

# Consolidated Financial Results Supplementary Document Q2 FY24 (Semi-annual Period)

November 6, 2024 / SIGMAXYZ Holdings Inc. (Stock code: 6088)



# Outline of Financial Results for Q2 FY24 (Semi-annual Period)

- Consolidated revenue was 12.55 billion yen and ordinary profit was 3.00 billion yen. Based on performance trends, the consolidated earnings forecasts for FY24 have been revised. Forecast for consolidated revenue is 26.0 billion yen (25.0 billion yen before revision) and forecast for ordinary profit is 5.65 billion yen (5.3 billion yen before revision).
- Consulting business: Revenue increased 20% YoY. Strong client demand led to an increase in outsourcing expenses and higher utilization rate of internal personnel.
- Investment business: A portion of listed shares were sold. In addition, an impairment loss was recorded on listed shares at the end of September.

Unit: JPY mn	Q2 FY23 (Apr to Sep)	Q2 FY24 (Apr to Sep)	YoY change	FY24 consolidated forecasts	Progress
Consolidated revenue	10,639	12,558	+18%	26,000	48%
(Consulting business)	10,451 (*)	12,543 (*)	+20%		
(Investment business)	262 (*)	102 (*)	-61%		
Ordinary profit	2,087	3,002	+44%	5,650	53%
(Ordinary profit margin)	19.6%	23.9%			
Profit	1,544	2,292	+48%		
Equity ratio	76%	76%			

\* Includes internal revenue between segments.

# Consolidated Statement of Income for Q2 FY24 (Semi-annual Period)

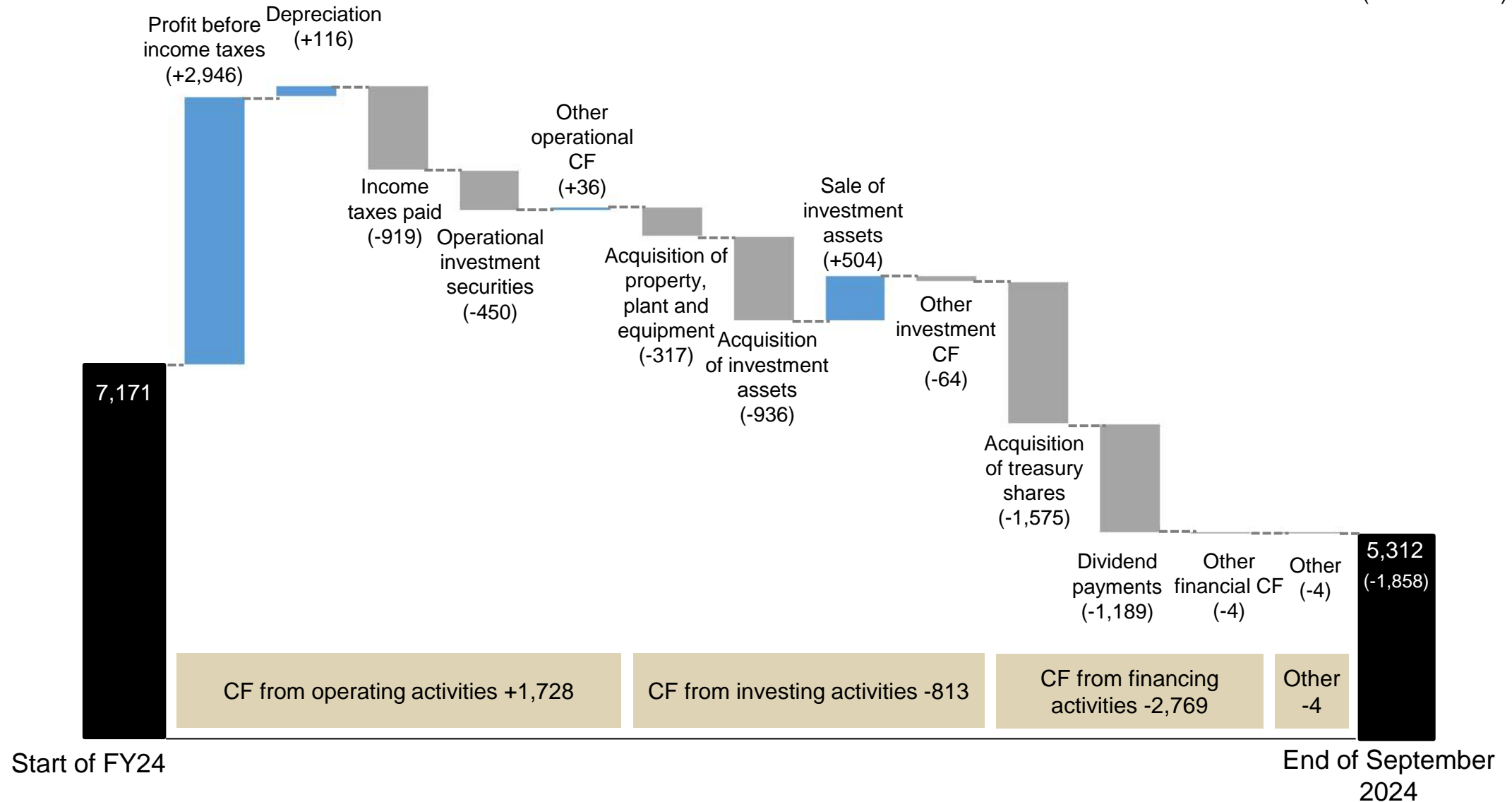
Unit: JPY mn	Q2 FY23 (Apr to Sep)	Q2 FY24 (Apr to Sep)	YoY change		Major changes
			Amount	Rate	
Revenue	10,639	12,558	+1,918	+18%	
Cost of revenue	5,678	6,910	+1,232	+22%	- Increase in outsourcing expenses and labor cost on strong client demand
Gross profit	4,961	5,647	+686	+14%	- Increase in revenue due to higher utilization rate, and increase in unit prices in proportion to the rise in remuneration
S, G&A expenses	2,945	2,810	-135	-5%	- Reversal of costs of restoration to original state in connection with the expansion of head office floor space, decrease in recruiting expenses, and control of other corporate expenses
Operating profit	2,016	2,837	+821	+41%	- Increase in revenue and increase due to decrease in S, G&A expenses
Ordinary profit	2,087	3,002	+914	+44%	- Increase in gain on sale of investment securities
Profit before income taxes	2,087	2,946	+858	+41%	
Profit	1,544	2,292	+748	+48%	
Comprehensive income	1,367	2,178	+811	+59%	

## Consolidated Balance Sheet for Q2 FY24 (Semi-annual Period)

Unit: JPY mn	End of FY23	End of Q2 FY24	Change	Major changes
Current assets	14,463	12,856	-1,607	- Decrease in cash and deposits
Cash and deposits	7,171	5,312	-1,858	
Non-current assets	3,831	4,964	+1,133	- Increase in buildings due to expansion of head office floor space - Increase in investment securities
Total assets	18,295	17,821	-474	
Current liabilities	3,913	3,738	-174	- Decrease in accounts payable-other, etc.
Non-current liabilities	1,188	529	-658	- Decrease in provision for share awards for directors (and other officers)
Total liabilities	5,102	4,268	-833	- No borrowings
Net assets	13,193	13,552	+359	
Equity ratio	72%	76%	—	

# Changes in Consolidated Cash Flow

(Unit: JPY mn)



## Outline of Earnings by Segment for Q2 FY24 (Semi-annual Period)

Unit: JPY mn	Q2 FY23 (Apr to Sep)	Q2 FY24 (Apr to Sep)	YoY change	
			Amount	Rate
Consolidated revenue	10,639	12,558	+1,918	+18%
(Consulting business)	10,451	12,543	+2,091	+20%
(Investment business)	262	102	-160	-61%
(Internal transactions)	-74	-86	-12	—
Segment profit	2,943	3,662	+718	+24%
(Consulting business)	2,966	3,779	+813	+27%
(Investment business)	-22	-117	-95	—
Segment profit rate for revenue <sup>(*)</sup>	27.5%	29.0%	+1.5 pts	—
(Consulting business)	28.4%	30.1%	+1.8 pts	—
(Investment business)	—	—	—	—

\*Segment profit rates for revenue are calculated by including internal revenue between segments in revenues.

# Key Performance Indicators (KPIs)

	Q2 FY23 (Apr to Sep)	Q2 FY24 (Apr to Sep)	YoY change
<b>Consolidated revenue ordinary profit margin</b>	<b>19.6%</b>	<b>23.9%</b>	<b>+4.3 pts</b>

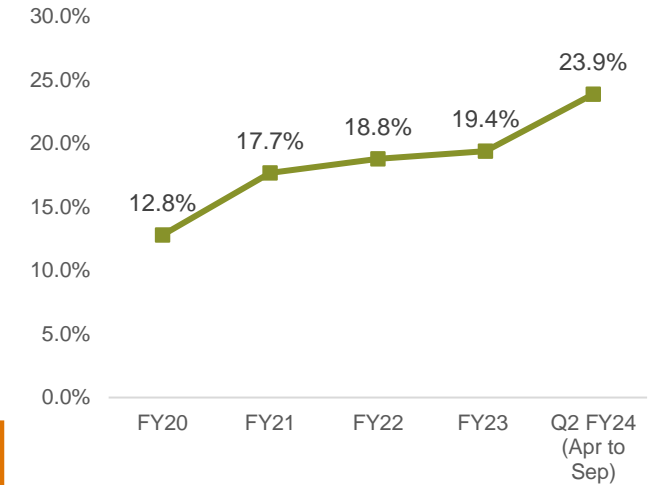
## Consulting Business

	Q2 FY23	Q2 FY24	YoY change
<b>Number of consultants</b>	<b>584</b>	<b>612</b>	<b>+5%</b>
<b>Project satisfaction (NSI*)</b>	<b>94</b>	<b>98</b>	<b>+4 pts</b>

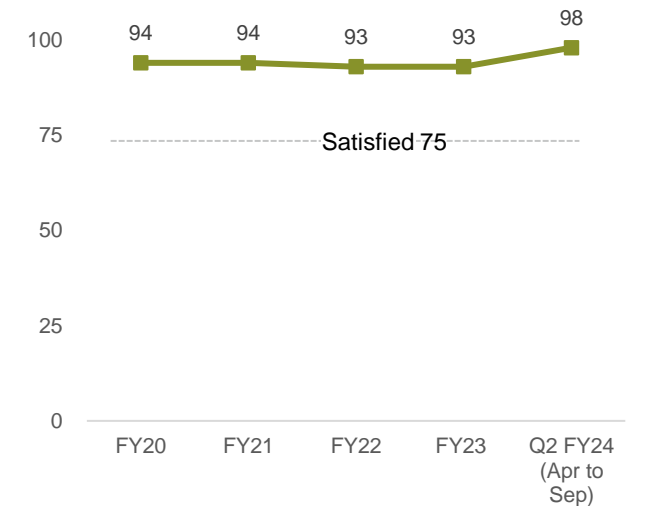
## Investment Business

	End of FY23	End of Q2 FY24	Change
<b>Investment balance</b>	<b>Approx. 3.7 billion yen</b>	<b>Approx. 4.1 billion yen</b>	<b>+ Approx. 0.4 billion yen</b>

Ordinary profit margin



Project satisfaction



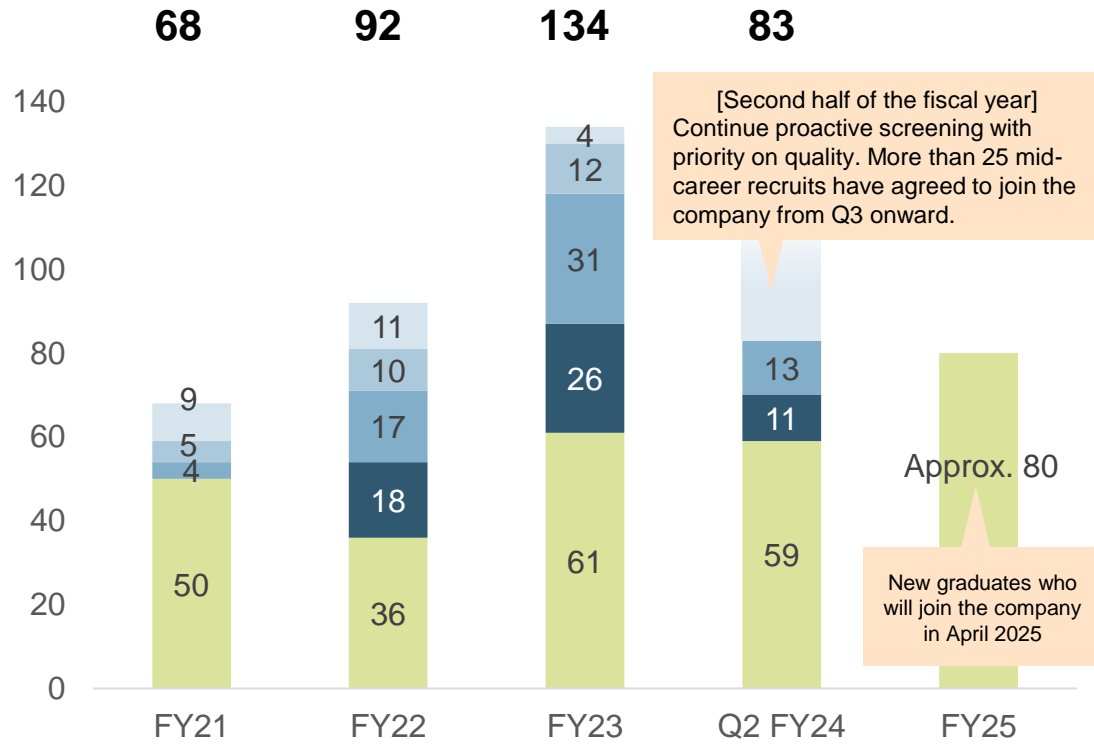
\* Net Satisfaction Index: Average score from five possible ratings for each question evaluating project satisfaction. Conducted in a questionnaire format for client project owners. Points are distributed on a five-grade scale as follows.  
 5: Very satisfied, 100 points; 4: Satisfied, 75 points; 3: Cannot say either way, 50 points; 2: Dissatisfied, 25 points; 1: Very dissatisfied, 0 points.

# Hiring Activities

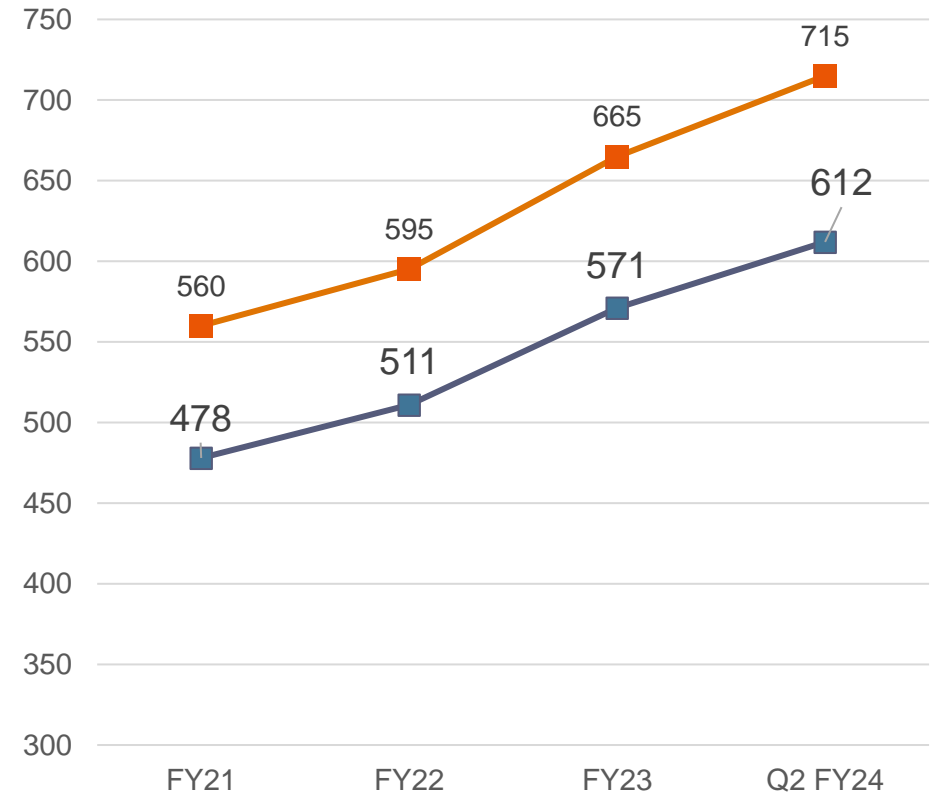
24 mid-career recruits and 59 new graduates joined the company in the first half of the fiscal year.

- Hiring of mid-career recruits: Continue proactive screening with priority on quality in the second half of the fiscal year. More than 25 mid-career recruits have agreed to join the company from Q3 onward.
- Hiring of new graduates: Approx. 80 new graduates will join the company in April 2025.

**Number of hires per annum (consultants)**



**Group employees (■) / Group consultants (■)**

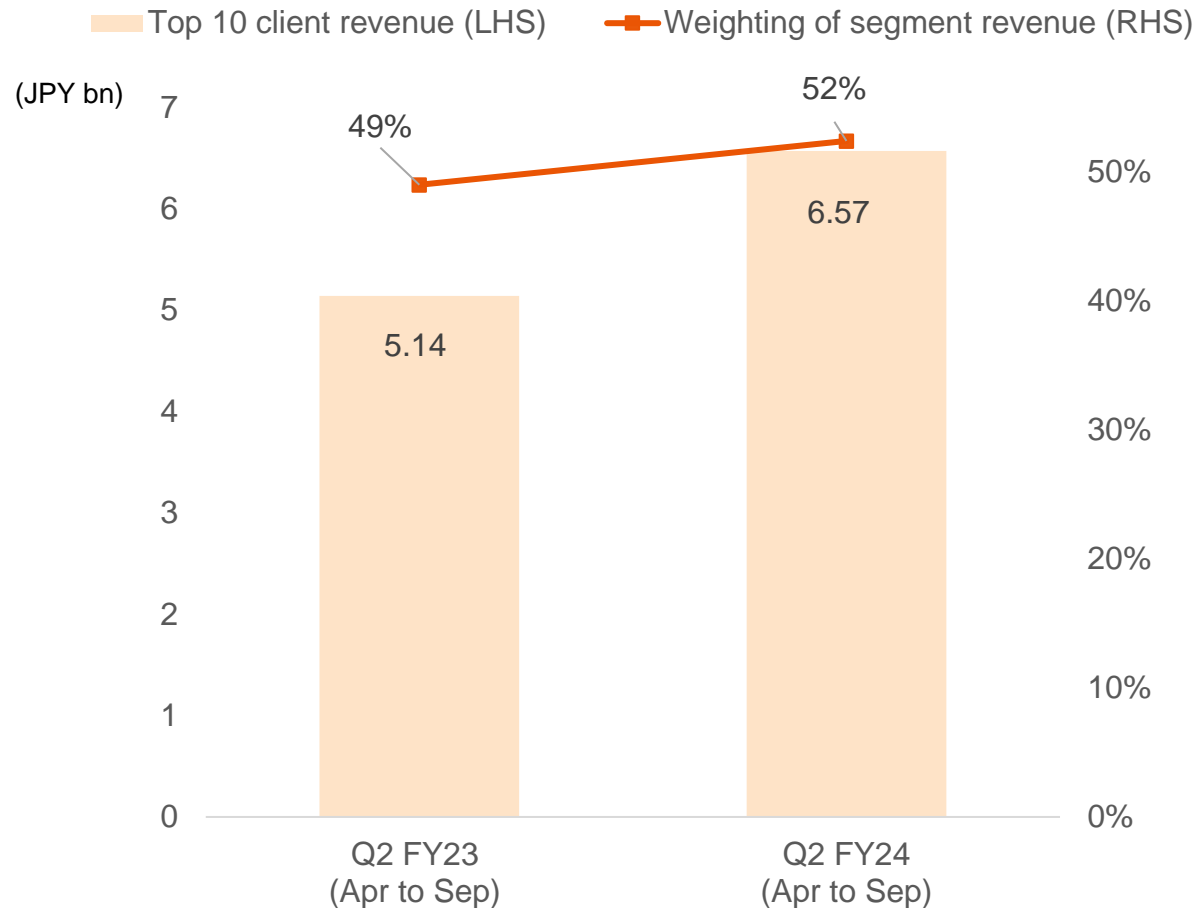


■ New graduates ■ Mid-career recruits Q1 ■ Q2 ■ Q3 ■ Q4



# Segment Information – Consulting Business

- The utilization rate of internal personnel has remained above the planned level, and revenue has grown sharply.
- Clients targeted by industry, mainly in the transportation, finance, information communication, retail, trading, and manufacturing industries.



**Reference:**  
Numbers of projects and clients, and revenue per contract at SIGMAXYZ Inc.

	Q2 FY23 (Apr to Sep)	Q2 FY24 (Apr to Sep)	YoY change
Number of projects*	615	611	-1%
Number of clients**	136	133	-2%
Revenue per contract (JPY mn)	16.9	20.3	+20%

SXF excluded in all calculations.

\* Number of projects: The total number of projects for which revenue was recorded during the period.

\*\* Number of clients: The total number of client companies of projects for which revenue was recorded during the period.

# Main Publicized Project Case Studies

## Introduction of SaaS core systems

- Use of SaaS in international forwarding ops (MOL Logistics)
- Migrating ERP to the Cloud (NTT-AT, SOLIZE)

## Promotion of digital transformation

- Support for IT organization reform and business improvement with our Co-CIO Service (SOMPO Direct)
- Support for the development of a DX human capital development program for corporations (Docomo gacco)

## Launch of new services

- Support for new business development and operation (JALPAK)
- Support for new business concepts and development projects (H2O Retailing)
- **New Case** Business Launch and Product Development Support for XR Glasses Manufacturer (NTT QONOQ Devices)

## Utilization of AI

- Introduced Generative AI Research Lab, a generative AI service (ITOCHU Corporation)
- Automated support for price revision of used cameras using AI (Syuppin)

## PMO (Program Management Office)

- SAKURA Project (JAL)
- Domestic Fare Renewal Project (JAL)
- Project Management Office for Initiatives to Standardize and Advance Operations and Systems ( Mitsui O.S.K. Lines/MOL Drybulk)

- GX strategy planning, support for implementation of new environmental and energy projects (Azbil)
- Survey on Collaboration in Medical Care and Long-Term Care Using IoT Devices and Telehealth Devices (Cabinet Office, University of Tsukuba)
- Establishment of the “Consortium for Future Innovation by Cultured Meat”
- Management Platform Transformation (TOYO ALUMINIUM)
- New City Development (Tokyu)
- Study of environmentally friendly, autonomous, decentralized next-generation infrastructure (Obuse Town, Nagano Prefecture)

Project case details <https://www.sigmaxyz.com/sx/en/case.html>

# Business Launch and Product Development Support for XR Glasses Manufacturer

SIGMAXYZ has been providing support for the business launch and product development of NTT QONOQ Devices, Inc. (hereinafter “NTT QONOQ Devices”), which is aiming to create a new era in which the real and virtual worlds are integrated through the development and widespread use of XR glasses.

NTT QONOQ Devices, Inc., was established in April 2023 as a joint venture between NTT QONOQ, INC., and Sharp Corporation. After its launch as a device manufacturer, NTT QONOQ Devices has continued to engage in the planning/development of XR glasses, promotional activities, and partnership development, and the domestically manufactured XR glasses “MiRZA” designed for corporations and developers was released as its first-ever product in October 2024. Development of its second product is currently underway.

SIGMAXYZ has provided extensive support by leveraging its vast expertise in the area of XR, including the establishment of NTT QONOQ Devices as well as the establishment of the company's business operation frameworks, product development, and sales/promotional activities. We will continue to play the role of a Sherpa in supporting NTT QONOQ Devices to achieve further business growth.

NTT QONOQ Devices' first-ever product:  
An XR glasses device



## Related links:

[NTT QONOQ, INC., press release] NTT QONOQ and Sharp launch NTT QONOQ Devices, Inc., as a joint venture  
[https://www.nttqonoq.com/news/20230327\\_01/](https://www.nttqonoq.com/news/20230327_01/)

[NTT QONOQ Devices, Inc.] Announcing the launch of lightweight, wireless, high-performance XR glasses “MiRZA”  
<https://www.devices.nttqonoq.com/news/20240909.html>

[NTT QONOQ Devices, Inc.] Lightweight, wireless, high-performance, domestically manufactured XR glasses “MiRZA” to be released on October 16  
<https://www.devices.nttqonoq.com/news/20241009.html>

# Information Dissemination Activities Conducted by Professionals in Various Fields (Main Appearances at Seminars)

## Utilization of Generative AI

Akihiro Mizohata (Senior Executive Officer, SIGMAXYZ)  
Katsuto Arai (Director, SIGMAXYZ)



- July 9 (Mizohata)  
Canon IT Solutions Co-imagination & Co-Creation Forum 2024
- July 19 and July 25 (Mizohata/Arai)  
Nikkei BP seminar, “How to Introduce Generative AI Such as ChatGPT at Companies and Utilize It for Business”

## Manufacturing Industry of the Future

Shinya Kiriwara  
(Senior Executive Officer, SIGMAXYZ)



- May 10, July 23, and October 25  
8th, 9th, and 10th committee meetings of the Additive Manufacturing (AM) Research Association
- September 27  
Mold Technology Research Group, Miyakoda Associates, Software Industry Promotion Research Committee (Hamamatsu)  
“The Future of Manufacturing: Intersection of the Digital and the Physical”
- October 24  
HP Digital Manufacturing Summit 2024, Keynote Address

## The Future of Logistics

Yuichiro Ikeda  
(Director, SIGMAXYZ)



- September 10  
Logis-Tech Tokyo 2024, “The Future of Logistics in 2034 as Envisioned by Nomura Real Estate Development”

## Digital Twins

Ryotaro Magoshi  
(Director, SIGMAXYZ)



- October 28  
High-Tech Promotion Seminar, “Digital Transformation (DX) and Digital Twins”

## MaaS

Jin Kimura (Principal, SIGMAXYZ)

- October 17: 5th Business Creation Meetup in Tokyo  
“Frontiers of City Development Centered on MaaS”

## GX/Environment

Yudai Maeda (Principal, SIGMAXYZ)

- Served as environmental advisor for Gunma Prefecture, Yonezawa City (Yamagata Prefecture), and Unnan City (Shimane Prefecture), and delivered many talks for corporations, local governments, and universities

## Food Tech

Akiko Fukuyo (Principal, SIGMAXYZ)

- May 10: Social Co-Creation Summit Liquid 2024
- July 5: Future of Food Conference

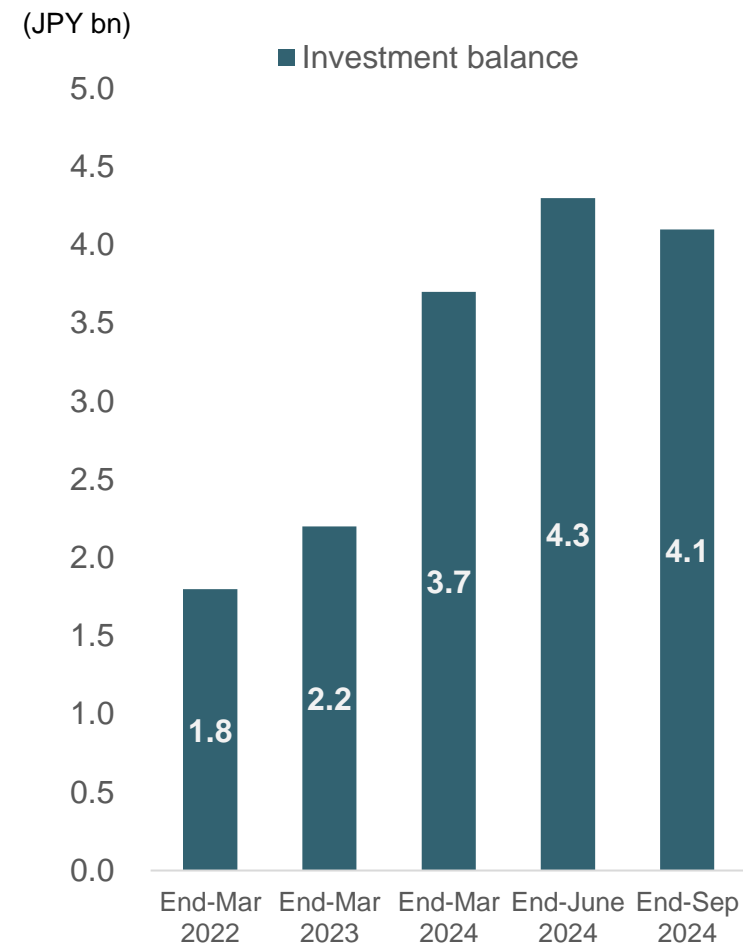
Related link: [SIGMAXYZ Group news] <https://www.sigmaxyz.com/ja/news.html>

## Segment Information – Investment Business

A portion of listed shares were sold. In addition, an impairment loss was recorded at the end of September. Cumulative balance of investments, including valuation differences, stood at approximately 4.1 billion yen as of the end of September.

We continue to promote investments contributing to social value co-creation.

Investment year	Company
2018	GHELIA INC.
2019	Creww, Inc.
	Monstarlab Holdings Inc. (TSE Growth Market 5255)
2022	Shizen Energy Inc.
	eWeLL Co., Ltd. (TSE Growth Market 5038)
	Forest Energy Inc.
	Mental Health Technologies Co., Ltd. (TSE Growth Market 9218)
	DORAEVER Co. Ltd
2023	GVA TECH, Inc.
	iGRID SOLUTIONS Inc.
	Social Interior Inc.
2024	EUCALIA Inc.
	Syuppin Co., Ltd. (TSE Prime Market 3179)



# Conducting a Special Talk With Japan Airlines Co., Ltd., to Convey the “Power of Dreams” to Children

SIGMAXYZ and Japan Airlines jointly conducted a special talk for an elementary school in Sapporo City as part of Miho Nijo’s Dream Power Project.

Miho Nijo’s Dream Power Project is an initiative in which Miho Nijo (former wheelchair tennis player who retired in May 2019), a Paralympian and athlete under SIGMAXYZ, delivers talks to elementary and junior high school students on the topic of the “power of dreams.” In FY2023, talks were conducted at a total of 32 elementary and junior high schools (approx. 6,000 students) in Sapporo City, Hokkaido Prefecture, with the aim of communicating the importance of having dreams as a major driving force in life and having students contemplate and deepen their understanding of issues around diversity.

The special talk jointly conducted by SIGMAXYZ and Japan Airlines on October 10 in Sapporo City featured not only Nijo’s talk on the “power of dreams” and diversity but also a presentation by Japan Airlines on the topics of work that supports air travel and how accessibility is a form of diversity in mobility, as well as exchanges of opinions with children in the audience.



Related link: [Press release] [https://www.sigmaxyz.com/ja/news/release\\_240927.html](https://www.sigmaxyz.com/ja/news/release_240927.html)

# FY24 Consolidated Earnings Forecasts

Revised on November 6, 2024

Unit: JPY mn	FY23 (previous period) results (A)	Previous forecasts (as of May 29, 2024) (B)	New forecasts (C)	Amount (C-B)	YoY change (%) (C/A)	Q2 FY24 results (Apr to Sep)	Progress
Revenue	22,410	25,000	26,000	+1,000	+16%	12,558	48%
Operating profit	4,232	5,250	5,450	+200	+29%	2,837	52%
Ordinary profit	4,338	5,300	5,650	+350	+30%	3,002	53%
Profit attributable to owners of parent	3,232	3,900	4,100	+200	+27%	2,292	56%

## Reasons for revision:

- Revenue has grown as a result of a higher-than-planned utilization rate of internal personnel, an increase in unit prices, and utilization of business partners, on the back of strong demand. Since a similar trend is expected in the second half of the fiscal year, we have made revisions to the consolidated earnings forecasts.

Note: In terms of the consolidated earnings forecasts, the investment business is, by its nature, highly susceptible to developments in domestic and overseas stock markets and new listings; therefore, the profit level range may be greater than the forecasts. However, our forecasts are based on information available as of now.

# Dividend Policy

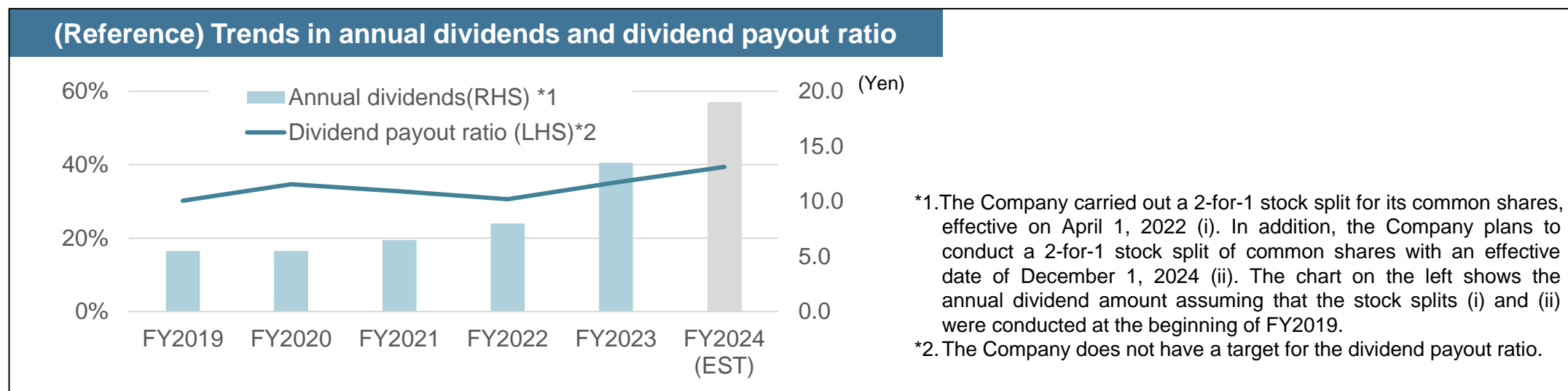
Revised on November 6, 2024

- 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.

In conjunction with the revision of earnings forecasts, and a stock split (split at a ratio of 2 shares for each share) with an effective date of December 1, 2024, we have decided to revise the dividend forecast. The dividend forecast for the fiscal year ending March 2025, calculated before the stock split, has been revised to increase the dividend by 4 yen per share from the most recent dividend forecast.

	FY23 result (A)	Previous FY24 forecast (as of May 29, 2024)	New FY24 forecast (B)	YoY change (B-A)
Annual dividend per share (converted to pre-stock split)	27 yen	34 yen	19 yen (38 yen)	(+11 yen)

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)

- 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.

### Reference: Blueprint in FY25 (Fiscal Year Ending March 2026)

Announced  
in August 2022

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

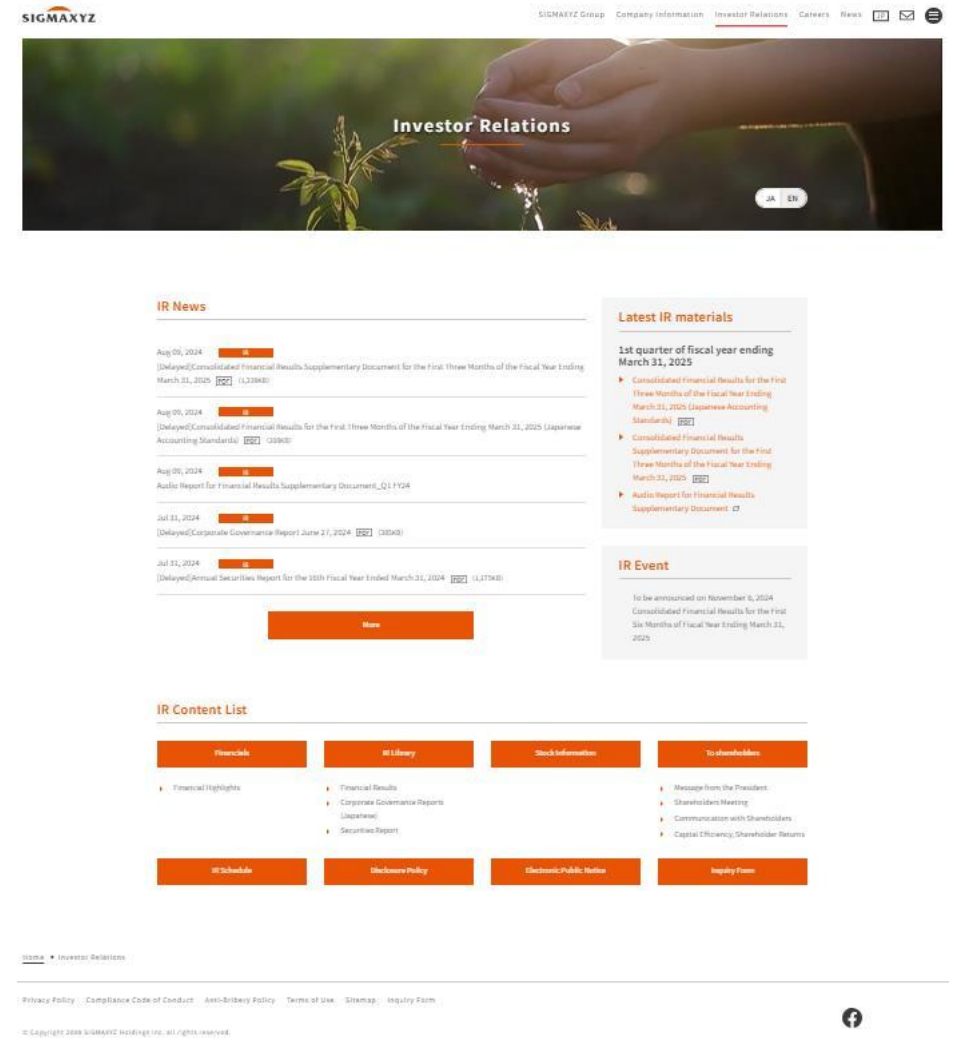
- In the current volatile market, we believe it is appropriate to actively review our business strategy every year and take it into account for the next fiscal year's business plan, so we do not formulate medium-term management plans.
- "Blueprint" is how we want to grow in the medium and long term,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

# Reference: Expansion of IR-Related Content on the Website

- An audio report for the document is posted at 6:00 p.m. JST on the day the results are disclosed. In addition, from Q2 FY24 (semi-annual period) onward, a transcript will also be posted (five business days after the announcement of results).
- The “Communication with Shareholders” and “Capital Efficiency, Shareholder Returns” pages have been updated/newly added in May 2024.
- Reference English documents and videos are available for consolidated financial results and supplementary documents, shareholders meeting-related materials, Securities Reports, and Corporate Governance Reports.



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



### **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](http://www.sigmaxyz.com)**

**Inquiries: [sigmaxyz\\_ir@sigmaxyz.com](mailto:sigmaxyz_ir@sigmaxyz.com)**

