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## Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Japanese Accounting Standards)

May 8, 2024

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 ordinary general meeting of shareholders: June 25, 2024  
 Scheduled date of dividend payment: June 5, 2024  
 Scheduled date of securities report filing: June 26, 2024  
 Preparation of supplementary materials on financial results: Yes  
 Schedule of financial results presentation meeting: Yes (for institutional investors and analysts)  
 \* To be held online

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

#### (1) Consolidated Operating Results

(% 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	%
Fiscal year ended								
March 31, 2024	22,410	29.3	4,232	30.8	4,338	32.9	3,232	46.6
March 31, 2023	17,334	10.7	3,235	17.2	3,265	18.1	2,204	32.4

Note: Comprehensive Income Fiscal year ended March 31, 2024: ¥3,141 million [24.8%]  
 Fiscal year ended March 31, 2023: ¥2,516 million [50.4%]

	Profit per Share	Profit per Share (Diluted)	Return on Equity	Ratio of Ordinary Profit to Total Assets	Ratio of Operating Profit to Revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	76.62	—	26.9	26.5	18.9
March 31, 2023	52.32	—	20.8	22.4	18.7

Note: Profit per share (diluted) for the fiscal years ended March 31, 2023 and 2024 are not stated because there are no dilutive shares.

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	18,295	13,193	72.1	312.18
March 31, 2023	14,461	10,878	75.2	261.53

Reference: Equity As of March 31, 2024: ¥13,193 million  
 As of March 31, 2023: ¥10,878 million

#### (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, 2024	3,119	(1,035)	(2,016)	7,171
March 31, 2023	2,085	(4)	(2,696)	7,093

## 2. Dividends

	Annual Dividend				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
Fiscal year ended March 31, 2023	Yen –	Yen 0.00	Yen –	Yen 16.00	Yen 16.00
Fiscal year ended March 31, 2024	–	0.00	–	27.00	27.00
Fiscal year ending March 31, 2025 (Forecast)	–	0.00	–	32.00	32.00

	Total Dividends (Annual)	Payout Ratio (Consol.)	Dividend on Equity Ratio (Consol.)
Fiscal year ended March 31, 2023	Millions of yen 711	% 30.6	% 6.3
Fiscal year ended March 31, 2024	1,191	35.2	9.4
Fiscal year ending March 31, 2025 (Forecast)		37.6	

## 3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(% 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, 2025	25,000	11.6	5,050	19.3	5,100	17.6	3,600	11.4	85.18

\* 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, 2024	45,000,000 shares
As of March 31, 2023	46,308,600 shares

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

As of March 31, 2024	2,736,636 shares
As of March 31, 2023	4,713,594 shares

- 3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	42,185,652 shares
Fiscal year ended March 31, 2023	42,129,396 shares

(Reference) Overview of Non-Consolidated Financial Results

**1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)**

(1) Non-Consolidated Operating Results

(% figures indicate year-on-year changes)

	Revenue		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	5,226	(10.4)	1,738	(32.2)	1,823	(30.2)	1,702	(9.0)
March 31, 2023	5,833	(39.4)	2,565	26.6	2,612	24.5	1,870	48.5

	Profit per Share		Profit per Share (Diluted)	
	Yen		Yen	
Fiscal year ended				
March 31, 2024	40.37		—	
March 31, 2023	44.41		—	

Note: Profit per share (diluted) for the fiscal years ended March 31, 2023 and 2024 are not stated because there are no dilutive shares.

(2) Non-Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share	
	Millions of yen		Millions of yen		%		Yen	
As of								
March 31, 2024	12,791		10,813		84.5		255.87	
March 31, 2023	12,258		9,796		79.9		235.53	

Reference: Equity As of March 31, 2024: ¥10,813 million  
As of March 31, 2023: ¥9,796 million

\* These financial statements are outside the scope of audit 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.

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## 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 gradually recovering, although momentum appears to have stalled for the moment. In terms of future prospects, amid the improvements in employment and personal income situations, a gradual recovery is expected to continue owing to the effects of various policies. However, there is a risk that a downturn in overseas economies will put downward pressure on Japan's economy, notably with reference to the impact of monetary tightening worldwide, and concerns over the outlook for the Chinese economy, etc. In addition, sufficient heed must be paid to impacts caused by rising prices, changes in the financial and capital markets, etc.

In such an environment, with a synergy between “consulting services” and “investment,” the Group creates value in a wide range of industries and companies and creates new markets that solve social issues. In the consulting business, we define the key three transformations that companies must address in the digital economy as; “Digital Transformation” to transform the core business model and achieve significant performance improvements through a productivity revolution, “Service Transformation” to build a business model that will serve as a new growth engine in growth markets, and “Management Transformation” to build a management platform. We have professionals with diverse skills who are working to solve corporate issues, create new value, and co-create new businesses and industries through collaboration among companies. In the investment business, the focus is on the “regenerative & wellbeing” area, such as city development, food, and wellness. Through the linkage with our consulting business, we support the growth and enhancement of our investee companies' corporate value.

The Group's revenue for the fiscal year ended March 31, 2024 amounted to ¥22,410 million (up 29.3% year on year).

Cost of revenue stood at ¥12,400 million (up 38.4% year on year). In a response to strong demand, outsourcing expenses increased.

Selling, general and administrative expenses were ¥5,777 million (up 12.4% year on year) due to the increase in sundry expenses and recruiting expenses associated with the increase in the number of personnel and the revived face-to-face activities.

Due to an increase in revenue, gross profit increased by ¥1,635 million to ¥10,009 million (up 19.5% year on year), operating profit increased by ¥997 million to ¥4,232 million (up 30.8% year on year), and ordinary profit increased by ¥1,073 million to ¥4,338 million (up 32.9% year on year).

Profit before income taxes came to ¥4,338 million (up 32.9% year on year), and profit attributable to owners of parent came to ¥3,232 million (up 46.6% year on year). Also, comprehensive income attributable to owners of parent came to ¥3,141 million (up 24.8% year on year).

Operating results for each segment are as follows.

#### (Consulting Business)

The financial results of the Consulting Business for the fiscal year ended March 31, 2024 show revenue of ¥22,203 million (up 28.6% year on year) and segment profit of ¥6,109 million (up 21.4% year on year). The Consulting Business was driven by projects supporting the introduction of SaaS core systems, the promotion of digital transformation, the launch of new services and the compliance with regulations for clients targeted by industry, mainly in the transportation, finance, information communication, trading, retail, and manufacturing industries.

On the hiring front, the Consulting Business added 73 mid-career recruits and 61 new graduates in the current fiscal year. New graduates have started working on their project delivery in October. The number of consultants was 571 as of the end of March 2024. Project satisfaction remained high at 93 points.

#### (Investment Business)

The financial results of the Investment Business for the fiscal year ended March 31, 2024 show revenue of ¥345 million (up 106.6% year on year), and segment loss of ¥117 million (compared to a segment loss of ¥130 million in the previous fiscal year) as a result of recognizing an impairment loss for listed shares held in the second quarter.

In January, we made a new investment in EUCALIA Inc, whose business activities include support for hospital management and services for the elderly, bringing the cumulative balance of investments on March 31 to approximately ¥3.7 billion, including valuation differences. We continue to promote investments contributing to social value creation.

In March, we entered into a capital and business alliance agreement with Syuppin Co., Ltd. (Prime Market, TSE, Securities code: 3179; “Syuppin”). We will accompany Syuppin, as a Sherpa to strengthen the foundation for sustainable growth and realize its transformation into a technology company, through the investment of approximately ¥500 million from SIGMAXYZ Investment Inc., and the provision of business support, including secondment of consulting professionals from SIGMAXYZ Inc.

#### ii. Outlook

For the fiscal year ending March 31, 2025, with the cooperation of each business, we will promote the cultivation of client companies and make conceptual proposals aimed at value creation, continue to support the “Three Innovations” of corporate transformation, support the launch of new businesses and sharing of business functions through multi-company collaboration, support the growth of client companies including capital alliances, and carry out investment to startup companies that contribute to social value creation.

In the Consulting Business, in order to achieve business growth, we will continue to expand our consulting capacity (in terms of both skills and workforce). Six mid-career recruits and 59 new graduates joined the Group on April 1, 2024. We are conducting recruitment activities, setting a target of about 80 new graduates to join the company in April 2025.

In the Investment Business, we continue to plan new investment in the Regenerative & Well-being area, mainly in the energy and healthcare sectors.

Through these efforts, during the fiscal year ending March 31, 2025, the Company expects to record revenue of ¥25,000 million (up 11.6% year on year), operating profit of ¥5,050 million (up 19.3% year on year), ordinary profit of ¥5,100 million (up 17.6% year on year), and profit attributable to owners of parent of ¥3,600 million (up 11.4% year on year).

We increased our utilization of outsourcing vendors in response to strong demand, which led to the pace of growth of our consolidated revenue exceeding expectations. As a result, we expect that our goal of consolidated revenue of ¥25.0 billion stated in the Group's vision for medium- to long-term growth "Blueprint" in the Fiscal Year Ending March 31, 2026," will be achieved one year early. We continue to aim for ordinary profit of ¥7.0 billion in the fiscal year ending March 31, 2026 through accelerating growth in our Consulting Business and realizing revenue contribution from our Investment Business.

## (2) Overview of Financial Position in Current Fiscal Year

### i. Status of Assets, Liabilities, and Net assets

#### (Assets)

Current assets as of March 31, 2024 stood at ¥14,463 million (up ¥2,450 million from the previous fiscal year), mainly reflecting ¥7,171 million in cash and deposits and ¥3,735 million in operational investment securities. Non-current assets came to ¥3,831 million (up ¥1,383 million from the previous fiscal year), mainly comprising ¥1,831 million in investment securities and ¥329 million in software.

#### (Liabilities)

Current liabilities as of March 31, 2024 totaled ¥3,913 million (up ¥1,935 million from the previous fiscal year), mainly reflecting ¥1,785 million in accounts payable - other and ¥1,012 million in income taxes payable. Non-current liabilities came to ¥1,188 million (down ¥416 million from the previous fiscal year), mainly comprising ¥595 million in provision for share awards for directors (and other officers).

#### (Net assets)

Net assets as of March 31, 2024 amounted to ¥13,193 million (up ¥2,315 million from the previous fiscal year), mainly reflecting ¥3,151 million in capital surplus, ¥9,283 million in retained earnings, and ¥2,470 million in treasury shares.

### ii. Status of Cash Flows

Cash and cash equivalents (hereinafter "net cash") as of March 31, 2024 stood at ¥7,171 million (up ¥77 million from the previous fiscal year).

#### (Cash flows from operating activities)

Net cash provided by operating activities totaled ¥3,119 million (versus ¥2,085 million provided in the previous fiscal year). This mainly reflected ¥4,338 million in profit before income taxes, a ¥1,880 million increase in operational investment securities, and a ¥803 million increase in accounts payable - other.

#### (Cash flows from investing activities)

Net cash used in investing activities amounted to ¥1,035 million (versus ¥4 million used in the previous fiscal year). This is attributable mainly to purchase of investment securities of ¥1,207 million.

#### (Cash flows from financing activities)

Net cash used in financing activities amounted to ¥2,016 million (versus ¥2,696 million used in the previous fiscal year). This is attributable mainly to ¥1,301 million in purchase of treasury shares.

### (Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Shareholders' equity ratio (%)	70.3	75.2	72.1
Shareholders' equity ratio on a market value basis (%)	369.2	365.2	337.1
Ratio of interest-bearing debt to cash flow (%)	0.6	0.5	1.0
Interest coverage ratio (times)	1,820.1	12,473.5	19,337.7

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 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, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	7,093,890	7,171,106
Notes and accounts receivable - trade, and contract assets	2,263,554	2,795,564
Operational investment securities	2,171,591	3,735,127
Other	600,834	762,108
Allowance for doubtful accounts	(116,122)	–
Total current assets	12,013,748	14,463,907
Non-current assets		
Property, plant and equipment		
Buildings, net	168,474	200,129
Other, net	84,892	102,551
Total property, plant and equipment	253,366	302,680
Intangible assets		
Software	400,943	329,793
Software in progress	34,635	34,635
Other	7,105	5,969
Total intangible assets	442,685	370,398
Investments and other assets		
Investment securities	797,759	1,831,097
Deferred tax assets	316,670	458,833
Other	637,403	868,708
Total investments and other assets	1,751,832	3,158,639
Total non-current assets	2,447,884	3,831,718
Total assets	14,461,633	18,295,625

(Thousands of yen)

	Fiscal year ended March 31, 2023 (As of March 31, 2023)	Fiscal year ended March 31, 2024 (As of March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	237,169	542,195
Accounts payable - other	842,657	1,785,334
Income taxes payable	339,489	1,012,554
Provision for bonuses	–	57,168
Provision for share awards	326,059	274,337
Other	232,954	241,740
<b>Total current liabilities</b>	<b>1,978,330</b>	<b>3,913,332</b>
Non-current liabilities		
Lease liabilities	5,681	21,908
Provision for share awards	340,542	406,314
Provision for share awards for directors (and other officers)	1,106,107	595,224
Asset retirement obligations	86,444	101,031
Other	66,238	64,197
<b>Total non-current liabilities</b>	<b>1,605,014</b>	<b>1,188,676</b>
<b>Total liabilities</b>	<b>3,583,345</b>	<b>5,102,008</b>
Net assets		
Shareholders' equity		
Share capital	3,000,000	3,000,000
Capital surplus	4,768,396	3,151,600
Retained earnings	6,762,154	9,283,020
Treasury shares	(3,972,854)	(2,470,670)
<b>Total shareholders' equity</b>	<b>10,557,696</b>	<b>12,963,950</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320,592	229,666
<b>Total accumulated other comprehensive income</b>	<b>320,592</b>	<b>229,666</b>
<b>Total net assets</b>	<b>10,878,288</b>	<b>13,193,616</b>
<b>Total liabilities and net assets</b>	<b>14,461,633</b>	<b>18,295,625</b>



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

	(Thousands of yen)	
	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Revenue	17,334,289	22,410,611
Cost of revenue	8,960,023	12,400,626
Gross profit	8,374,265	10,009,985
Selling, general and administrative expenses	5,138,843	5,777,198
Operating profit	3,235,421	4,232,786
Non-operating income		
Interest income	7,595	3,024
Gain on sale of investment securities	–	23,539
Lectures fee income	37,490	47,481
Sponsorship money income	10,335	21,977
Miscellaneous income	10,009	23,406
Total non-operating income	65,431	119,429
Non-operating expenses		
Interest expenses	167	161
Commission for purchase of treasury shares	5,399	2,805
Non-deductible consumption taxes	14,764	3,379
Loss on investment securities	3,631	7,584
Miscellaneous losses	11,842	54
Total non-operating expenses	35,805	13,984
Ordinary profit	3,265,047	4,338,231
Extraordinary losses		
Loss on sale of non-current assets	–	81
Loss on retirement of non-current assets	–	56
Loss on liquidation of subsidiaries and associates	2,003	–
Total extraordinary losses	2,003	137
Profit before income taxes	3,263,043	4,338,094
Income taxes - current	1,168,291	1,240,542
Income taxes - deferred	(109,346)	(134,554)
Total income taxes	1,058,944	1,105,987
Profit	2,204,098	3,232,107
Profit attributable to owners of parent	2,204,098	3,232,107

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit	2,204,098	3,232,107
Other comprehensive income		
Valuation difference on available-for-sale securities	312,149	(90,925)
Total other comprehensive income	312,149	(90,925)
Comprehensive income	2,516,248	3,141,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,516,248	3,141,181

(3) Consolidated Statement of Changes in Equity  
Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,626,881	3,147,012	5,149,207	(2,628,990)	10,294,111
Changes during period					
Capital reduction	(1,626,881)	1,626,881			–
Dividends of surplus			(591,152)		(591,152)
Profit attributable to owners of parent			2,204,098		2,204,098
Purchase of treasury shares				(2,165,585)	(2,165,585)
Disposal of treasury shares		(5,497)		821,721	816,224
Net changes in items other than shareholders' equity					
Total changes during period	(1,626,881)	1,621,384	1,612,946	(1,343,864)	263,584
Balance at end of period	3,000,000	4,768,396	6,762,154	(3,972,854)	10,557,696

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	8,442	8,442	10,302,554
Changes during period			
Capital reduction			–
Dividends of surplus			(591,152)
Profit attributable to owners of parent			2,204,098
Purchase of treasury shares			(2,165,585)
Disposal of treasury shares			816,224
Net changes in items other than shareholders' equity	312,149	312,149	312,149
Total changes during period	312,149	312,149	575,733
Balance at end of period	320,592	320,592	10,878,288

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,000,000	4,768,396	6,762,154	(3,972,854)	10,557,696
Changes during period					
Dividends of surplus			(711,241)		(711,241)
Profit attributable to owners of parent			3,232,107		3,232,107
Purchase of treasury shares				(1,727,519)	(1,727,519)
Disposal of treasury shares		25,978		1,586,928	1,612,907
Cancellation of treasury shares		(1,642,774)		1,642,774	–
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,616,796)	2,520,866	1,502,184	2,406,254
Balance at end of period	3,000,000	3,151,600	9,283,020	(2,470,670)	12,963,950

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	320,592	320,592	10,878,288
Changes during period			
Dividends of surplus			(711,241)
Profit attributable to owners of parent			3,232,107
Purchase of treasury shares			(1,727,519)
Disposal of treasury shares			1,612,907
Cancellation of treasury shares			–
Net changes in items other than shareholders' equity	(90,925)	(90,925)	(90,925)
Total changes during period	(90,925)	(90,925)	2,315,329
Balance at end of period	229,666	229,666	13,193,616

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,263,043	4,338,094
Depreciation	217,610	203,440
Increase (decrease) in allowance for doubtful accounts	101,602	(116,122)
Increase (decrease) in provision for bonuses	–	57,168
Increase (decrease) in provision for share awards	529,621	489,439
Increase (decrease) in provision for share awards for directors (and other officers)	66,337	26,237
Interest and dividend income	(7,595)	(3,024)
Interest expenses	167	161
Foreign exchange losses (gains)	11,842	(9,442)
Loss (gain) on sale of non-current assets	–	81
Loss on retirement of non-current assets	–	56
Loss (gain) on sale of investment securities	–	(23,539)
Loss (gain) on investment securities	3,631	7,584
Decrease (increase) in operational investment securities	61,208	(1,880,465)
Decrease (increase) in trade receivables	(248,668)	(532,009)
Decrease (increase) in prepaid expenses	336,046	180,515
Increase (decrease) in trade payables	51,413	305,025
Increase (decrease) in accounts payable - other	(291,979)	803,012
Other, net	(273,781)	86,790
Subtotal	3,820,501	3,933,003
Interest and dividends received	7,814	3,024
Interest paid	(167)	(161)
Income taxes paid	(1,742,705)	(821,618)
Income taxes refund	–	5,026
Net cash provided by (used in) operating activities	2,085,443	3,119,274
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(75,894)	(34,596)
Purchase of intangible assets	(64,132)	(53,707)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(5,274)	–
Purchase of investment securities	(140,000)	(1,207,088)
Proceeds from sale and redemption of investment securities	325,214	491,152
Other payments	(60,420)	(241,553)
Other proceeds	15,822	10,395
Net cash provided by (used in) investing activities	(4,684)	(1,035,397)
<b>Cash flows from financing activities</b>		
Repayments of lease liabilities	(5,118)	(4,798)
Purchase of treasury shares	(2,099,243)	(1,301,267)
Dividends paid	(592,192)	(710,038)
Net cash provided by (used in) financing activities	(2,696,554)	(2,016,104)
Effect of exchange rate change on cash and cash equivalents	(11,842)	9,442
Net increase (decrease) in cash and cash equivalents	(627,637)	77,215
Cash and cash equivalents at beginning of period	7,721,528	7,093,890
Cash and cash equivalents at end of period	7,093,890	7,171,106

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

(Changes in Accounting Policies)

*Application of the Accounting for and Disclosure of the Issuance and Holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.*

“Accounting for and Disclosure of the Issuance and Holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ Practical Solution No. 43, August 26, 2022) is applied from the beginning of the fiscal year ended March 31, 2024. There is no impact as a result of the change in this accounting policy.

(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

With a synergy between “consulting services” and “investment,” the Group creates value in a wide range of industries and companies and creates new markets that solve social issues. In the consulting business, we define the key three transformations that companies must address in the digital economy as; “Digital Transformation” to transform the core business model and achieve significant performance improvements through a productivity revolution, “Service Transformation” to build a business model that will serve as a new growth engine in growth markets, and “Management Transformation” to build a management platform. We have professionals with diverse skills who are working to solve corporate issues, create new value, and co-create new businesses and industries through collaboration among companies. In the investment business, the focus is on the “regenerative & wellbeing” area, such as city development, food, and wellness. Through the linkage with our consulting business, we support the growth and enhancement of our investee companies’ corporate value.

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, 2023 (April 1, 2022 to March 31, 2023)

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

(Thousands of yen)

	Reportable Segment			Adjustments (Note 1) (Note 3)	Amounts recorded on consolidated financial statements (Note 2)
	Consulting Business	Investment Business	Total		
Revenue					
Revenue from external clients	17,187,167	147,122	17,334,289	–	17,334,289
Internal revenue or transfer among segments	72,120	20,246	92,366	(92,366)	–
Total	17,259,287	167,368	17,426,655	(92,366)	17,334,289
Segment profit (loss)	5,032,397	(130,778)	4,901,618	(1,666,196)	3,235,421
Segment assets	3,806,041	2,564,518	6,370,559	8,091,073	14,461,633
Other items					
Depreciation	681	–	681	216,928	217,610

Notes: 1. Adjustments of segment profit (loss) consist of company-wide expenses, etc. of negative ¥1,670 million and the elimination of intersegmental transactions of ¥4 million.

2. Segment profit (loss) is adjusted with operating profit recorded in the consolidated statement of income.
3. Adjustments of segment assets includes the Corporate Group (Common) assets and the elimination of intersegmental receivables and liabilities, etc.

(2) Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

(Thousands of yen)

	Reportable Segment			Adjustments (Note 1) (Note 3)	Amounts recorded on consolidated financial statements (Note 2)
	Consulting Business	Investment Business	Total		
Revenue					
Revenue from external clients	22,123,777	286,834	22,410,611	–	22,410,611
Internal revenue or transfer among segments	79,957	58,875	138,832	(138,832)	–
Total	22,203,735	345,709	22,549,444	(138,832)	22,410,611
Segment profit (loss)	6,109,964	(117,301)	5,992,662	(1,759,876)	4,232,786
Segment assets	6,831,594	4,026,663	10,858,258	7,437,367	18,295,625
Other items					
Depreciation	360	–	360	203,080	203,440

Notes: 1. Adjustments of segment profit (loss) consist of company-wide expenses, etc. of negative ¥1,776 million and the elimination of intersegmental transactions of ¥16 million.

2. Segment profit (loss) is adjusted with operating profit recorded in the consolidated statement of income.
3. Adjustments of segment assets includes the Corporate Group (Common) assets and the elimination of intersegmental receivables and liabilities, etc.

[Related information]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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, 2024 (April 1, 2023 to March 31, 2024)

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, 2023 (April 1, 2022 to March 31, 2023)

No applicable matters to report.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

No applicable matters to report.

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

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

No applicable matters to report.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Net assets per share	¥261.53	¥312.18
Profit per share	¥52.32	¥76.62

Notes: 1. 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 issued as of the end of the period (2,857,580 shares in the fiscal year ended March 31, 2023; 1,851,490 shares in the fiscal year ended March 31, 2024).

In addition, in calculating “profit per share,” the same shares were included in treasury shares excluded from the calculation of the average number of shares outstanding during the period (2,869,201 shares in the fiscal year ended March 31, 2023; 2,168,360 shares in the fiscal year ended March 31, 2024).

2. Diluted profit per share is not stated because there are no dilutive shares.

3. The basis used for calculating “profit per share” is as follows.

	Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit per share		
Profit attributable to owners of parent (thousands of yen)	2,204,098	3,232,107
Amount not attributable to common shareholders (thousands of yen)	—	—
Profit attributable to owners of the parent pertaining to common stock (thousands of yen)	2,204,098	3,232,107
Average number of outstanding common stock during the period (shares)	42,129,396	42,185,652

## (Subsequent Events)

No applicable matters to report.