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## Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2023 (Japanese Accounting Standards)

August 3, 2022

Company name: SIGMAXYZ Holdings Inc. Stock listing: Tokyo Stock Exchange  
 Stock code: 6088 URL: <https://www.sigmaxyz.com/>  
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 Scheduled date of quarterly securities report filing: August 5, 2022  
 Scheduled date of dividend payment: -  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Schedule of quarterly financial results presentation meeting: None

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

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (1) Consolidated Operating Results (Cumulative)

(% figures indicate year-on-year changes)

	Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2022	3,871	13.3	631	66.5	644	76.7	392	156.3
June 30, 2021	3,415	1.5	379	148.1	364	123.2	153	75.9

Note: Comprehensive Income Three months ended June 30, 2022: ¥415 million [171.5%]  
 Three months ended June 30, 2021: ¥153 million [75.9%]

	Profit per Share	Profit per Share (Diluted)
	Yen	Yen
Three months ended June 30, 2022	9.23	—
June 30, 2021	3.78	—

Notes: 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” were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.  
 2. Profit per share (diluted) for the three months ended June 30, 2021 and 2022 are not stated because there are no dilutive shares.

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	13,223	9,872	74.7	233.53
March 31, 2022	14,656	10,302	70.3	242.92

Reference: Equity As of June 30, 2022: ¥9,872 million  
 As of March 31, 2022: ¥10,302 million

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” were calculated on the assumption that the stock split was conducted at the beginning of the fiscal year ended March 31, 2022.

### 2. Dividends

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

- Notes: 1. Revisions to the most recently announced dividend forecast: None  
 2. The Company carried out a two-for-one split of its common stock on April 1, 2022, and the dividend amounts for the fiscal year ended 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 March 31, 2023	17,200	9.9	3,180	15.2	3,180	15.0	2,000	20.2	47.24

Note: Revisions to the most recently announced earnings forecasts: None

#### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None
- (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: None
- (3) 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

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Important Notes (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 8 of the attached materials.

#### (4) Number of shares issued (common stock)

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

As of June 30, 2022	46,308,600 shares
As of March 31, 2022	46,308,600 shares

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

As of June 30, 2022	4,031,394 shares
As of March 31, 2022	3,897,394 shares

##### 3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year)

Three months ended June 30, 2022	42,516,619 shares
Three months ended June 30, 2021	40,540,380 shares

Notes: 1. The number of treasury shares excluded from the calculation of the number of treasury shares as of the end of the period and average number of shares outstanding during the period (cumulative from the start of the fiscal year) include the shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Employee Stock Ownership Plan (J-ESOP) and those held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for a performance-linked stock compensation program.

2. 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, 2022.

\* 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 various factors. For more information on the Company’s earnings forecasts and underlying assumptions, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

The Japanese economy is gradually recovering, and in terms of future prospects, the economy is expected to recover partly owing to the effects of various policies, as the economic and social activities head toward normalization. However, sufficient heed must be paid to downward risks caused by changes in the financial and capital markets amid global monetary tightening, rising raw material prices, supply-side restrictions, etc.

In such an environment, the Group has generated value in a wide range of industries and companies, and created new markets that solve social issues through the synergy of each Group company with “consulting” and “investment” at the center of business. In the Consulting Business, we are engaged in value creation that includes making business strategy, business reform, organizational reform, utilization of digital technology and cloud solutions, project management, development of new business, and promotion of collaboration between companies. Our goal is to provide services toward realization of “Three Innovations” that promote corporate transformation, namely Management Transformation, Digital Transformation, and Service Transformation. In the Investment Business, we promote investment activities primarily in the “Regenerative & Well-being” area, which intersects with a number of industries.

The Group’s revenue for the three months ended June 30, 2022 amounted to ¥3,871 million (up 13.3% year on year).

Selling, general and administrative expenses were ¥1,265 million (up 21.5% year on year) due to the increase in sundry expenses associated with the normalization of face-to-face activities and recruiting expenses.

Due to an increase in revenue and a decrease in cost of revenue, gross profit increased by ¥476 million to ¥1,897 million (up 33.5% year on year), operating profit increased by ¥252 million to ¥631 million (up 66.5% year on year), and ordinary profit increased by ¥279 million to ¥644 million (up 76.7% year on year).

Total income taxes stood at ¥252 million (up 19.2% year on year).

Profit before income taxes came to ¥644 million (up 76.7% year on year), and profit attributable to owners of parent came to ¥392 million (up 156.3% year on year).

Operating results for each segment are as follows.

#### (Consulting Business)

The financial results of the Consulting Business for the three months ended June 30, 2022 shows revenue of ¥3,888 million (up 12.9% year on year) and segment profit of ¥1,158 million (up 36.9% year on year). 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, for customers mainly in the retail, trading, telecommunications, finance and manufacturing industries.

On the hiring front, the Consulting Business added 18 mid-career recruits and 36 new graduates in the three months ended June 30, 2022. The training for new graduates is going well in a hybrid format combining a remote work environment and face-to-face training. They will start working on their job from the coming October. The number of consultants was 514 as of the end of June 2022. Project satisfaction was remarkably high at 96 points.

#### (Investment Business)

The financial results of the Investment Business for the three months ended June 30, 2022 shows revenue of ¥12 million (down 68.4% year on year), mainly from dividend income, and segment loss of ¥65 million (compared to a segment loss of ¥6 million in the same period of the previous fiscal year).

In May, the Investment Business made an investment of approximately ¥200 million in Forest Energy Inc., which develops renewable energy business, such as power generation using wood biomass that was locally produced for local consumption and utilizes domestic wood from forest thinning, and the cumulative balance of investments on June 30 was approximately ¥2,000 million.

## (2) Explanation of Financial Position

### (Assets)

Total assets as of June 30, 2022 stood at ¥13,223 million (down ¥1,433 million from the end of the previous fiscal year). This mainly reflected a decrease in cash and deposits (down ¥1,095 million from the end of the previous fiscal year) and a decrease in notes and accounts receivable - trade, and contract assets (down ¥268 million from the end of the previous fiscal year).

### (Liabilities)

Liabilities as of June 30, 2022 totaled ¥3,350 million (down ¥1,003 million from the end of the previous fiscal year). This mainly reflected a decrease in accounts payable - other (down ¥465 million from the end of the previous fiscal year) and a decrease in income taxes payable (down ¥818 million from the end of the previous fiscal year).

### (Net assets)

Total net assets as of June 30, 2022 stood at ¥9,872 million (down ¥429 million from the end of the previous fiscal year). This mainly reflected a decrease due to the acquisition of treasury shares, etc. (up ¥254 million from the end of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

The consolidated earnings forecasts for the fiscal year ending March 31, 2023 have not changed from the forecasts included in “Consolidated Financial Results for the Fiscal Year Ended March 31, 2022,” released on May 9, 2022.

2. Quarterly Consolidated Financial Statements and Important Notes  
 (1) Quarterly Consolidated Balance Sheet

	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Three months ended June 30, 2022 (As of June 30, 2022)
(Thousands of yen)		
<b>Assets</b>		
Current assets		
Cash and deposits	7,721,528	6,626,318
Notes and accounts receivable - trade, and contract assets	2,017,936	1,749,734
Securities	99,899	99,931
Operational investment securities	1,817,532	2,035,835
Other	505,057	256,737
Allowance for doubtful accounts	(14,520)	(14,520)
<b>Total current assets</b>	<b>12,147,433</b>	<b>10,754,036</b>
Non-current assets		
Property, plant and equipment	285,825	272,558
Intangible assets		
Software	241,524	228,587
Software in progress	254,544	268,201
Other	8,242	7,958
<b>Total intangible assets</b>	<b>504,311</b>	<b>504,747</b>
Investments and other assets		
Investment securities	851,962	869,647
Deferred tax assets	323,337	210,424
Other	544,051	612,401
<b>Total investments and other assets</b>	<b>1,719,351</b>	<b>1,692,473</b>
<b>Total non-current assets</b>	<b>2,509,489</b>	<b>2,469,780</b>
<b>Total assets</b>	<b>14,656,922</b>	<b>13,223,816</b>

	(Thousands of yen)	
	Fiscal year ended March 31, 2022 (As of March 31, 2022)	Three months ended June 30, 2022 (As of June 30, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	185,756	196,055
Accounts payable - other	1,176,042	710,834
Income taxes payable	944,399	125,510
Provision for share awards	242,975	340,625
Other	215,360	417,075
<b>Total current liabilities</b>	<b>2,764,533</b>	<b>1,790,101</b>
<b>Non-current liabilities</b>		
Lease liabilities	10,304	9,253
Provision for share awards	354,834	126,592
Provision for share awards for directors (and other officers)	1,134,524	1,200,862
Asset retirement obligations	86,444	86,444
Other	3,726	137,741
<b>Total non-current liabilities</b>	<b>1,589,834</b>	<b>1,560,893</b>
<b>Total liabilities</b>	<b>4,354,368</b>	<b>3,350,994</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,626,881	4,626,881
Capital surplus	3,147,012	3,147,012
Retained earnings	5,149,207	4,950,438
Treasury shares	(2,628,990)	(2,883,154)
<b>Total shareholders' equity</b>	<b>10,294,111</b>	<b>9,841,177</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,442	31,644
<b>Total accumulated other comprehensive income</b>	<b>8,442</b>	<b>31,644</b>
<b>Total net assets</b>	<b>10,302,554</b>	<b>9,872,822</b>
<b>Total liabilities and net assets</b>	<b>14,656,922</b>	<b>13,223,816</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
 (Quarterly Consolidated Statement of Income)  
 (Three months ended June 30, 2021 and 2022)

	Three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	Three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
	(Thousands of yen)	
Revenue	3,415,321	3,871,010
Cost of revenue	1,994,354	1,973,597
Gross profit	1,420,967	1,897,413
Selling, general and administrative expenses	1,041,622	1,265,750
Operating profit	379,344	631,663
Non-operating income		
Interest income	1,024	1,264
Share of profit of entities accounted for using equity method	3,064	–
Foreign exchange gains	–	7,723
Other	2,105	5,762
Total non-operating income	6,194	14,749
Non-operating expenses		
Interest expenses	944	47
Commission for purchase of treasury shares	–	684
Share issuance costs	19,748	–
Non-deductible consumption taxes	–	1,104
Other	149	–
Total non-operating expenses	20,842	1,835
Ordinary profit	364,696	644,577
Profit before income taxes	364,696	644,577
Income taxes - current	116,667	139,281
Income taxes - deferred	94,933	112,912
Total income taxes	211,601	252,194
Profit	153,094	392,383
Profit attributable to owners of parent	153,094	392,383



(Quarterly Consolidated Statement of Comprehensive Income)  
(Three months ended June 30, 2021 and 2022)

	(Thousands of yen)	
	Three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	Three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Profit	153,094	392,383
Other comprehensive income		
Valuation difference on available-for-sale securities	-	23,201
Total other comprehensive income	-	23,201
Comprehensive income	153,094	415,584
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	153,094	415,584

(3) Notes to Quarterly Consolidated Financial Statements  
(Notes Regarding Assumption of a Going Concern)

No applicable matters to report.

## (Notes on Significant Changes in the Amount of Shareholders' Equity)

## I. Three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

## 1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date	Appropriated from
April 22, 2021 board resolution	Common stock	453,813	22	March 31, 2021	June 7, 2021	Retained earnings

Note: Total amount of dividends includes ¥35 million of dividends for shares held in trust accounts for the Employee Stock Ownership Plan (J-ESOP) and performance-linked stock compensation program.

2. Dividends whose record date falls in the three months ended June 30, 2021, but whose effective date comes after June 30, 2021.

No applicable matters to report.

3. Significant changes in the amount of shareholders' equity

On May 10, 2021, the Company received payment from ITOCHU Corporation for a third-party allocation of shares. As a result, share capital and capital surplus both increased by ¥1,778 million in the three months ended June 30, 2021, reaching ¥4,626 million and ¥2,876 million, respectively, by June 30, 2021.

## II. Three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

## 1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date	Appropriated from
May 9, 2022 board resolution	Common stock	591,152	26	March 31, 2022	June 6, 2022	Retained earnings

Note: Total amount of dividends includes ¥39 million of dividends for shares held in trust accounts for the Employee Stock Ownership Plan (J-ESOP) and performance-linked stock compensation program.

2. Dividends whose record date falls in the three months ended June 30, 2022, but whose effective date comes after June 30, 2022.

No applicable matters to report.

## (Changes in Accounting Policies)

*Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement*

The Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Implementation Guidance on Fair Value Measurement") is applied from the beginning of the first quarter of the fiscal year ending March 31, 2023, and the new accounting methods stipulated in the Implementation Guidance on Fair Value Measurement are applied into the future in accordance with the transitional treatment provided for in paragraph 27-2 of the Implementation Guidance on Fair Value Measurement. The impact of this change in accounting policy is immaterial.

(Segment Information, etc.)

[Segment information]

## I. Three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)

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

(Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Quarterly Consolidated Statement of Income (Note 2)
	Consulting Business	Investment Business	Total		
Revenue					
Revenue from external customers	3,415,321	–	3,415,321	–	3,415,321
Internal revenue or transfer among segments	27,111	39,450	66,561	(66,561)	–
Total	3,442,432	39,450	3,481,882	(66,561)	3,415,321
Segment profit (loss)	846,244	(6,234)	840,010	(460,665)	379,344

Notes: 1. Adjustments of segment profit (loss) consist of company-wide expenses, etc. of ¥460 million.

2. Segment profit (loss) is adjusted with operating profit recorded in the quarterly consolidated statement of income.

## II. Three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)

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

(Thousands of yen)

	Reportable Segment			Adjustments (Note 1)	Quarterly Consolidated Statement of Income (Note 2)
	Consulting Business	Investment Business	Total		
Revenue					
Revenue from external customers	3,864,364	6,646	3,871,010	–	3,871,010
Internal revenue or transfer among segments	23,763	5,805	29,568	(29,568)	–
Total	3,888,127	12,451	3,900,578	(29,568)	3,871,010
Segment profit (loss)	1,158,253	(65,508)	1,092,745	(461,082)	631,663

Notes: 1. Adjustments of segment profit (loss) consist of company-wide expenses, etc. of ¥461 million.

2. Segment profit (loss) is adjusted with operating profit recorded in the quarterly consolidated statement of income.

## 2. Matters regarding changes, etc. in reportable segments

The Group had previously omitted segment information since it had no material segments other than “Consulting Business.” However, the Group’s reportable segments were changed to “Consulting Business” and “Investment Business” as “Investment Business” was newly added as a reportable segment from the third quarter of the fiscal year ended March 31, 2022, since its importance increased.

Segment information for the three months ended June 30, 2021 has been prepared and presented according to the new classification of reportable segments.