



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.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Japanese Accounting Standards)

May 9, 2022

Company name:	SIGMAXYZ Holdings Inc.	Stock listing: Tokyo Stock Exchange
Stock code:	6088	URL: https://www.sigmaxyz.com/
Representative:	Ryuichi Tomimura, Representative Director and President	
Inquiries:	Shinya Tabata, CFO	Telephone: +81-3-6430-3400
Scheduled date of ordinary general meeting of shareholders:	June 24, 2022	
Scheduled date of dividend payment:	June 6, 2022	
Scheduled date of securities report filing:	June 27, 2022	
Preparation of supplementary materials on financial results:	Yes	
Schedule of financial results presentation meeting:	Yes (To be held online to prevent spread of novel coronavirus disease infection)	

(Amounts of less than ¥1 million are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Consolidated Operating Results

(% figures indicate year-on-year changes)

Fiscal year ended	Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	15,654	11.6	2,759	57.9	2,764	53.8	1,664	37.5
March 31, 2021	14,024	(12.4)	1,747	(21.0)	1,797	(16.9)	1,210	(14.0)

Note: Comprehensive Income Fiscal year ended March 31, 2022: ¥1,672 million [38.2%]
Fiscal year ended March 31, 2021: ¥1,210 million [(14.0)%]

Fiscal year ended	Profit per Share	Profit per Share (Diluted)	Return on Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Revenue
	Yen	Yen	%	%	%
March 31, 2022	39.63	—	21.1	22.2	17.6
March 31, 2021	31.66	31.63	23.0	18.0	12.5

Reference: Share of profit (loss) of entities accounted for using equity method
Fiscal year ended March 31, 2022: ¥4 million
Fiscal year ended March 31, 2021: ¥5 million

- Note: 1. The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figures for “profit per share” and “profit per share (diluted)” were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.
2. Profit per share (diluted) for the fiscal year ended March 31, 2022 is not stated because there are no dilutive shares.

(2) Consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	14,656	10,302	70.3	242.92
March 31, 2021	10,283	5,462	53.1	143.80

Reference: Equity As of March 31, 2022: ¥10,302 million
As of March 31, 2021: ¥5,462 million

Note: The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figure for “net assets per share” was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	2,506	(546)	474	7,721
March 31, 2021	1,598	285	(783)	5,275

2. Dividends

	Annual Dividend				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2021	–	0.00	–	22.00	22.00
Fiscal year ended	–	0.00	–	26.00	26.00
March 31, 2022	–	0.00	–	15.00	15.00
Fiscal year ending	–	0.00	–	15.00	15.00
March 31, 2023					
(Forecast)					

	Total Dividends (Annual)	Payout Ratio (Consol.)	Dividend on Equity Ratio (Consol.)
Fiscal year ended	Millions of yen	%	%
March 31, 2021	453	34.7	8.0
Fiscal year ended	591	32.8	6.7
March 31, 2022			
Fiscal year ending		31.5	
March 31, 2023			
(Forecast)			

Note: The Company carried out a two-for-one split of its common stock on April 1, 2022, and the dividend amounts for the fiscal years ended March 31, 2021 and March 31, 2022 are the actual dividend amounts before the stock split. If the stock split is not taken into account, the forecast for the annual dividend per share for the fiscal year ending March 31, 2023 is ¥30.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(% figures indicate year-on-year changes)

	Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending	17,200	9.9	3,180	15.2	3,180	15.0	2,000	20.2	47.62
March 31, 2023									

Note: The Company carried out a two-for-one split of its common stock on April 1, 2022. The impact of the stock split will be taken into account in the "Profit per Share" reported in the consolidated earnings forecasts for the fiscal year ending March 2023.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation):
None
- (2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
- 1) Changes in accounting policies associated with revisions to accounting standards: Yes
 - 2) Changes in accounting policies other than those in item 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatements: None
- (3) Number of shares issued (common stock)

- 1) The number of shares issued as of the end of the period (including treasury shares)

As of March 31, 2022	46,308,600 shares
As of March 31, 2021	42,208,600 shares

- 2) The number of treasury shares as of the end of the period

As of March 31, 2022	3,897,394 shares
As of March 31, 2021	4,221,128 shares

- 3) Average during the period

Fiscal year ended March 31, 2022	41,999,797 shares
Fiscal year ended March 31, 2021	38,219,957 shares

Note: The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figures for “the number of shares issued as of the end of the period,” “the number of treasury shares as of the end of the period” and “average during the period” were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

(Reference) Overview of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(1) Non-Consolidated Operating Results

(% figures indicate year-on-year changes)

Fiscal year ended	Revenue		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	9,632	(29.9)	2,026	21.5	2,099	17.1	1,260	1.0
March 31, 2021	13,736	(13.0)	1,668	(24.1)	1,792	(24.0)	1,247	(13.0)

Fiscal year ended	Profit per Share	Profit per Share (Diluted)
	Yen	Yen
March 31, 2022	30.01	–
March 31, 2021	32.64	32.61

- Note: 1. The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figures for “profit per share” and “profit per share (diluted)” were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.
2. Profit per share (diluted) for the fiscal year ended March 31, 2022 is not stated because there are no dilutive shares.

(2) Non-Consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	12,834	9,842	76.7	232.07
March 31, 2021	10,193	5,415	53.1	142.55

Reference: Equity As of March 31, 2022: ¥9,842 million

As of March 31, 2021: ¥5,415 million

Note: The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figure for “net assets per share” was calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.

* These quarterly financial statements are outside the scope of quarterly review procedures by certified public accountants or audit corporations.

* Explanation regarding proper use of financial forecasts, and other special matters

The earnings forecasts and other forward-looking statements presented in these materials reflect information currently available to the Company and assumptions that are deemed to be reasonable, but the Company does not guarantee the achievement of these targets. Actual results may differ significantly as a consequence of numerous factors. For more information on the Company’s earnings forecasts and underlying assumptions, please refer to “Overview of Operating Results, etc.” on page 2 of the attached documents.

Contents of the attached materials

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results in Current Fiscal Year	2
(2) Overview of Financial Position in Current Fiscal Year	3
2. Basic Policy Regarding Selection of Accounting Standards	3
3. Consolidated Financial Statements and Important Notes	4
(1) Consolidated Balance Sheet	4
(2) Consolidated Statements of Income and Comprehensive Income	6
Consolidated Statement of Income	6
Consolidated Statement of Comprehensive Income	7
(3) Consolidated Statement of Changes in Equity	8
(4) Consolidated Statement of Cash Flows	10
(5) Notes to Consolidated Financial Statements	12
(Notes Regarding Assumption of a Going Concern)	12
(Segment Information, etc.)	12
(Per Share Information)	15

1. Overview of Operating Results, etc.

(1) Overview of Operating Results in Current Fiscal Year

i. Operating Results in Current Fiscal Year

The Japanese economy is still in a dire situation due to the impact of COVID-19. In terms of future prospects, while the economy is expected to recover, partly owing to the effects of various policies and improving overseas economies, as the economic and social activities head toward normalization, sufficient heed must be paid to downward risks also, including geopolitical risk and volatility in the financial and capital markets.

In such an environment, the Group is engaged in value creation that includes making business strategy, M&As, business reform, organizational reform, utilization of digital technology and cloud solutions, project management, development of new business, promotion of collaboration between companies, and business investment. Our goal is to provide services toward realization of “Three Innovations” that promote corporate transformation, namely Management Transformation, Digital Transformation, and Service Transformation.

The Group has made the transition to a holding company system in October 2021. Under the umbrella of the holding company SIGMAXYZ Holdings Inc., Group companies, including SIGMAXYZ Inc., the new subsidiary that handles the consulting business, and SIGMAXYZ Investment Inc. that handles the investment business, will promote their business and strive to achieve further growth of the Group as a whole through services strengthened by collaboration.

The Group’s revenue for the fiscal year ended March 31, 2022 amounted to ¥15,654 million (up 11.6% year on year). Selling, general and administrative expenses were ¥4,486 million (up 25.4% year on year) due to the increase in sundry expenses associated with the normalization of face-to-face activities.

Due to an increase in revenue and a decrease in cost of sales gross profit increased by ¥1,921 million to ¥7,246 million (up 36.1% year on year), operating profit increased by ¥1,011 million to ¥2,759 million (up 57.9% year on year), and ordinary profit increased by ¥967 million to ¥2,764 million (up 53.8% year on year).

Total income taxes stood at ¥1,089 million (up 48.2% year on year).

Profit before income taxes came to ¥2,753 million (up 41.6% year on year), and profit attributable to owners of parent came to ¥1,664 million (up 37.5% year on year).

From the nine months ended December 31, 2021, the Group has begun to report segment information for the following two segments as the importance of “investment business” increased: “Consulting Business” and “Investment Business.” Operating results for each segment are as follows.

(Consulting Business)

The financial results of the Consulting Business for the fiscal year ended March 31, 2022 shows revenue of ¥15,470 million and operating profit of ¥4,380 million. The Consulting Business was driven by projects supporting corporate transformations, including the formulation of digital transformation strategies, development of new businesses and services, and revitalization of organizations and personnel.

On the hiring front, the Company added 18 mid-career recruits and 50 new graduates in the current fiscal year. The training for new graduates has been completed successfully in a hybrid format combining a remote work environment and face-to-face training. They have started working on their job in October. The number of consultants was 478 as of the end of March 2022. Project satisfaction remained high at 94 points.

(Investment Business)

The financial results of the Investment Business for the fiscal year ended March 31, 2022 shows revenue of ¥334 million and operating profit of ¥45 million. They derived mainly from assistance to invested companies and proceeds from sale of equities.

During the six months ended September 30, 2021, the Group sold its entire equity interest in JTB Benefit Service, inc. In addition, we made new investments of approximately ¥1.2 billion in the current fiscal year. With regard to new investment, during the first six months ended September 30, 2021, the Group invested in Wellness Communications Corporation, which conducts health management SaaS and other businesses in the area of corporate wellness through ITOCHU Corporation’s network. Furthermore, during the first nine months ended December 31, 2021, the Group made investment in PROGRIT Inc., which offers English learning and coaching services. In the fourth quarter of the fiscal year, the Group invested in eWeLL Co., Ltd., which provides business support SaaS for home-visit nursing stations, and SHIZEN ENERGY Inc., which develops and operates power plants using renewable energy.

Starting in April 2022, our stock exchange registration changed to the Tokyo Stock Exchange Prime Market. Going forward, we plan to continue to work to achieve a high level of governance and to create value throughout the Group.

ii. Outlook

For the fiscal year ending March 31, 2023, with the cooperation of each Group business, we will continue to support the “Three Innovations” of corporate transformation, support the launch of new businesses and sharing of business functions through multi-company collaboration, and provide investment and business support to startup companies. In addition, we will acquire profits from past investment projects to promote further business growth.

In the Consulting Business, in order to achieve business growth, we will expand our consulting capacity (in terms of both skills and workforce). On the hiring front, 36 new graduates joined the Group on April 1, 2022. In the fiscal year ending March 31, 2023, we are strengthening measures to recruit more talented human capital. Specifically, we are raising the annual salary threshold for young consultants, including new graduates, and strengthening our communications aimed at the hiring market. Recruitment activities are progressing smoothly, with the number of prospective employees for mid-career recruits and new graduates increasing in line with our plan, which calls for about 50 mid-career recruits to join the company this year and 50 new graduates to join the company in April 2023.

In the Investment Business, we are planning new investment of approximately ¥2.0 billion to ¥3.0 billion in the Regenerative & Well-being area (enriching people's lives while making wise use of global resources), in particular in the energy and healthcare sectors.

Through these efforts, during the fiscal year ending March 31, 2023, the Company expects to record revenue of ¥17,200 million (up 9.9% year on year), operating profit of ¥3,180 million (up 15.2% year on year), ordinary profit of ¥3,180 million (up 15.0% year on year), and profit attributable to owners of parent of ¥2,000 million (up 20.2% year on year).

(2) Overview of Financial Position in Current Fiscal Year

i. Status of Assets, Liabilities, and Net assets

(Assets)

Current assets as of March 31, 2022 stood at ¥12,147 million (up ¥4,131 million from the previous fiscal year), mainly reflecting ¥7,721 million in cash and deposits and ¥2,017 million in notes and accounts receivable - trade, and contract assets. Non-current assets came to ¥2,509 million (up ¥241 million from the previous fiscal year), mainly comprising ¥851 million in investment securities and ¥254 million in software in progress.

(Liabilities)

Current liabilities as of March 31, 2022 totaled ¥2,764 million (down ¥474 million from the previous fiscal year), mainly reflecting ¥1,176 million in accounts payable - other and ¥944 million in income taxes payable. Non-current liabilities came to ¥1,589 million (up ¥8 million from the previous fiscal year), mainly comprising a ¥1,134 million provision for share awards for directors (and other officers).

(Net assets)

Net assets as of March 31, 2022 amounted to ¥10,302 million (up ¥4,839 million from the previous fiscal year), mainly reflecting ¥4,626 million in share capital, ¥5,149 million in retained earnings, and ¥2,628 million in treasury shares.

ii. Status of Cash Flows

Cash and cash equivalents (hereinafter "net cash") as of March 31, 2022 stood at ¥7,721 million (up ¥2,445 million from the previous fiscal year).

(Cash flows from operating activities)

Net cash provided by operating activities totaled ¥2,506 million (versus ¥1,598 million provided in the previous fiscal year). This mainly reflected ¥2,753 million in profit before income taxes, a ¥954 million change in operational investment securities for sale, and a ¥549 million change in accounts payable - other.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥546 million (versus ¥285 million provided in the previous fiscal year). This is attributable mainly to purchase of investment securities of ¥509 million.

(Cash Flows from financing activities)

Net cash provided by financing activities amounted to ¥474 million (versus ¥783 million used in the previous fiscal year). This is attributable mainly to ¥1,600 million change in short-term borrowings, ¥699 million in purchase of treasury shares, and ¥3,535 million in proceeds from issuance of shares.

(Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Shareholders' equity ratio (%)	52.1	53.1	70.3
Shareholders' equity ratio on a market value basis (%)	341.7	347.3	369.2
Ratio of interest-bearing debt to cash flow (%)	65.3	119.9	0.6
Interest coverage ratio (times)	1,487.4	270.5	1,820.1

Shareholders' equity ratio:

Shareholders' equity/Total assets

Shareholders' equity ratio on a market value basis:

Market capitalization/Total assets

Ratio of interest-bearing debt to cash flow:

Interest-bearing debt/Cash flow

Interest coverage ratio:

Cash flow/Interest payments

Note: Market capitalization is calculated based on the number of shares outstanding (excluding treasury shares).

2. Basic Policy Regarding Selection of Accounting Standards

The SIGMAXYZ Group plans to continue preparing its consolidated financial statements under the Japanese Generally Accepted Accounting Principles (J-GAAP) in the foreseeable future to ensure comparability with other companies.

With regard to the application of International Financial Reporting Standards (IFRS), the Group's policy is to respond appropriately while considering conditions in Japan and abroad.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	Fiscal year ended March 31, 2021 (As of March 31, 2021)	Fiscal year ended March 31, 2022 (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	5,275,769	7,721,528
Accounts receivable - trade	1,787,267	–
Notes and accounts receivable - trade, and contract assets	–	2,017,936
Securities	–	99,899
Operational investment securities	714,796	1,817,532
Other	238,149	505,057
Allowance for doubtful accounts	–	(14,520)
Total current assets	8,015,983	12,147,433
Non-current assets		
Property, plant and equipment		
Buildings, net	144,150	183,383
Other, net	34,908	102,442
Total property, plant and equipment	179,058	285,825
Intangible assets		
Software	327,340	241,524
Software in progress	167,221	254,544
Other	6,177	8,242
Total intangible assets	500,739	504,311
Investments and other assets		
Investment securities	986,176	851,962
Deferred tax assets	220,136	323,337
Other	381,795	544,051
Total investments and other assets	1,588,109	1,719,351
Total non-current assets	2,267,907	2,509,489
Total assets	10,283,891	14,656,922

(Thousands of yen)

	Fiscal year ended March 31, 2021 (As of March 31, 2021)	Fiscal year ended March 31, 2022 (As of March 31, 2022)
Liabilities		
Current liabilities		
Accounts payable - trade	221,061	185,756
Short-term borrowings	1,600,000	–
Accounts payable - other	598,999	1,176,042
Income taxes payable	384,674	944,399
Provision for share awards	203,025	242,975
Other	231,597	215,360
Total current liabilities	3,239,357	2,764,533
Non-current liabilities		
Long-term borrowings	300,000	–
Lease liabilities	10,704	10,304
Provision for share awards	259,163	354,834
Provision for share awards for directors (and other officers)	925,517	1,134,524
Asset retirement obligations	86,444	86,444
Other	–	3,726
Total non-current liabilities	1,581,828	1,589,834
Total liabilities	4,821,186	4,354,368
Net assets		
Shareholders' equity		
Share capital	2,848,506	4,626,881
Capital surplus	1,150,829	3,147,012
Retained earnings	3,938,630	5,149,207
Treasury shares	(2,475,262)	(2,628,990)
Total shareholders' equity	5,462,704	10,294,111
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	8,442
Total accumulated other comprehensive income	–	8,442
Total net assets	5,462,704	10,302,554
Total liabilities and net assets	10,283,891	14,656,922

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Net sales	14,024,337	15,654,373
Cost of sales	8,700,031	8,408,282
Gross profit	5,324,306	7,246,090
Selling, general and administrative expenses	3,576,318	4,486,279
Operating profit	1,747,987	2,759,811
Non-operating income		
Interest income	6,736	3,942
Share of profit of entities accounted for using equity method	5,286	4,529
Foreign exchange gains	643	11,799
Lectures fee income	18,523	3,936
Miscellaneous income	25,629	9,091
Total non-operating income	56,820	33,298
Non-operating expenses		
Interest expenses	5,908	1,376
Commission for purchase of treasury shares	1,199	2,099
Share issuance costs	–	21,148
Non-deductible consumption taxes	–	3,438
Miscellaneous losses	0	52
Total non-operating expenses	7,108	28,116
Ordinary profit	1,797,699	2,764,993
Extraordinary income		
Gain on sale of investment securities	147,345	10,497
Total extraordinary income	147,345	10,497
Extraordinary losses		
Impairment losses	–	21,650
Other	–	432
Total extraordinary losses	–	22,082
Profit before income taxes	1,945,045	2,753,408
Income taxes - current	709,711	1,192,218
Income taxes - deferred	25,306	(103,200)
Total income taxes	735,018	1,089,018
Profit	1,210,026	1,664,390
Profit attributable to owners of parent	1,210,026	1,664,390

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Profit	1,210,026	1,664,390
Other comprehensive income		
Valuation difference on available-for-sale securities	–	8,442
Total other comprehensive income	–	8,442
Comprehensive income	1,210,026	1,672,833
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,210,026	1,672,833

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	2,842,098	1,108,045	3,181,923	(2,095,486)	5,036,581	5,036,581
Changes during period						
Issuance of new shares	6,408	6,408			12,816	12,816
Dividends of surplus			(453,318)		(453,318)	(453,318)
Profit attributable to owners of parent			1,210,026		1,210,026	1,210,026
Purchase of treasury shares				(899,589)	(899,589)	(899,589)
Disposal of treasury shares		36,375		519,813	556,189	556,189
Net changes in items other than shareholders' equity						
Total changes during period	6,408	42,783	756,707	(379,776)	426,123	426,123
Balance at end of period	2,848,506	1,150,829	3,938,630	(2,475,262)	5,462,704	5,462,704

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,848,506	1,150,829	3,938,630	(2,475,262)	5,462,704
Changes during period					
Issuance of new shares	1,778,375	1,778,375			3,556,750
Dividends of surplus			(453,813)		(453,813)
Profit attributable to owners of parent			1,664,390		1,664,390
Purchase of treasury shares				(909,854)	(909,854)
Disposal of treasury shares		217,807		756,126	973,933
Net changes in items other than shareholders' equity					
Total changes during period	1,778,375	1,996,182	1,210,577	(153,728)	4,831,406
Balance at end of period	4,626,881	3,147,012	5,149,207	(2,628,990)	10,294,111

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	–	–	5,462,704
Changes during period			
Issuance of new shares			3,556,750
Dividends of surplus			(453,813)
Profit attributable to owners of parent			1,664,390
Purchase of treasury shares			(909,854)
Disposal of treasury shares			973,933
Net changes in items other than shareholders' equity	8,442	8,442	8,442
Total changes during period	8,442	8,442	4,839,848
Balance at end of period	8,442	8,442	10,302,554

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	1,945,045	2,753,408
Depreciation	226,292	191,202
Share issuance costs	–	21,148
Increase (decrease) in allowance for doubtful accounts	(26,400)	14,520
Increase (decrease) in provision for share awards	417,272	606,799
Increase (decrease) in provision for share awards for directors (and other officers)	368,628	209,007
Interest and dividend income	(6,736)	(3,942)
Interest expenses	5,908	1,376
Foreign exchange losses (gains)	(643)	(11,799)
Share of loss (profit) of entities accounted for using equity method	(5,286)	(4,529)
Loss (gain) on sale of shares of subsidiaries and associates	(146,373)	(10,497)
Impairment losses	–	21,650
Loss (gain) on sale of investment securities	(972)	–
Decrease (increase) in investment securities for sale	(66,363)	(954,509)
Decrease (increase) in trade receivables	124,854	(230,668)
Decrease (increase) in inventories	725	–
Decrease (increase) in prepaid expenses	24,550	163,074
Increase (decrease) in trade payables	(135,077)	(35,304)
Increase (decrease) in accounts payable - other	(295,970)	549,125
Other, net	76,504	(93,217)
Subtotal	2,505,957	3,186,844
Interest and dividends received	8,014	4,104
Dividends received from entities accounted for using equity method	44,100	–
Interest paid	(5,908)	(1,376)
Income taxes paid	(954,060)	(683,530)
Net cash provided by (used in) operating activities	1,598,103	2,506,041
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,421)	(129,187)
Purchase of intangible assets	(184,986)	(138,426)
Proceeds from sale of shares of subsidiaries and associates	225,420	122,158
Purchase of investment securities	(20,000)	(509,000)
Proceeds from sale and redemption of investment securities	267,983	300,254
Other payments	(17,034)	(194,018)
Other proceeds	16,141	1,971
Net cash provided by (used in) investing activities	285,102	(546,247)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	400,000	(1,600,000)
Repayments of long-term borrowings	–	(300,000)
Repayments of lease liabilities	(9,348)	(6,258)
Purchase of treasury shares	(734,595)	(699,983)
Proceeds from issuance of shares	12,816	3,535,601
Dividends paid	(452,520)	(455,194)
Net cash provided by (used in) financing activities	(783,648)	474,165

	(Thousands of yen)	
	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Effect of exchange rate change on cash and cash equivalents	643	11,799
Net increase (decrease) in cash and cash equivalents	1,100,201	2,445,758
Cash and cash equivalents at beginning of period	4,175,567	5,275,769
Cash and cash equivalents at end of period	5,275,769	7,721,528

- (5) Notes to Consolidated Financial Statements
 (Notes Regarding Assumption of a Going Concern)
 No applicable matters to report.

(Changes in Accounting Policies)

Application of Accounting Standard for Revenue Recognition, etc.

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant revised ASBJ regulations from the beginning of the fiscal year ended March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. As a result, in the Consulting Business, the revenue that was recognized at once at the time of acceptance inspection for service contracts is now recognized over a certain period as performance obligations transferred to the customer are fulfilled in cases where the requirements for the transfer of control of goods or services to the customer are fulfilled over a certain period.

The application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition, and the cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year ended March 31, 2022 is added to or deducted from the retained earnings at the beginning of the fiscal year ended March 31, 2022, and the new accounting policy is applied from the beginning of that period. The impact on profit or loss during the fiscal year ended March 31, 2022 is immaterial. Furthermore, there is no impact on retained earnings at the beginning of the period.

Due to the application of the Accounting Standard for Revenue Recognition and relevant revised ASBJ regulations, “Accounts receivable - trade” under “Current assets” in the Consolidated Balance Sheet for the fiscal year ended March 31, 2021 has been included in “Notes and accounts receivable - trade, and contract assets” from the fiscal year ended March 31, 2022. Furthermore, “Contract liabilities” are included in “Other” under “Current assets” and the balance for the fiscal year ended March 31, 2022 is ¥81 million. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the fiscal year ended March 31, 2021 have not been restated in accordance with the new approach to presentation. Furthermore, the information on disaggregation of revenue from contracts with customers during the fiscal year ended March 31, 2021 has not been disclosed as allowed by the transitional treatment provided for in paragraph 89-3 of the Accounting Standard for Revenue Recognition.

Application of the Accounting Standard for Fair Value Measurement, etc.

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019) is applied from the beginning of the three months ended June 30, 2021, and the new accounting methods stipulated in the Accounting Standard for Fair Value Measurement, etc. are applied into the future in accordance with the transitional treatment provided for in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). The impact of this change in accounting policy is immaterial.

(Segment Information, etc.)

[Segment information]

1. Overview of reportable segments

(1) Determining reportable segments

The reportable segments of the Group are components for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

(2) Types of products and services that belong to each reportable segment

The Group is engaged in the Consulting Business and Investment Business. We are engaged in value creation that includes making business strategy, M&As, business reform, organizational reform, utilization of digital technology and cloud solutions, project management, development of new business, promotion of collaboration between companies, and business investment. Our goal is to provide services toward realization of “Three Innovations” that promote corporate transformation, namely Management Transformation, Digital Transformation, and Service Transformation.

(3) Matters regarding changes, etc. in reportable segments

The Group had previously omitted segment information since it had no material segments other than “consulting business.” As the importance of “investment business” increased as a result of transition to a holding company system on October 1, 2021 for the purpose of enhancing values offered by the Group as a whole through the growth and mutual collaboration of its subsidiaries in charge of “consulting business” and “investment business,” the reportable segments of the Group were changed to “consulting business” and “investment business” in the nine months ended December 31, 2021.

Notably, segment information for the fiscal year ended March 31, 2021 compiled in accordance with the segmentation of reportable segments for the fiscal year ended March 31, 2022 is not disclosed as it is practically difficult to compile requisite financial information retroactively.

In addition, since there were no material segments other than consulting business with regard to segment information for the fiscal year ended March 31, 2021, segment information for the fiscal year ended March 31, 2022 compiled in accordance with the segmentation for the former fiscal year is herein omitted.

2. Method for calculating amounts of revenue, profit or loss, assets and other items by reportable segment

The accounting method for the operating segments that are reportable is the same as described in “Significant Matters as Basis for Preparing Consolidated Financial Statements.” Profit figures for the reportable segments are based on operating profit. Transaction prices and transfer prices between reportable segments are determined based on market prices, etc.

3. Information on amounts of revenue, profit or loss, assets and other items by reportable segment

(1) Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

This information was omitted as SIGMAXYZ Group’s operations other than consulting business, in which the Group mainly operates, are not significant.

(2) Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Information on the amounts of revenue and profit or loss for each reportable segment

(Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Amounts recorded on consolidated financial statements (Note 2)
	Consulting Business	Investment Business	Total		
Revenue					
Revenue from external customers	15,370,604	283,768	15,654,373	–	15,654,373
Internal revenue or transfer among segments	99,630	50,610	150,240	(150,240)	–
Total	15,470,235	334,378	15,804,613	(150,240)	15,654,373
Segment profit	4,380,165	45,359	4,425,525	(1,665,714)	2,759,811
Assets	4,249,229	2,077,447	6,326,676	8,330,245	14,656,922
Other items					
Depreciation	13,274	–	13,274	177,928	191,202

Note: 1. Adjustments of segment profit consist of company-wide expenses, etc. of negative ¥1,662 million and the elimination of intersegmental transactions of negative ¥3 million.

2. Segment profit is adjusted with operating profit recorded in the consolidated statement of income.

[Related information]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

1. Information by product and service

This information has been omitted as revenue from external customers in a single product/service category exceeds 90% of the revenue in the consolidated statement of income.

2. Information by geographic segment

(1) Revenue

This information has been omitted as revenue from Japan exceeds 90% of the revenue in the consolidated statement of income.

(2) Property, plant and equipment

This information has been omitted as the value of property, plant and equipment in Japan exceeds 90% of the property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

This information is omitted as none of our customers account for 10% or more of the revenue in the consolidated statement of income.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

1. Information by product and service

This information has been omitted as revenue from external customers in a single product/service category exceeds 90% of the revenue in the consolidated statement of income.

2. Information by geographic segment

(1) Revenue

This information has been omitted as revenue from Japan exceeds 90% of the revenue in the consolidated statement of income.

(2) Property, plant and equipment

This information has been omitted as the value of property, plant and equipment in Japan exceeds 90% of the property, plant and equipment in the consolidated balance sheet.

3. Information by major customer

This information is omitted as none of our customers account for 10% or more of the revenue in the consolidated statement of income.

[Information regarding impairment losses on non-current assets by reportable segment]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

No applicable matters to report.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

The Group recognized and recorded an impairment loss of ¥21 million mainly for software in the Consulting Business.

[Information regarding amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended March 31, 2021 (April 1, 2020 to March 31, 2021)

No applicable matters to report.

Fiscal year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

No applicable matters to report.

[Information regarding gains on bargain purchases by reportable segment]

No applicable matters to report.

(Per Share Information)

	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Net assets per share	¥143.80	¥242.92
Profit per share	¥31.66	¥39.63
Diluted profit per share	¥31.63	¥-

- Note:
- The Company carried out a two-for-one split of its common stock with an effective date of April 1, 2022. The figures for “net assets per share,” “profit per share,” “diluted profit per share” and the average number of shares during the year were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2021.
 - In calculating “net assets per share,” shares held in trust accounts for the Employee Stock Ownership Plan (J-ESOP) and performance-linked stock compensation program were included in treasury shares excluded from the number of shares outstanding at the fiscal year-end (3,268,280 shares in the fiscal year ended March 31, 2021; 3,062,080 shares in the fiscal year ended March 31, 2022). In addition, in calculating “profit per share” and “diluted profit per share,” the same shares were included in treasury shares excluded from the calculation of the average number of shares during the fiscal year (3,086,582 shares in the fiscal year ended March 31, 2021; 2,995,511 shares in the fiscal year ended March 31, 2022).
 - Diluted profit per share for the fiscal year ended March 31, 2022 is not stated because there are no dilutive shares.
 - The basis used for calculating “Profit per share” and “Diluted profit per share” is as follows.

	Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)	Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)
Profit per share		
Profit attributable to owners of parent (thousands of yen)	1,210,026	1,664,390
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit attributable to owners of the parent pertaining to common stock (thousands of yen)	1,210,026	1,664,390
Average number of shares during the year (shares)	38,219,957	41,999,797
Diluted profit per share		
Increase in common stock (shares)	35,568	-
Details of potential shares not included in calculation of diluted profit per share because they do not have dilutive effects	-	-