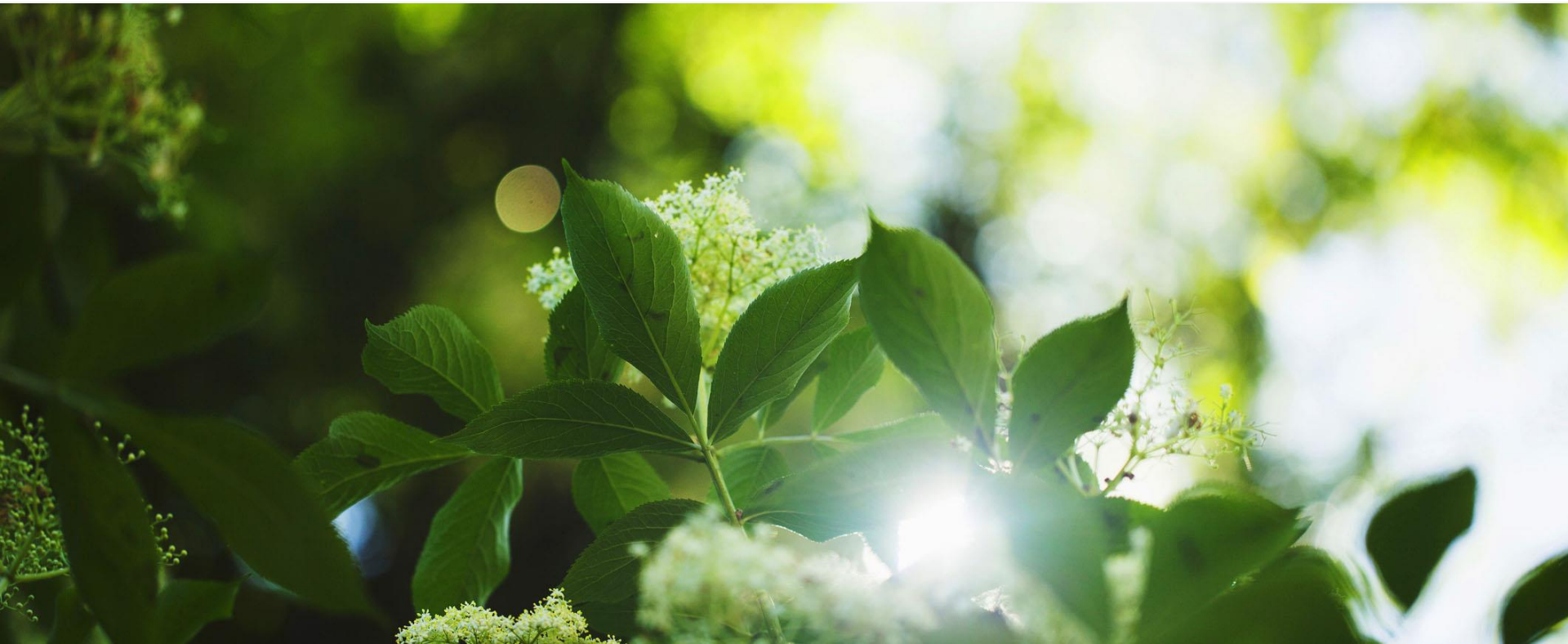


Consolidated Financial Results Supplementary Document

Q2 FY22

November 4, 2022/ SIGMAXYZ Holdings Inc. (Stock Code: 6088)



Outline of Financial Results for Q2 FY22

Summary

- With the solid result of consulting business, the forecast was achieved at 47% of the consolidated revenue and 48% of ordinary profit.
- Consulting business: Our business was led by projects that support corporate transformation, including DX strategy planning, new business and service development, and revitalization of organizations and personnel.
- Investment business: Two of our investees were listed. The cumulative investment balance is approx. 2.2 billion yen (including valuation differences).

Unit: JPY mn	Q2 FY21	Q2 FY22	YoY change rate	FY22 Consolidated earnings forecasts	Progress
Consolidated revenue	7,274	8,028	+10%	17,200	47%
(Consulting business)	7,192 (*)	8,060 (*)	+12%		
(Investment business)	175 (*)	18 (*)	-89%		
Ordinary profit	1,102	1,532	+39%	3,180	48%
(Ordinary profit rate)	15%	19%			
Profit	592	929	+57%		
Equity ratio	75%	76%			

* Includes internal revenue between segments.

Consolidated Income Statement for Q2 FY22

Unit: JPY mn	Q2 FY21 (Apr to Sep)	Q2 FY22 (Apr to Sep)	YoY change		Major changes
			Amount	Rate	
Revenue	7,274	8,028	+754	+10%	<ul style="list-style-type: none"> - Increased due to revenue growth, overachieved utilization rate, and lower outsourcing expenses - Increased costs due to getting back to the normal face to face operation - Increased hiring expenses
Cost of revenue	4,062	4,079	+17	+0%	
Gross profit	3,211	3,948	+737	+23%	
S, G&A expenses	2,099	2,466	+367	+17%	
Operating profit	1,112	1,482	+370	+33%	
Ordinary profit	1,102	1,532	+429	+39%	
Profit before income taxes	1,102	1,532	+429	+39%	
Profit	592	929	+336	+57%	

Outline of Earnings by Segment for Q2 FY22

Unit: JPY mn	Q2 FY21 (Apr to Sep)	Q2 FY22 (Apr to Sep)	YoY change	
			Amount	Rate
Consolidated revenue	7,274	8,028	+754	+10%
(Consulting Business)	7,192	8,060	+867	+12%
(Investment Business)	175	18	-156	-89%
(Internal transactions)	-93	-50	+43	—
Segment profit	1,957	2,317	+360	+18%
(Consulting Business)	1,883	2,465	+581	+31%
(Investment Business)	73	-148	-221	—
The segment profit rate for revenue	27%	29%	—	—
(Consulting Business)	26%	31%	—	—
(Investment Business)	42%	—	—	—

Key Performance Indicator (KPI)

	Q2 FY21 (Apr to Sep)	Q2 FY22 (Apr to Sep)	YoY change
Consolidated revenue ordinary profit rate	15%	19%	+4%

Consulting Business		End of Q2 FY21	End of Q2 FY22	YoY change
	Number of consultants	501	521	+4%
	Project satisfaction (NSI*)	93	94	+1pt

Investment Business		End of FY21	End of Q2 FY22	Change
	Investment balance	Approx. 1.8 billion yen	Approx. 2.2 billion yen	+ Approx. 0.4 billion yen

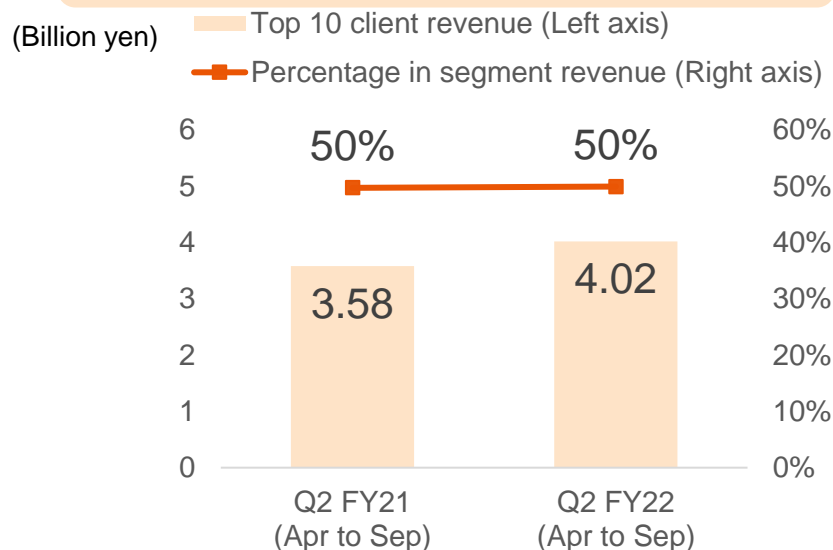
* NSI (Net Satisfaction Index): Average score from 5 possible ratings for 10 questions evaluating project satisfaction. Conducted in a questionnaire format for client project owners. 5: I really agree: 100 points; 4: I agree: 75 points; 3: I can't say either way: 50 points; 2: I don't agree: 25 points; 1: I don't agree at all: 0 points

(Reference) Segment information

In the consulting business, we saw increase in revenue from clients in the fields of retail, trading, telecommunications, finance, and manufacturing.

In the investment business, two of our investees were listed in September, and the investment balance including valuation differences was approx. 2.2 billion yen.

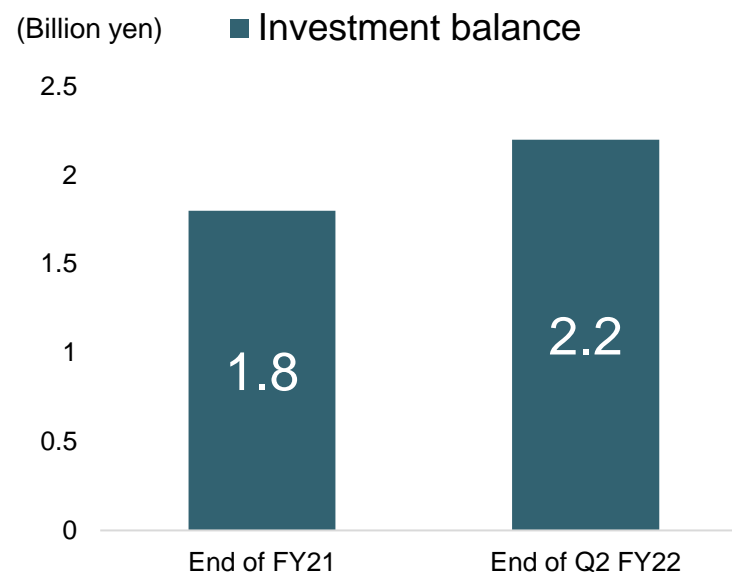
Consulting Business



	Q2 FY22 (Apr to Sept)	YoY change
Number of projects **	578	+3%
Number of clients ***	138	-3%
Revenue per contract (JPY mn)	13.9	+9%

** Number of projects: Projects for which revenue has been recorded over the consolidated cumulative period are aggregated by the number of contracts. *** Number of clients: Project clients for which revenue has been recorded over the consolidated cumulative period are aggregated by the number of companies.

Investment Business



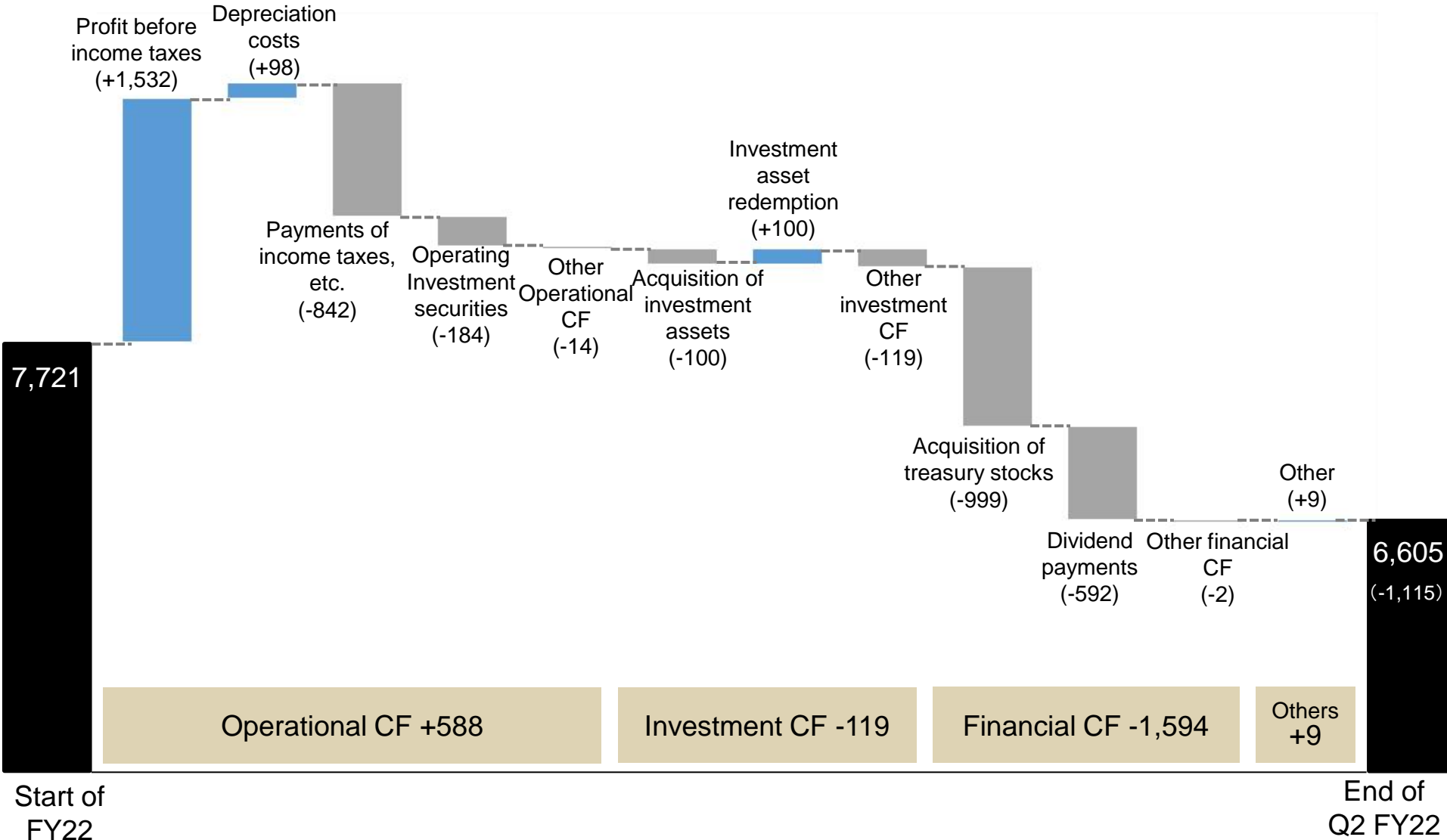
- Investment balance: Approx. 2.2 billion yen
- One new investment: Forest Energy Inc.
- Renewable energy business using woody biomass power generation
- Two investees listed: eWeLL and PROGRIT

Consolidated Balance Sheet for Q2 FY22

Unit: JPY mn	End of FY21	End of Q2 FY22	YoY change (Amount)	Major changes
Current assets	12,147	11,205	-941	- Decrease in cash, deposits, and accounts receivable - trade - Decrease in accounts payable, accrued income taxes, etc.
Cash and deposits	7,721	6,605	-1,115	
Non-current assets	2,509	2,453	-56	
Total assets	14,656	13,658	-998	
Current liabilities	2,764	1,817	-947	
Non-current liabilities	1,589	1,454	-135	
Total liabilities	4,354	3,271	-1,082	
Net assets	10,302	10,386	+84	
Equity ratio	70%	76%		

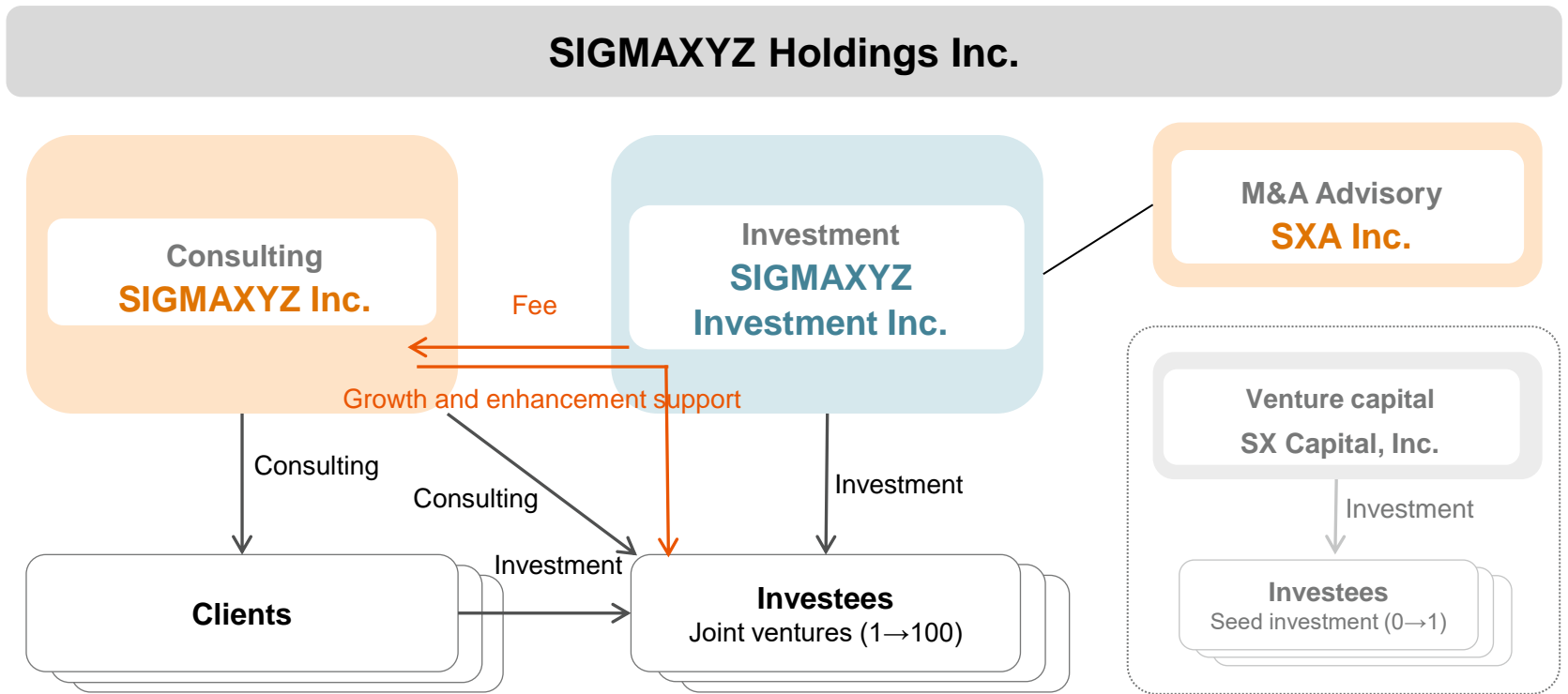
Transitions in consolidated cash flow

(Unit: JPY mn)



SIGMAXYZ Group's Business

- Centering its business on "consulting services" and "investment", SIGMAXYZ Group creates value in a wide range of industries and companies, and creates new markets that solve social issues, by taking advantage of the networking capabilities of each group company.
- In consulting services, we have experts on business strategy planning, development of new businesses and services, cutting-edge digital technology, SaaS / cloud solutions, project management and new business development to help create new value.
- In the investment business, the focus is on the "regenerative & well-being" area that connect multiple industries. Through the linkage with our consulting business, we support the growth and enhancement of our investee companies' corporate value.



Aggregating Technology Areas

As its initiative to create a better future society, SIGMAXYZ envisions scenarios to transform cross-industrial areas and promotes collaboration with a wide range of partners.

Social implementation of 3D bioprinting technology

In March 2022, SIGMAXYZ concluded a collaboration agreement with the Graduate School of Engineering, Osaka University and Shimadzu Corporation for the "social implementation of 3D bioprinting technology".

Taking advantage of its high program management capabilities and its alliance network with a variety of companies, including the food tech community, the company will play a role as a program management office in this collaboration.



Additive Manufacturing Study Group

In order to enhance Japanese manufacturers' ability to compete in the world, SIGMAXYZ joined AM Study Group as a PMO, an industry-academia collaborative research group of The Japan Institute of Metals and Materials established by the Graduate School of Engineering, Osaka University.

More than 80 private companies, 14 universities, and 8 research institutes are the member of the AM Study Group.

SIGMAXYZ will help strengthen the Japanese manufacturing industry by building and making AM research outcomes and technologies widely available in Japan beyond the framework of industry, academia, government, and academic societies. They include advanced digital technology, such as 3D printers used for metal, ceramics, resin, cells and other wide variety of materials.

AM Study Group website:
<http://www.mat.eng.osaka-u.ac.jp/msp6/nakano/jiam/>

Developing Advanced Services for a Super City

Six companies including SIGMAXYZ made a joint proposal to MOFA, and the Ministry accepted the business idea for "Study Project on the Development and Construction of Advanced Services for Social Implementation in Super City-type National Strategic Special Zones".

Kajima Corporation, CYBERDYNE, LEBER, SIGMAXYZ, and the National Institute of Advanced Industrial Science and Technology will jointly conduct the project under the leadership of the University of Tsukuba.

Aiming to "achieve an inclusive city with robots and IoT sensors," the group will conduct field trials in Tsukuba City for the social implementation of various advanced services.

Press Release:
https://www.sigmaxyz.com/wp-content/uploads/2022/08/release_20220809.pdf

Co-creation of Food related Business

Formation and management of a co-created community

■ SKS Japan

SIGMAXYZ and NextMarket Insights have jointly hosted this cross-industry global conference themed with "Food × Technology & Science" since 2017. SKS Japan aims to create the future of food by combining technology and knowledge from various fields, including food, home appliances, housing, real estate, restaurant, retail, design, media, academy, investment, and governments.

■ Food Tech Venture Day

SIGMAXYZ and Leave a Nest have hosted Food Tech Venture Day since 2019, which attracts 100 people every year to support venture growth, carry out business matching between large companies and ventures, and share the latest trends in food and venture companies' efforts.

■ Management of food-related communities and events

- SIGMAXYZ and Future Food Institute have jointly hosted Future Food Circle since 2020 to build a food network in Asia.
- SIGMAXYZ and WIRED Japan have co-hosted the webinar "Future image of food innovation" since 2021.

■ Participation in the Food Innovation Program

- SIGMAXYZ has participated in [SPACE FOODSPHERE](#) by JAXA and other organizations since 2020 to solve food problems that are common to the Earth and space.
- SIGMAXYZ has participated in [Megurumeku Project](#) by Mitsubishi Estate and others since 2022 to solve food problems faced by local producers.

Collaboration with events aimed at building the future food system

- ✓ September 2021 : Held a collaboration event with the World Food Forum organized by the Food and Agriculture Organization of the United Nations
- ✓ December 2021 : Participated in an event related to the Ministry of Agriculture, Forestry and Fisheries at the Tokyo Nutrition for Growth Summit
- ✓ June 2022 : Participated in FOOMA Japan 2022, an international food industry exhibition
- ✓ August 2022 : Participated in the Protein Alternative Symposium

Food Innovation Support Project

Helps companies in food, home appliances, and logistics fields make innovation on food and transform their management structures.



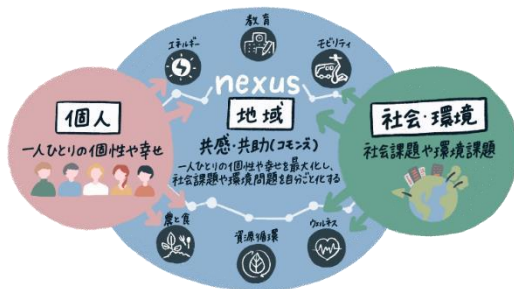
[SKS JAPAN 2022 -Beyond Community-](#)

More than 80 speakers took the stage and 42 sponsors participated in this event on September 2022. More than 800 participants gathered from industries.

Collaborated with Tokyu Corporation for New City Development

SIGMAXYZ and Tokyu Corporation will develop a new consumer-oriented city in the Tama Garden City area (nexus project).

In this project, SIGMAXYZ Group will play a role as an "aggregator" to gather the best players and promote collaboration. In addition to deepening and improving this project, SIGMAXYZ Group will invite administrative governments and diverse companies (buddies) that empathize with and participate in this project, establish a consortium by promoting collaboration between buddies, hold study sessions to promote understanding of the project, support planning and implementation of demonstration experiments and commercialization, and engage in public relations activities.



▲ What the nexus project aims for



▲ nexus Challenge Park Hayano



"nexus project"

The nexus project is a consumer-oriented city development project that Tokyu and SIGMAXYZ Group are working on. In order to achieve a free and rich life for the residents in the suburbs, we will cooperate with consumers, companies, and governments (buddies) to create a system for circulating resources and for people in the community to help each other so that we can create a "walkable neighborhood" where living, learning, working, and playing are intertwined together. In order to implement this project, we are conducting field trials of a variety of services in line with six sustainable themes.

Six sustainable themes of the nexus project

Agriculture and food	Agriculture and food accessible to people; everyone grows, raises and eats together
Wellness	Well-being tailored to diverse values in the age of 100-year life
Mobility	New mobility tailored to diverse life stages to maximize consumers' vitality
Energy	Local consumption and production of energy, and optimization of surpluses and shortages
Resource recycling	A recycling-oriented society rooted in local communities and consumers
Education	Connection between consumers with cities as the places to learn

Related links

- The nexus project website <https://nexus-dento.com/>

SIGMAXYZ Investment Inc.: Investment Business

- Focusing on investment projects that connect multiple industries, the company supports the growth and enhancement of corporate value of investee companies through the linkage with consulting business.
- In May 2022, the company invested approx. 200 million yen in Forest Energy Inc., the developer and operator of biomass power plants which uses woody biomass made from trees cut in Japan. In September, eWeLL and PROGRIT, to which the company invested, were listed. The company further supported business development of renewable energy technology of SHIZEN ENERGY.
- The cumulative investment balance as of September 30, 2022 was approx. 2.2 billion yen (including valuation difference).

Investment area

Areas that enrich people's lives while making smart use of global resources (Regenerative & well-being)

* Investees (as of September 30, 2022)



Newly listed

eWeLL Co., Ltd.
(TSE Growth Market 5038)

PROGRIT Inc.
(TSE Growth Market 9560)

Partners (Seed investment)

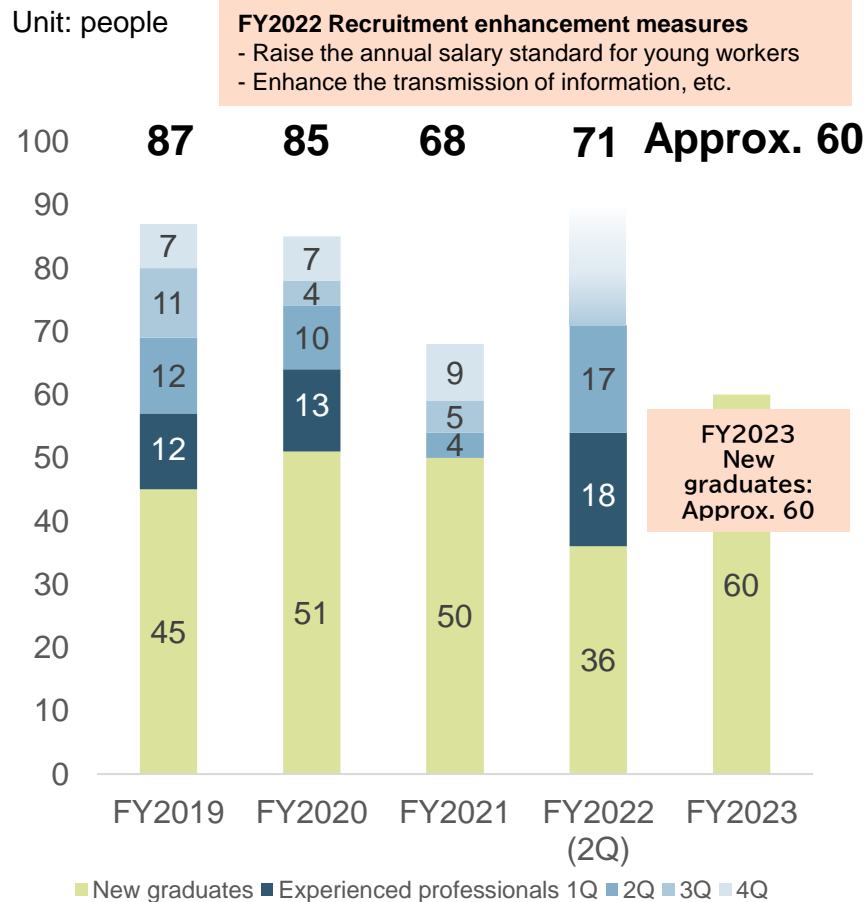
SX Capital, Inc.

Fresco Capital

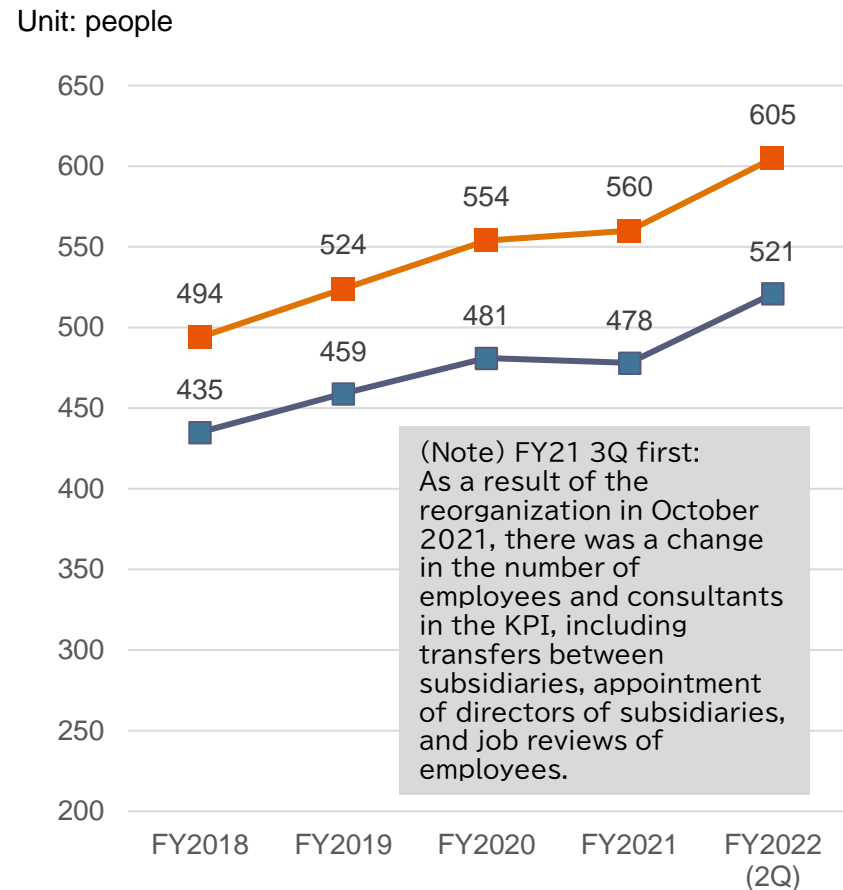
Hiring Activities

36 new graduates joined the company on April 1, 2022. 35 experienced employees joined the company in the first half of FY22. The recruitment activities are progressing smoothly toward hiring approx. 50 experienced persons in FY22. Approx. 60 new graduates will join the company in April 2023.

Number of people hired per annum (consultants)



Number of employees (■) and consultants (■) in the Group



FY22 Consolidated Earnings Forecasts

Unit: JPY mn	FY22	Increased/decreased amount to the previous fiscal year	Increased/decreased rate to the previous fiscal year	Q2 FY22 Result	Progress
Revenue	17,200	1,545	10%	8,028	47%
Operating profit	3,180	420	15%	1,482	47%
Ordinary profit	3,180	415	15%	1,532	48%
Profit attributable to owners of parent	2,000	335	20%	929	46%

In terms of the consolidated earnings forecast, because the investment business can strongly be affected by the influence of domestic and overseas stock markets and newly listed markets, the profit level range may be greater than the forecast. We have made the forecasts based on the information confirmed at present.

Dividend Policy

- Focus on striking a balance between shareholder returns and internal reserves, in order to strengthen the financial structure and prepare for future development of business.
- Ensure consistent and stable payment of dividends.
 - FY22 annual dividend
15 yen per share

(Note) The above dividend forecast is based on information available as of the date of the publishing of this document. It may fluctuate due to various factors in the future.

(Reference)

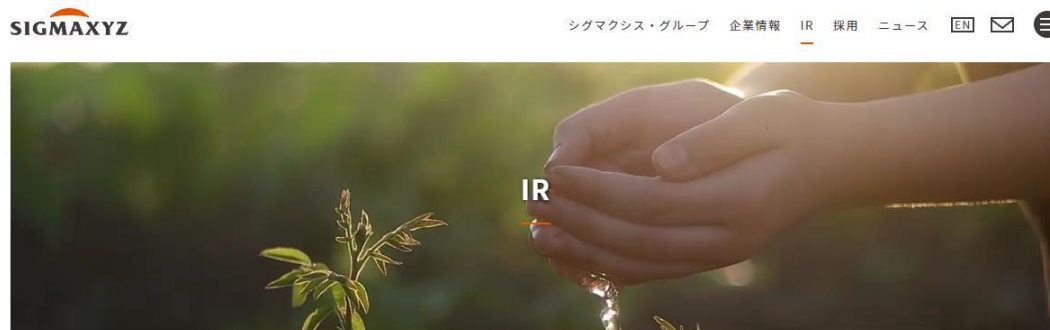
Blueprint in FY25 (Fiscal year ending March 2026)

	<u>Blueprint</u> <u>in FY25</u>	<u>FY22</u> <u>Consolidated</u> <u>earnings forecasts</u>	<u>Compound Annual</u> <u>Growth Rate</u> <u>(CAGR)</u>
Consolidated revenue	25 bn yen	17.2 bn yen	13%
Ordinary profit	7 bn yen	3.2 bn yen	30%
Profit rate	28%	19%	-
Number of employees	Approx. 800	Approx. 600	Approx. 10%

- In the current volatile market, we believe it is appropriate to actively review our business strategy every year and take it into account for the next fiscal year's business plan, so we do not formulate medium-term management plans.
- "Blueprint" is how we want to grow in the medium and long term, and is shared with our shareholders and investors every few years.

(Reference) Audio Report for Financial Results Supplementary Documents

A Japanese audio report for the documents is posted on our website at 6:00 pm JST on the day the results are disclosed.



IR information

<https://www.sigmaxyz.com/ir/>



 **最新IR資料**
2022年3月期 第1四半期決算 (2021年8月4日 発表)

最新のIRニュース

IRニュース一覧

2021.10.01	プレスリリース	持株会社体制への移行に関するお知らせ PDF
2021.09.29	お知らせ	「会社四季報2021年4集秋号」 訂正情報

About the Use of This Document

This document discusses not only the trends in the SIGMAXYZ Group's business and the industry, but also future prospects based on current plans, estimates, expectations, and forecasts.

Statements regarding these future prospects include various risks and uncertainties. It is possible that known or unknown risks, uncertainties, or other factors may lead to results that differ from the content of the statements regarding future prospects. SIGMAXYZ Holdings Inc. cannot guarantee that the statements about future prospects and forecasts are correct, and it is possible that the results may be significantly different from the future prospects.

The statements about future prospects in this document were created by SIGMAXYZ Holdings Inc. on the basis of information that was available when the document was being prepared. As such, they do not reflect future events and situations, or update or change any other statements about future prospects.

URL: www.sigmaxyz.com

Inquiry: sigmaxyz_ir@sigmaxyz.com

