	660	717	57	+8.7%

Dividend forecast*

	Interim	Year-end
Dividend per share	5 yen	6 yen
Payout ratio	52.2%	

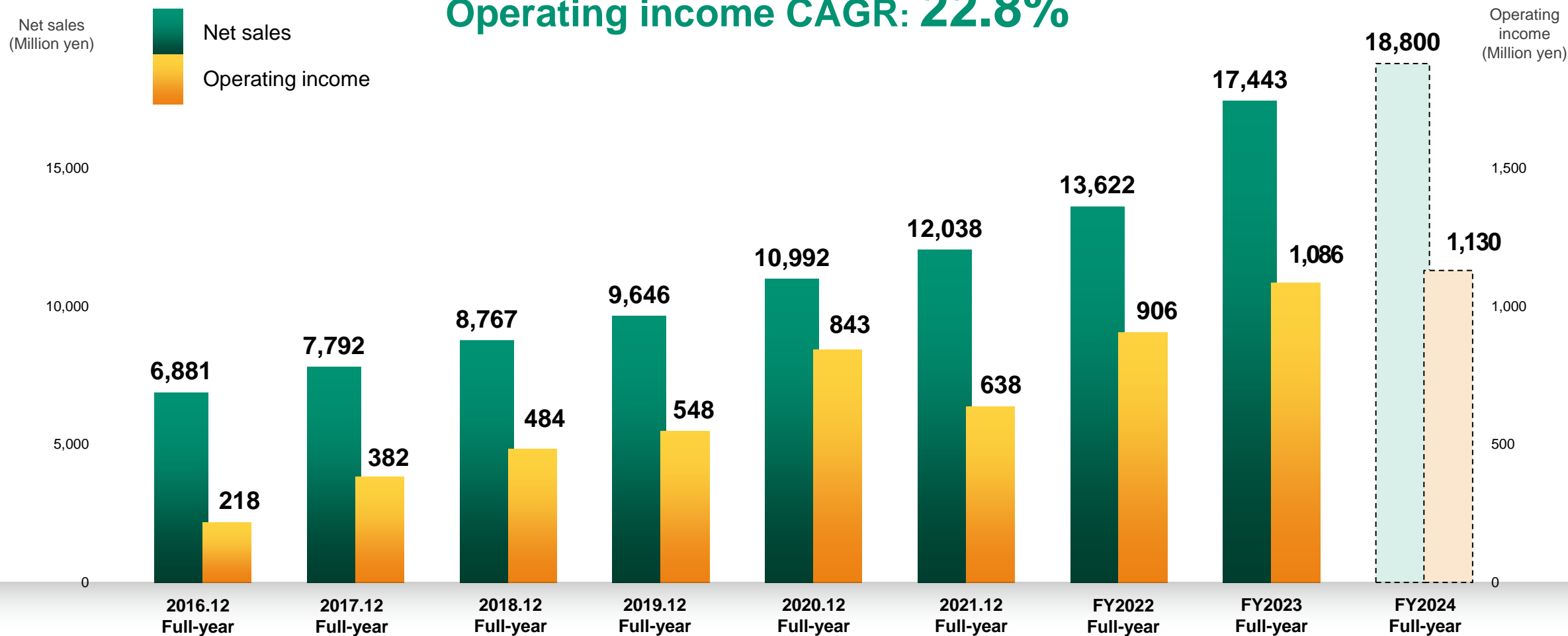
*Dividend per share for FY12/24 (forecast) is the amount after taking into account the stock split effective March 1, 2024. Cash dividends per share for FY12/24 (forecast) without consideration of the stock split are 33 yen per share (interim dividend of 15 yen, year-end dividend of 18 yen).

Performance Trends and Forecasts

Since the listing (2016-2024 forecast)

Net sales CAGR: 13.4%

Operating income CAGR: 22.8%



We will continue to grow together with our customers by
Leveraging IT to create value . We contribute to the realization of
a prosperous society.





5

Reference Material

History of Segue Group



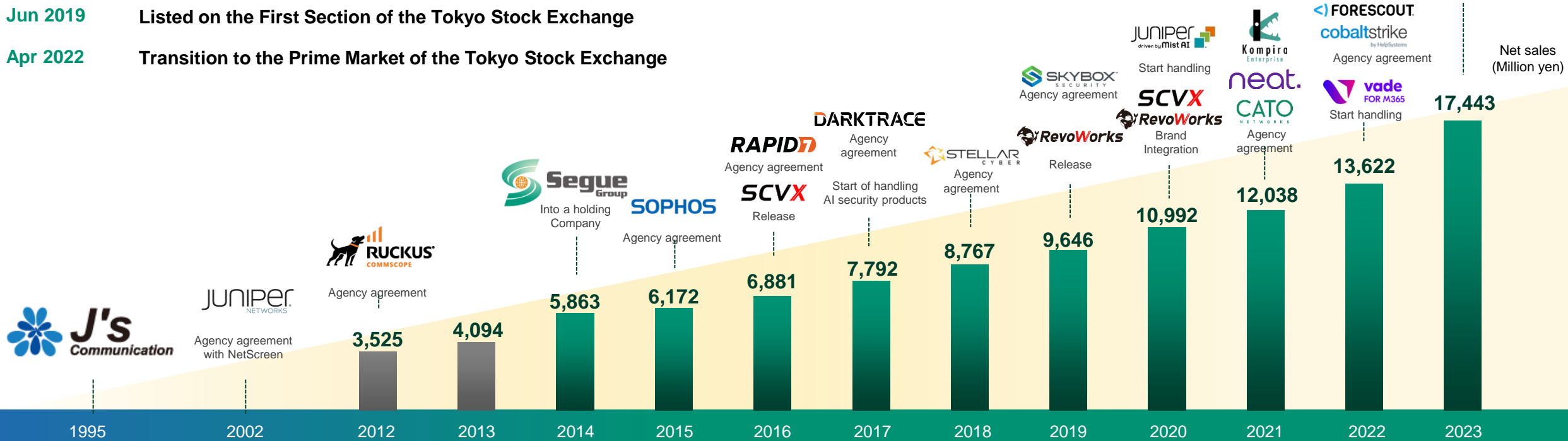
- Apr 1995** Established (founded) J's Communication Co., Ltd.
- Oct 2002** Concluded a distribution contract with NetScreenTechnologies (Currently JuniperNetworks, Inc) in the U.S. for the firewall products
- Aug 2012** Concluded a distribution contract with RuckusWireless Corporation(Currently CommScope, Inc) in the U.S.
- Dec 2014** Established Segue Group Co., Ltd.
- Dec 2016** Listed on the Tokyo Stock Exchange JASDAQ (Standard)
- Jun 2019** Listed on the First Section of the Tokyo Stock Exchange
- Apr 2022** Transition to the Prime Market of the Tokyo Stock Exchange

RevoWorks Cloud

Release



Service launch



Established J's Communication Co., Ltd.

Established JC Technology

Established Segue Group

Listed on JASDAQ

Listed on TSE2

Listed on TSE1

Transferred to the TSE Prime market

Established J's Telecom Systems

Established Segue Security

Made ISS Resolution as a subsidiary

About In-house Development Business

Providing our original security products and software supporting the safety of our customers with our technologies

In-house developed software

- "RevoWorks" series improve security and Business efficiency to enhance the quality of work

RevoWorks SCVX Server-based Virtual Browser "RevoWorks SCVX"

RevoWorks Browser Local Virtual Browser "RevoWorks Browser"

RevoWorks Cloud Zero Trust Security "RevoWorks Cloud"

- "WisePoint" series use visually-friendly images and random number tables for passwords

WisePoint Authentication & Telework Solution "WisePoint Authenticator"
Authentication & single sign-on Solution "WisePoint 8"

Original security services



Provide integrated, one-stop solutions essential to cybersecurity: From assessment services for security risks that exist in the organization to monitoring and analysis measures, security diagnostics, employee training, and investigations and responses to incidents.



Improve security and operational efficiency to enhance the quality of work!

RevoWorks SCVX

RevoWorks SCVX

Virtual browser with server container

RevoWorks Browser

RevoWorks Browser

Virtual Browser with local container

RevoWorks Cloud

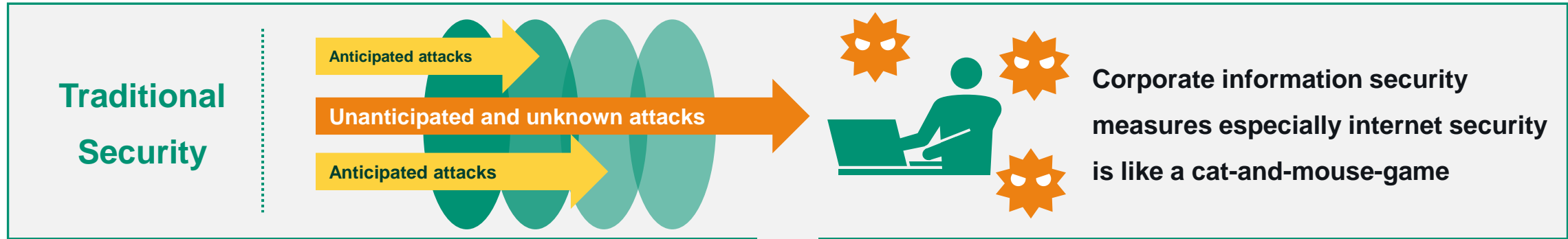
RevoWorks Cloud

Virtual Browser with sandboxes

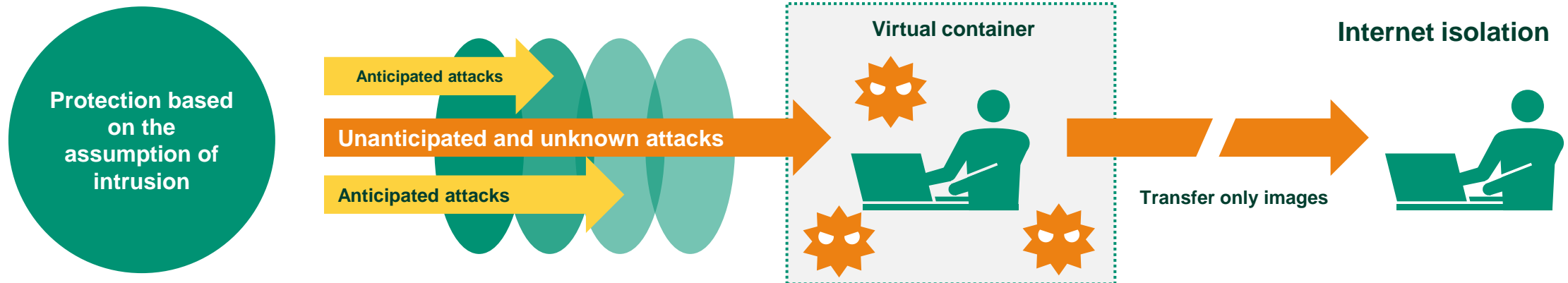
Internet isolation/ Content Sanitizer

Zero Trust Security

Structure of RevoWorks SCVX



RevoWorks SCVX Security

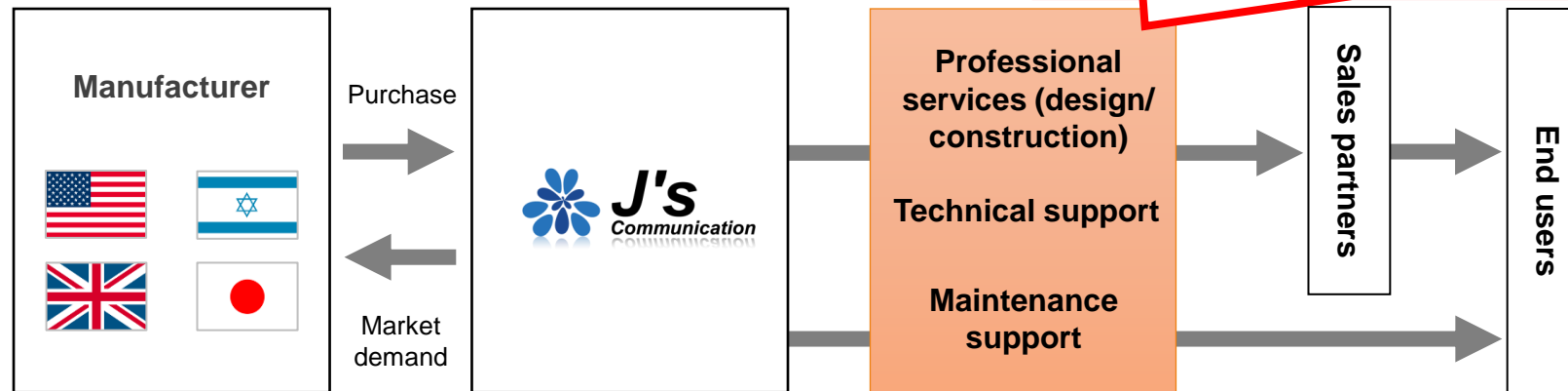


1. Even if attacks occur, their impact is limited to virtual containers, and their PCs remain intact
2. By closing your PC browser, the virtual container disappears with malware

What is the Value Added Distribution Business?

Importing products with cutting-edge, global, and niche technologies, etc., from the U.S. and other security advanced countries. Providing business with technical value-added services such as design, construction, and support in response to customer requests.

Provide added technical value not found in general distributors



Security products

- WAF • Security Vulnerability Diagnostics, Management • IP Address Management
- Network Management • Firewall/VPN • Next Generation Firewall • UTM • Anti-Malware

Value Added Distribution Business: Major import agency contract manufacturers



- ✓ Juniper Networks (U.S.)
Network security equipment
2nd largest market share*¹ in Japan
for high-end routers



- ✓ Ruckus Wireless (U.S.)
Wireless LAN solution



- ✓ Darktrace (UK)
Security product (NDR) is used by
8,800 companies worldwide



- ✓ Rapid7 (U.S.)
9th market-share*² in Japan for
SOAR Vulnerability Risk
Management market

Domestic top partnership strategy

Examples of awards received from manufacturers

Juniper:
Japan Distributor of the Year
2022

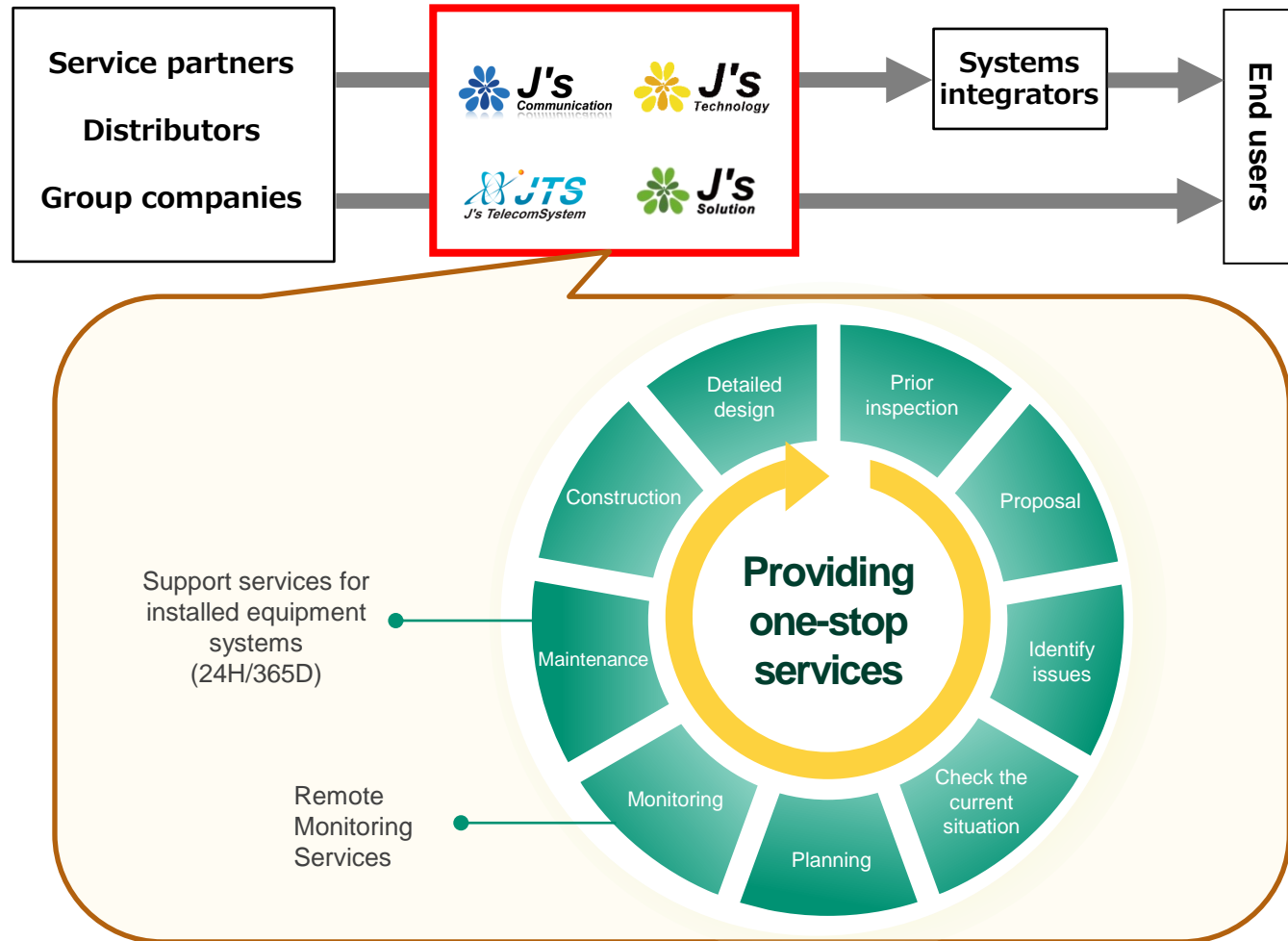
Darktrace:
2022 Darktrace Partner of the
Year (Japan)

*1 Source: Fuji Chimera Research Institute, 2023 Communications-Related Marketing Survey

*2 Source: ITR"ITR Market View: Endpoint/Detoxification /Web Separation /CASB/CNAPP/SOAR/ZTNA Ichiba 2023

Our Business: System Integration

Sales of software and appliances for Security and IT infrastructure, etc., combined with the provision of services such as system, after-sales, monitoring and operational support services.



Aiming to create various types of synergies, centered on IT companies

- ✓ Invested in February 2013: Knowledge Suite, developing cloud-based CRM/SFA Businesses
 - ➡ December 2017: Listed on the TSE Mothers market (currently the TSE Growth market)
- ✓ Invested in October 2017: an unlisted company planning, developing, and selling cloud services
 - ➡ Transferred to a major IT company at a price significantly higher than when acquired
- ✓ Invested in September 2018: TRIPLEIZE which develops AI engines independently and promote DX innovation
 - ➡ May 2022: Listed on TSE Growth market
- ✓ Invested in January 2019: lafool, which provides mental data tech using AI
- ✓ Invested in December 2020: ZenmuTech, which has proprietary secret distributed cryptography technology and concealed computing technology
- ✓ Invested in February 2021: EAGLYS, which has data security and AI designing techniques centered on secret computing
- ✓ Invested in September 2021: Fixpoint, which provides system operation automation tools
- ✓ Invested in November 2021: manebi, which promotes on-line recruitment and training, and visualization of human resource development results
- ✓ Invested additionally in May 2023: EAGLYS that has data security technology centered on secure computing and AI design technology.

Conduct M&As since 2010 to accelerate Group development

- ✓ February 2010: Acquired Shibatsu Osaka Office mainly for strengthening technological capabilities
- ✓ November 2012: Established JC Technology as a joint venture with a non-listed company engaged in system engineering and education and training
- ✓ February 2013: Established J's Telecom System in December 2012 and acquired the construction, operation, and maintenance Business of voice and IP network systems from unlisted companies
- ✓ June 2013: Made MY Workstation a subsidiary with the aim of increasing the number of sales partners (merged with J's Communication in January 2015)
- ✓ April 2018: Acquired Falcon System Consulting as a subsidiary to strengthen development capabilities (merged with J's Communication in January 2022)
- ✓ March 2019: Acquired Astem as a subsidiary to strengthen sales in the Kyushu and Chugoku regions (merged with J's Communication in January 2022)
- ✓ November 2022: Established Segue Security Co., Ltd. as a joint venture with Mr. Koji Morii, Representative of Leon Technology ,Inc., an ethical hacking company
- ✓ December 2022: First overseas expansion; Acquired ISS Resolution in Thailand to expand Business in ASEAN

Initiatives for SDGs

- Training and producing IT & security personnel
- Provide engineer training to customers
- Develop human resources for achieving high-value-added results
 - ⇒ Promoted group-wide initiatives such as strengthening recruitment organizations, improving the environment through organizational restructuring, and establishing a new organization of advanced security Engineers
- Creating an environment in which employees can perform work that is more rewarding
 - ⇒ Expanded office floor space in line with recruitment progress and increase in personnel
- Continue investing in companies with new or original technologies such as AI



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<https://segue-g.jp/ir/contact/>