November 5, 2025

# Consolidated Financial Results Supplementary Document for Q2 FY25 (Semi-annual Period)

SIGMAXYZ Holdings Inc. (Stock code: 6088)

SIGMAXYZ
CREATE A BEAUTIFUL TOMORROW TOGETHER

# Outline of Financial Results for Q2 FY25 (Semi-annual Period)

SIGMAXYZ

- Consolidated revenue was 12.55 billion yen, and ordinary profit was 3.38 billion yen. Profit made steady progress toward the plan, but revenue lagged behind.
- We have revised our earnings forecast due to the transfer of all shares of a consolidated subsidiary and delays in commencement new projects in line with the sequential go-live of large-scale projects. → Slides 2, 3
- We have decided to increase the amount for the repurchase of treasury shares and to cancel treasury shares. → Slide 4

| (Unit: JPY mn) | Q2 FY24 (Apr. to Sep.) | Q2 FY25 (Apr. to Sep.) | YoY change | FY25 consolidated forecasts (revised November 5) | Progress |
|---|---|---|---|---|---|
| Consolidated revenue | 12,558 | 12,558 | +0% | 24,500 | 51% |
| Ordinary profit | 3,002 | 3,380 | +13% | 6,300 | 54% |
| Ordinary profit margin | 23.9% | 26.9% | | | |
| Profit | 2,292 | 2,264 | -1% | 4,400 | 51% |
| Equity ratio | 76% | 80% | | | |

Note: Starting from Q1, information is now disclosed under a single segment (consulting business).

# FY25 Consolidated Earnings Forecasts (Revised November 5, 2025)

SIGMAXYZ

| (Unit: JPY mn) | FY24 results (A) | Previous forecast (May 8, 2025) (B) | Revised forecast (C) | Amount (C-B) | YoY change % (C/A) | Q2 FY25 results (Apr. to Sep.) | Progress |
|---|---|---|---|---|---|---|---|
| Revenue | 26,293 | 30,000 | 24,500 | -5,500 | -7% | 12,558 | 51% |
| Operating profit | 5,638 | 6,950 | 6,100 | -850 | +8% | 3,198 | 52% |
| Ordinary profit | 5,876 | 7,060 | 6,300 | -760 | +7% | 3,380 | 54% |
| Profit attributable to owners of parent | 4,394 | 4,900 | 4,400 | -500 | +0% | 2,264 | 51% |

| | FY24 results | FY25 forecast (unchanged) | YoY change |
|---|---|---|---|
| Annual dividend per share | 21 yen | 26 yen | +5 yen |

Note: Our forecasts are based on information available as of now.

# Reason for revision of earnings forecasts

SIGMAXYZ

### Reason for revision of full-year revenue forecast

- Transferred all shares of SXD Inc. in October 2025. SXD was excluded from the scope of consolidation and its revenue forecast for the second half of the fiscal year has been excluded from the earnings forecast.
- Although we have been pursuing new projects in anticipation of the sequential go-live of large-scale projects, the commencement of new projects toward the end of the fiscal year delayed longer than anticipated.

### Reason for revision of full-year profit forecast

- The anticipated sale of investment securities inherited from the Investment Business during the fiscal year under review has been excluded from the earnings forecast.
- Impact of revision of full-year revenue forecast

### Future initiatives

- Newly form a dedicated team to focus on proposal activities for large-scale projects utilizing SaaS.
- Actively invest in the development of generative AI offerings to acquire client needs and secure new projects.
- Consider capital and business alliances that contribute to expanding the client base.
- Control company-wide expenses

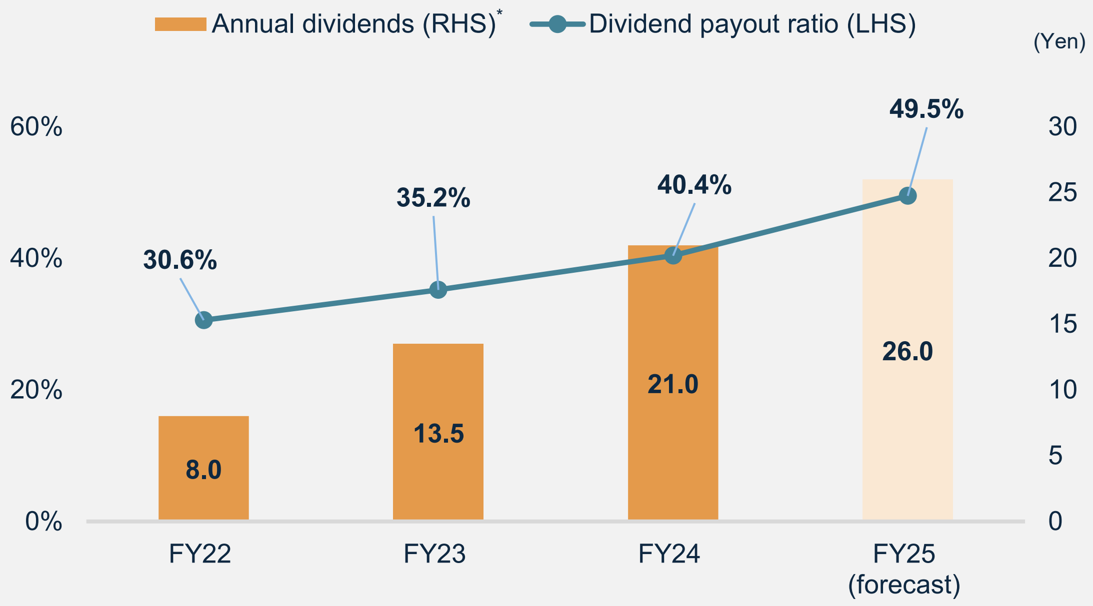
### Dividend forecast (unchanged)

Given our sound financial condition and the perspective of returning profits to shareholders, there is no change, maintaining at 26 yen (dividend payout ratio of 49.5%).

# Strengthening Shareholder Return Measures

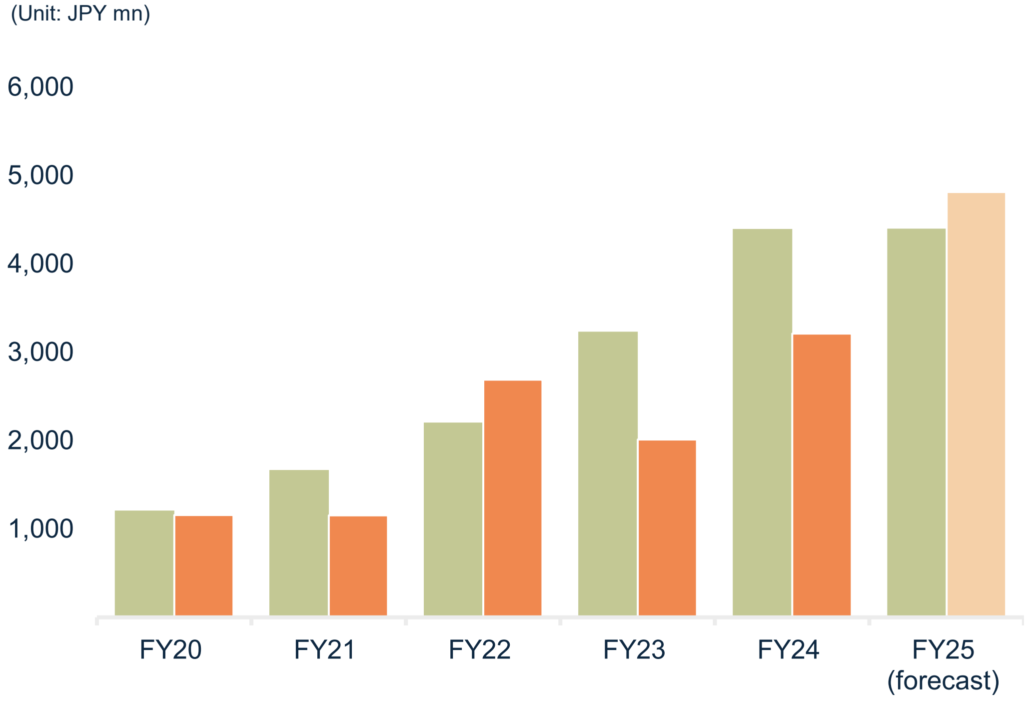
- As part of management focused on capital efficiency, and to enable a flexible capital policy while taking into account effective methods for utilizing cash on hand, in addition to the repurchase of more than 1.1 billion yen in treasury shares implemented so far this fiscal year, the repurchase amount will be increased (upper limit of 1.8 billion yen). The shares planned for repurchase (3 million shares) are scheduled to be canceled.
- The total payout ratio, including dividends and the repurchase of treasury shares, is expected to be 100% or higher for FY25.

**Trends in annual dividends and dividend payout ratio**




* The Company carried out a 2-for-1 stock split for its common shares, effective December 1, 2024. The chart above shows the annual dividend amount, assuming that the stock split had been conducted at the beginning of FY22.

**Profit attributable to owners of parent  Shareholder returns***




* Shareholder returns: Dividends + Share buybacks (including additional contributions to stock compensation trust)

# Consolidated Statement of Income for Q2 FY25 (Semi-annual Period)

SIGMAXYZ

| (Unit: JPY mn) | Q2 FY24 (Apr. to Sep.) | Q2 FY25 (Apr. to Sep.) | YoY change | | Major changes |
|---|---|---|---|---|---|
| | | | Amount | Rate | |
| Revenue | 12,558 | 12,558 | 0 | +0% | • Decrease in outsourcing due to the sequential go-live of large-scale projects<br>• Delay in commencement of new projects |
| Cost of revenue | 6,910 | 6,609 | -301 | -4% | • Decrease in outsourcing expenses<br>• Reversal of provision for bonuses from previous fiscal year |
| Gross profit<br>(Gross profit margin) | 5,647<br>(45.0%) | 5,949<br>(47.4%) | 301 | +5% | • Decrease in cost of revenue |
| SG&A expenses | 2,810 | 2,750 | -59 | -2% | • Reversal of provision for bonuses from previous fiscal year |
| Operating profit | 2,837 | 3,198 | 361 | +13% | • Increase in gross profit |
| Ordinary profit<br>(Ordinary profit margin) | 3,002<br>(23.9%) | 3,380<br>(26.9%) | 378 | +13% | |
| Profit before income taxes | 2,946 | 3,318 | 372 | +13% | • Gain on sale of shares of SXF Inc.<br>• Recognition of extraordinary loss due to impairment of investee companies |
| Profit | 2,292 | 2,264 | -27 | -1% | • Increase in income taxes |
| Comprehensive income | 2,178 | 2,373 | 194 | +9% | |

# Consolidated Balance Sheet for Q2 FY25 (Semi-annual Period)

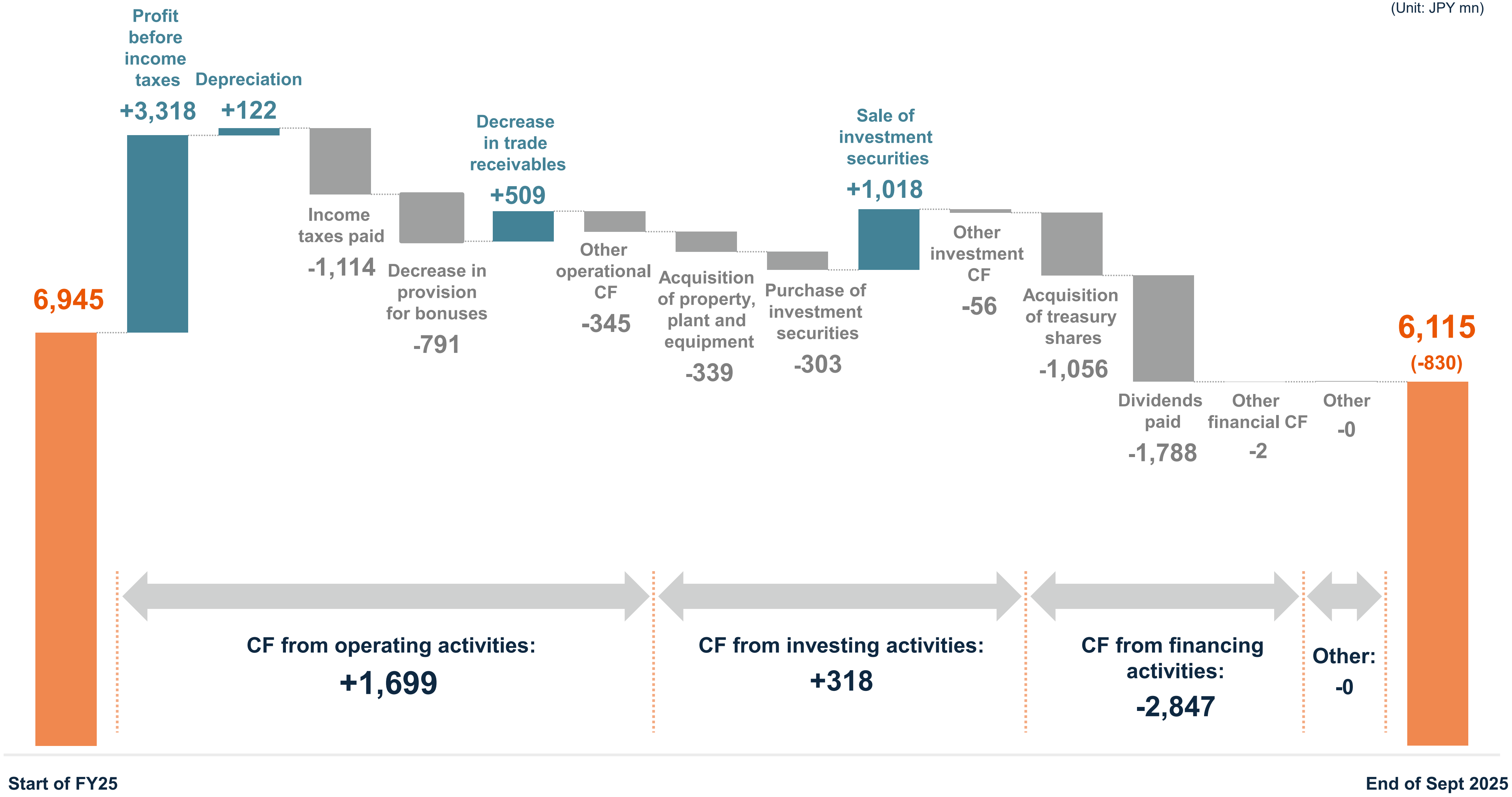
SIGMAXYZ

| (Unit: JPY mn) | End of FY24 | End of Q2 FY25 | Change | Major changes |
|---|---|---|---|---|
| **Current assets** | 14,073 | 8,965 | -5,108 | • Decrease in cash and deposits<br>• Decrease in operational investment securities |
| Cash and deposits | 6,945 | 6,115 | -830 | • Decrease due to dividend payments<br>• Decrease due to income taxes paid |
| Operational investment securities | 3,797 | — | -3,797 | • Inherited assets recorded as investment securities due to absorption-type merger of investment business |
| **Non-current assets** | 5,666 | 9,097 | 3,430 | • Increase in investment securities |
| Investment securities | 3,024 | 6,203 | 3,178 | • In Q1, fully divested one investee company and recorded impairment loss for one listed investee company |
| **Total assets** | 19,740 | 18,062 | -1,677 | |
| **Current liabilities** | 4,781 | 3,152 | -1,629 | • Decrease in provision for bonuses due to reversal of previous fiscal year's amount<br>• Decrease in accounts payable |
| **Non-current liabilities** | 687 | 453 | -233 | |
| **Total liabilities** | 5,468 | 3,606 | -1,862 | • No borrowings |
| **Total net assets** | 14,272 | 14,456 | 184 | |
| **Equity ratio** | 72% | 80% | | |

# Changes in Consolidated Cash Flow

SIGMAXYZ

(Unit: JPY mn)



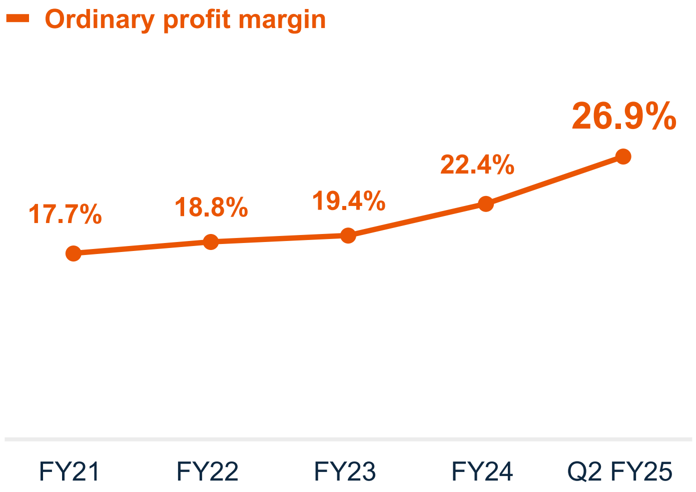
# Key Performance Indicators (KPIs)

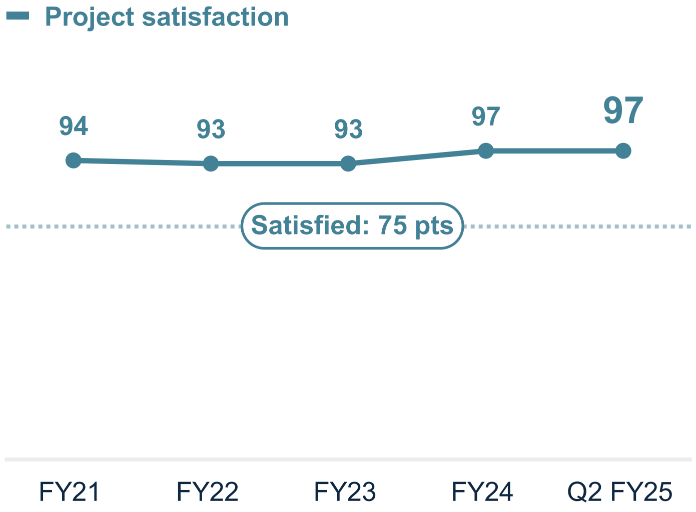
| | Q2 FY24 (Apr. to Sep.) | Q2 FY25 (Apr. to Sep.) | YoY change |
|---|---|---|---|
| Ordinary profit margin on consolidated revenue | 23.9% | 26.9% | +3.0 pts |

## Consulting services

| | Q2 FY24 | Q2 FY25 | YoY change |
|---|---|---|---|
| Number of consultants | 612 | 694 | +13% |
| Project satisfaction (NSI*) | 98 | 97 | -1 pts |

* 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.

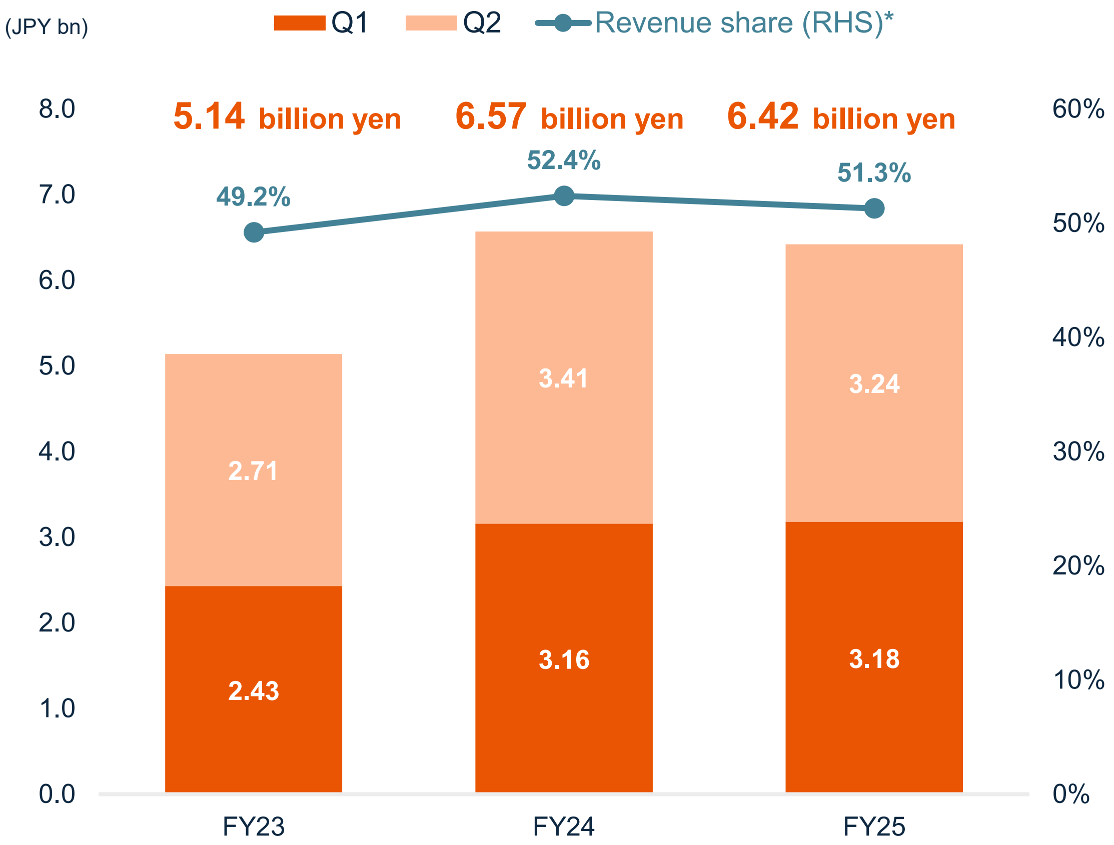


# Business Performance Highlights: Consulting Service

- Sequential go-live of large-scale projects including those related to SaaS core systems. Revenue of top 10 client decreased YoY.
- By industry, our main client base consists of transportation, finance, information communication, retail and trading.

## Top 10 client revenue




* Revenue share is the proportion of consolidated revenue excluding revenue from the former investment business.

## Numbers of projects and clients, and revenue per contract

| | Q2 FY24 (Apr. to Sep.) | Q2 FY25 (Apr. to Sep.) | YoY change |
|---|---|---|---|
| Number of projects*1 | 611 | 598 | -2% |
| Number of clients*2 | 133 | 130 | -2% |
| Revenue per contract (JPY mn) | 20.3 | 20.9 | +3% |

Former investment business excluded in all calculations.

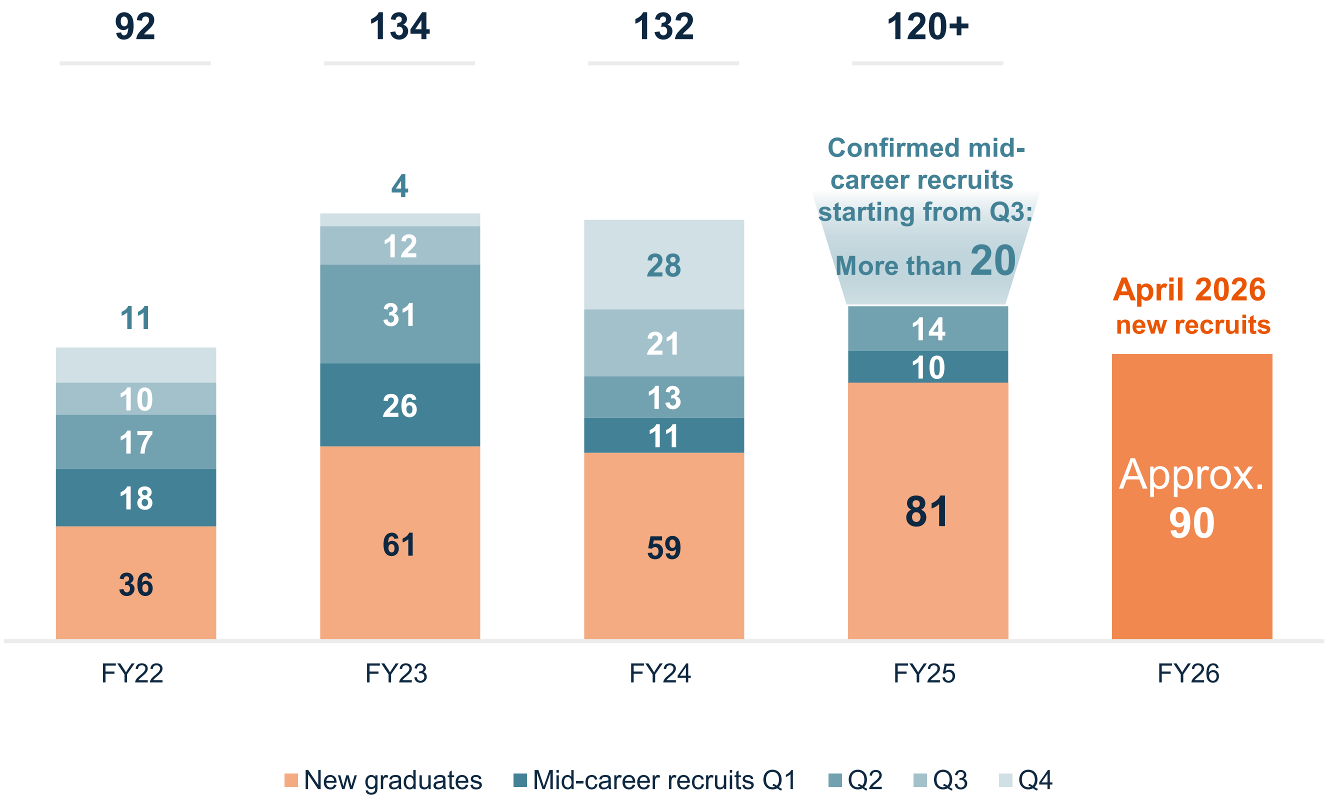
*1 Number of projects: The total number of projects for which revenue was recorded during the period.

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

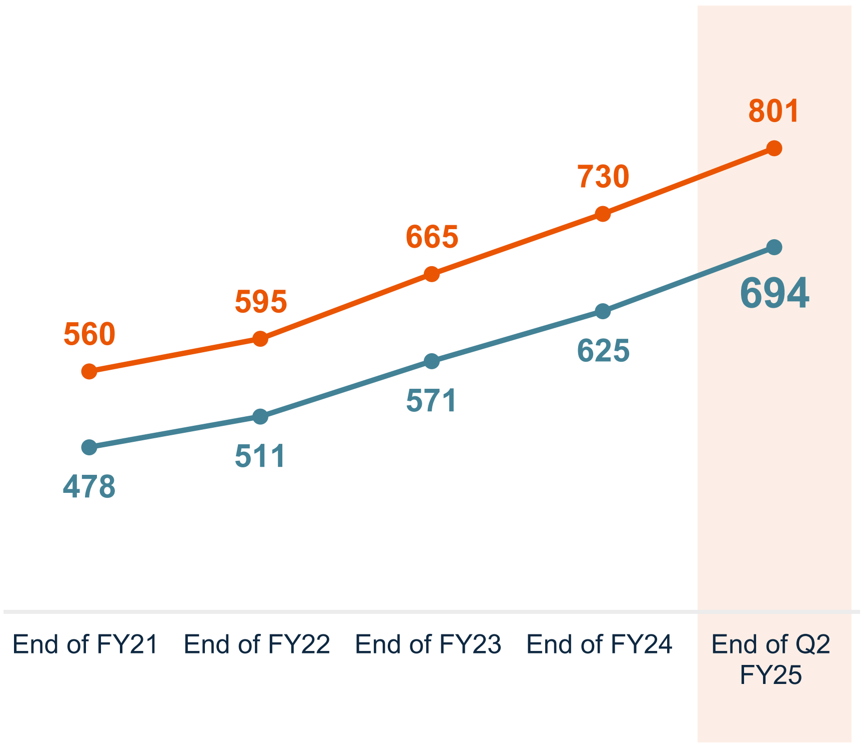
For the six months ended September 30, 2025 (semi-annual period), we hired 24 mid-career recruits and 81 new graduates.
The number of consultants was 694.

- Hiring of mid-career recruits: Continued screening with emphasis on quality.
- Hiring of new graduates: Approximately 90 new graduates are set to join in April 2026.

### Number of hires per annum (consultants)




### ● Group employees ● Group consultants



# Main Publicized Project Case Studies

SIGMAXYZ

## Introduction of SaaS core systems

- Support for business standardization and overseas expansion through SaaS (MOL Logistics)
- Standardization of accounting operations and systems (FOC shipping companies of the MOL Group)
- Support for standardization of core business operations and data through the use of SaaS (Tokai Electronics)
- Migrating ERP to the Cloud (NTT-AT, SOLIZE)

## Promotion of digital transformation

New Case

**Supporting Company-Wide Business and System Reforms Through Digitalization (SADENKO)**

- Co-CIO Services: Support for IT organizational transformation aimed at advanced IT and digital utilization (MACNICA HOLDINGS)
- Support for IT organization reform and business improvement with our Co-CIO Service (Sompo Direct Insurance)
- Support for the development of a DX human assets development program for corporations (Docomo gacco)

## Launch of new services

New Case

**Green Transformation Promotion Business Development and Continuous Growth Support Project (CTC)**

- Support for a Cruise Business Innovation Program (MOL Cruises)
- Support for new business development and operation (JALPAK)
- Support for new business concepts and development projects (H2O Retailing)
- Support for the business launch and product development of an XR glasses manufacturer (NTT QONOQ Devices)

## Utilization of AI

New Case

**Utilizing Generative AI to Support More Advanced System Maintenance Services (Intec)**

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

## Program Management Office (PMO)

- SAKURA Project (JAL)
- Domestic Fare Renewal Project (JAL)

## Creating value in various fields

- Joint production and publication of white paper (H2O Retailing)
- Establishment of the “Consortium for Future Innovation by Cultured Meat”
- Management platform transformation (Toyo Aluminium)

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

# Utilizing Generative AI to Support More Advanced System Maintenance Services

## Intec Inc.

Intec Inc. is developing an advanced system analysis methodology that utilizes generative AI to improve its system maintenance services. Since August 2024, SIGMAXYZ has supported this initiative using its generative AI insight and system integration expertise.

Intec’s system maintenance services are highly demanding tasks that continuously implement modifications according to business changes while ensuring the stable operation of client’s core systems. Because the staff requires a broad range of skills, long-term talent development and maintaining high-quality services were challenges.

SIGMAXYZ provided support from analysis of current status of services to designing optimal methodologies, incorporating generative AI technology, and applying it to actual projects. This methodology applies generative AI in formulating hypotheses about business processes from diverse information assets while clarifying the internal structure of the system through workshops among staff, thereby systematizing the information needed for maintenance work and reducing the workload of impact assessment and analysis during system modifications. In addition, it converts the tacit knowledge of the staff into explicit knowledge, promoting skill development across the entire team.

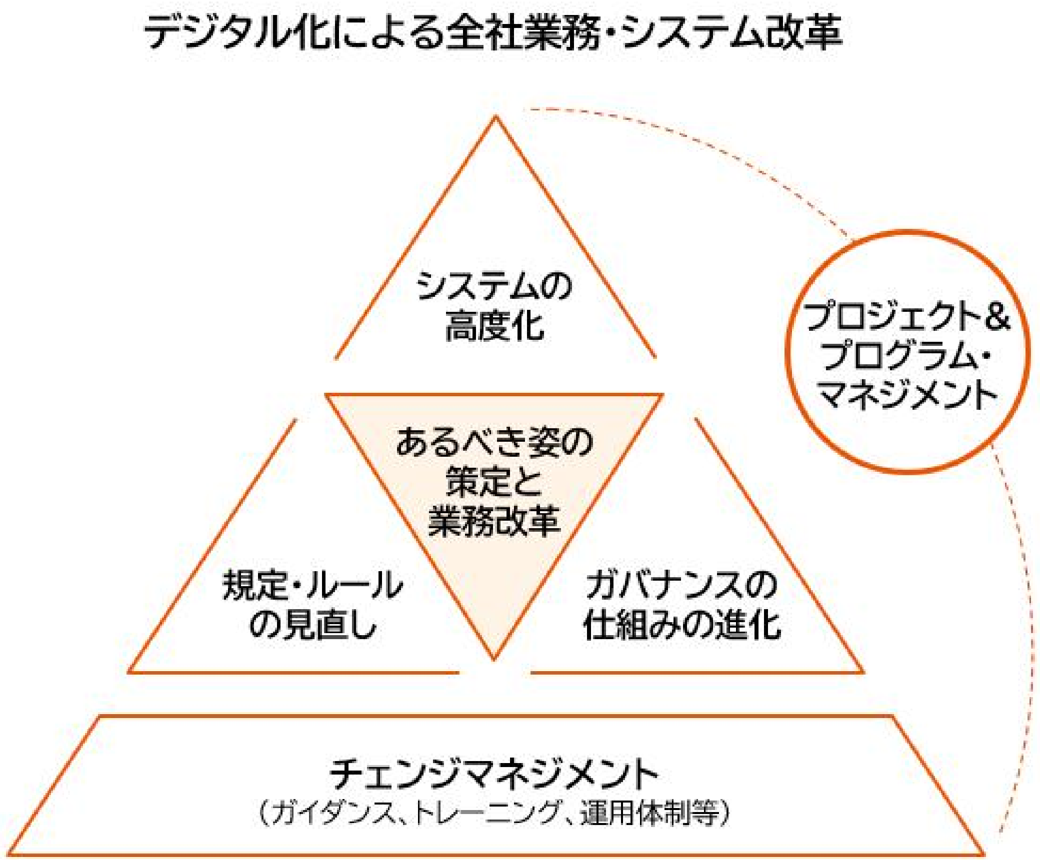
Intec presented a paper summarizing these results at the International Conference on Quality 2025, and SIGMAXYZ also took part. Going forward, we will support taking on challenges to improve these services.

## SADENKO Co.,Ltd.

SADENKO Co.,Ltd., a comprehensive facilities construction company based in Kyushu, worked with SIGMAXYZ to implement company-wide business and system reforms through digitalization, aiming to respond to environmental changes in the industry and become a regional leading company.

To address issues specific to the industry, such as complex contracts and ordering processes and high on-site workload, SIGMAXYZ proposed a company-wide business reform to SADENKO, which had been considering a core system renewal, including potential improvements such as internal regulations and a governance framework.
In 2021, we launched the project, and after four months of collaboration between management and the frontlines, goals were set and business reforms were promoted. The system was implemented in stages, with full operation of the core system starting in January 2025.

As a result, we reduced the workload of entering data into the system, which was a major burden on the frontlines, and shortened approval lead times. Furthermore, we are advancing the in-house implementation of project management and continue to implement voluntary reforms starting in June 2025.



SIGMAXYZ

## ITOCHU Techno-Solutions Corporation

ITOCHU Techno-Solutions Corporation has identified contributing to addressing climate change as a materiality and has positioned its Green Transformation (GX) promotion business as a growth area. Leveraging analysis and system development technologies in the meteorology and renewable energy fields accumulated since the 1990s, the company systemized its services in 2022, including visualizing greenhouse gas emissions, supporting renewable energy adoption, and building related data infrastructure, and began offering them externally. In 2024, the company released the GX Advisory Service Starter Pack that quickly diagnoses current GX efforts and identifies issues, with the aim of expanding application.

Since 2021, SIGMAXYZ has provided integrated support for concept formulation, design, and operation. In addition to designing the service structure, building the framework, formulating business plans, and establishing promotion systems, we work with the company in practical areas such as customer proposals and delivery support, contributing to the growth of the business and achieving carbon neutrality in Japan.

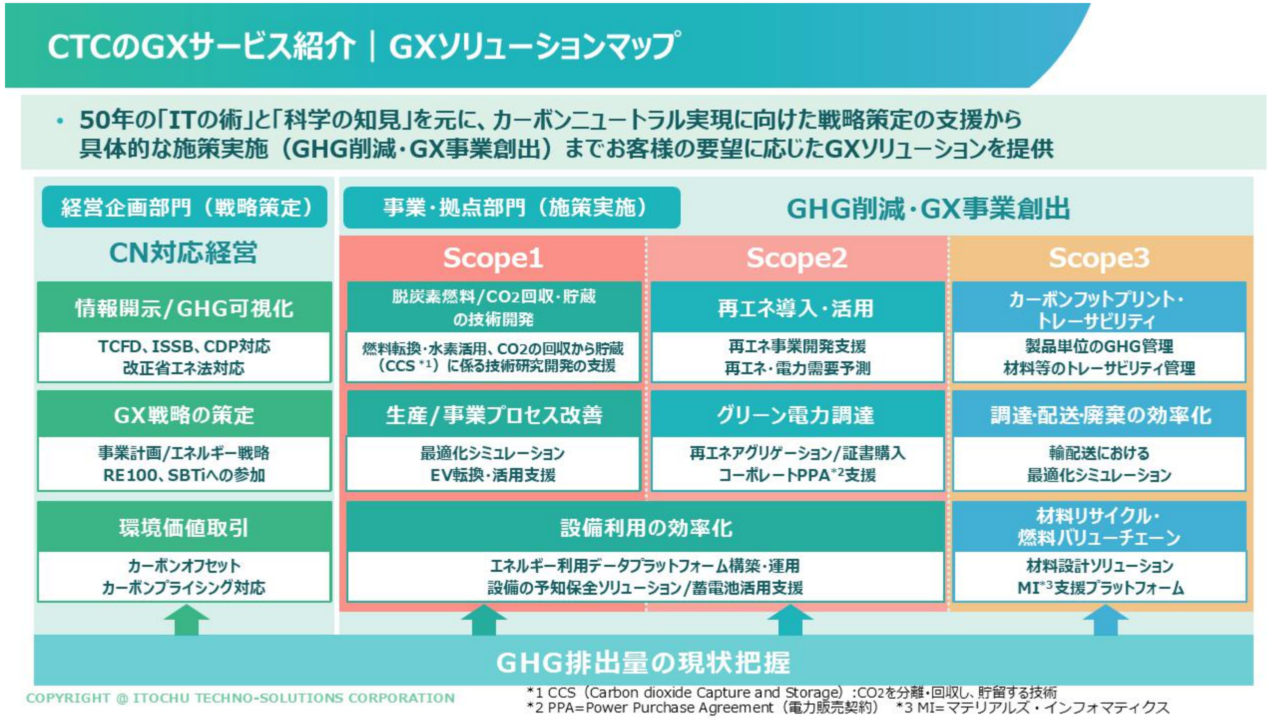



Illustration provided by ITOCHU Techno-Solutions Corporation

ITOCHU Techno-Solutions Corporation press release: Supporting Corporate Green Transformation (GX) (August 31, 2022) https://www.ctc-g.co.jp/en/company/release/20220831-01488.html
ITOCHU Techno-Solutions Corporation press release: Launch of GX Support Service with Simplified Menu Options (October 15, 2024) https://www.ctc-g.co.jp/en/company/release/20241015-01840.html
Nikkei ESG: Tatsushi Shingu, President & CEO of ITOCHU Techno-Solutions Corporation, “Accelerating the Challenge to Solve Issues with IT” (July 9, 2024) https://project.nikkeibp.co.jp/ESG/atcl/column/00006/070100433/

# Collaboration With ITOCHU Techno-Solutions Corporation

## CIO × Compass powered by Co-CIO Service (CIO-Compass)

SIGMAXYZ collaborated with ITOCHU Techno-Solutions Corporation (CTC) on the rollout of the CIO × Compass powered by Co-CIO Service (CIO-Compass), the first offering under CIO-Partners Service, which CTC has begun providing.

Since the 1970s, CTC has introduced cutting-edge technology from North America to the Japanese market, leveraging its global partnership of over 300 companies to build optimal systems for businesses. In 2023, SIGMAXYZ began providing Co-CIO Service, which supports CIOs in addressing challenges and advancing initiatives across seven key domains, thereby supporting CIOs in a wide range of industries.

Through this collaboration between the two companies, we provide comprehensive and practical support for customer transformations, from analyzing the current state of IT and digital operations to strategy formulation, organizational management, and IT investment management.


ITOCHU Techno-Solutions Corporation press release: Launch of CIO-Partners Service, Providing Comprehensive Support for Corporate CIOs and Offering End-to-end Assistance from Strategy Formulation to Execution
https://www.ctc-g.co.jp/company/release/20251015-01983.html

# Strengthening Dissemination of Customer Case Studies

Nikkei Business online

- “How is a cruise business for a new age created?,” MOL Cruises, Ltd.
- “Clean core strategy: Leading to next-generation management,” NTT ADVANCED TECHNOLOGY CORPORATION, SOLIZE Holdings Corporation
- “The future of customer-based retailing,” H2O Retailing


https://special.nikkeibp.co.jp/atclh/ONB/25/sigmaxyz0325/


https://special.nikkeibp.co.jp/atclh/ONB/25/sigmaxyz0818/


https://special.nikkeibp.co.jp/atclh/ONB/25/sigmaxyz0929/

# Information Dissemination Activities Conducted by Professionals in Various Fields (Main Seminar Presentations in Apr. – Sep. 2025)

SIGMAXYZ

**The Future of Logistics** **Yuichiro Ikeda** Director, SIGMAXYZ

April 10 Logistics Dialogue Kansai Edition (KANSAI LOGIX 2025)
May 21 Thailand Advanced Logistics Seminar (Sasin Graduate Institute of Business Administration, Chulalongkorn University)
July 18 6th Logistics Dialogue
July 24 TOYO KEIZAI Transform Summit 2025
September 11 Fourth Innovation Expo, International Logistics Exhibition 2025
September 26 First CLO Council 2025 (Facilitator)

**Utilization of Generative AI** **Akihiro Mizohata** Senior Executive Officer, SIGMAXYZ
**Katsuto Arai** Director, SIGMAXYZ

July 23 (Arai)
AI Agents Transforming the Workplace: AI Implementation Strategies You Can Implement Tomorrow

July 25 (Mizohata & Arai)
Nikkei BP seminar: Practical Course on Adopting Generative AI and AI Agents and How to Utilize Them in Your Business

**Foodtech** **Hikaru Miyo** Principal, SIGMAXYZ

May 14 Japanese Society for Biomaterials 2025 Educational Seminar
July 7 Shimadzu 4th Global Food Summit 2025
July 8 CULTIVATED MEAT JOURNEY 2025, Expo 2025 Osaka Kansai (Event PMO)

SIGMAXYZ Group News: https://www.sigmaxyz.com/ja/news.html

**Manufacturing Industry of the Future** **Shinya Kirihara** Senior Executive Officer, SIGMAXYZ

May 20
FY2025 First Committee Meeting of the Japanese Institute of Additive Manufacturing

September 2
First Lecture Conference of the Japanese Institute of Additive Manufacturing

**DX** **Yosuke Arai** Director, SIGMAXYZ

Lectured at numerous seminars on Computer System Validation (CSV)

**DX** **Keisuke Akimoto** Principal, SIGMAXYZ

September 27 Future Vision Summit 2025, Innovation Starts Here!

**Foodtech** **Akiko Fukuyo** Principal, SIGMAXYZ

May 29
Hokkaido Food Innovation Summit 2025

September 9
Food Loss and Cryogenic Energy Expo Conference

September 19
HIGASHIMIKAWA FOOD DAYS 2025

Appendix

# Corporate Information

## SIGMAXYZ Group 2030: Blueprint

# SIGMAXYZ Holdings Inc.

**Date established:** May 9, 2008

**Location:** Toranomon Towers Office, 9th floor, 4-1-28 Toranomon, Minato-ku, Tokyo, Japan

**Capital:** JPY 3.0 billion *As of September 30, 2025

**Major shareholders:**
- Board Members and Employees (including BBT)
- ITOCHU Corporation
- Internet Initiative Japan Inc.
- Intec Inc.

**Business description:** Supporting business activities and management of the Group companies

**Representatives:**
- Hiroshi Ota, Representative Director and President
- Shinya Tabata, Representative Director and CFO

**Listed Stock Exchange:** TSE Prime Market (Stock code: 6088)

**Group Company:** SIGMAXYZ Inc. (Consulting)


SIGMAXYZ Group Toranomon Office

SIGMAXYZ

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.

Defining the key three transformations that companies must address in the digital economy, we have professionals with diverse skills who worked to solve corporate issues, create new value, and co-create new businesses and industries through collaboration among companies.

Leveraging our investment capabilities, we will promote value co-creation through utilization of capital, such as joint investments with clients.

SIGMAXYZ

CREATE A BEAUTIFUL TOMORROW TOGETHER

| | |
|---|---|
| Holding Company | SIGMAXYZ Holdings Inc. |
| Consulting | SIGMAXYZ Inc. |

## Sherpa for Strategy Realization

Just like a Sherpa who supports climbers from the ascent to the descent, our commitment lies in walking alongside our clients from strategy development to execution and tangible results. We demonstrate a strong commitment to transformation by understanding our clients' philosophies, values, and organizational cultures, and by leveraging deep industry expertise to lead projects with both high quality and efficiency.

# Key Transformations that Companies Must Address in the Digital Economy ("Three Innovations")

SIGMAXYZ

## SHERPA

Keeping our word as a Sherpa that accompanies you all the way to transformation

- SaaS transition
- Utilization of AI
- Business process transformation

## Three Innovations

### MX
**Management Transformation**

Create an autonomous organization that fosters innovation

### DX
**Digital Transformation**

Drastically improve business productivity through digital power

### SX
**Service Transformation**

Develop new businesses to serve as a new growth engine

## AGGREGATOR

- Organizational transformation
- Cultural transformation
- Workstyle transformation
- System changes
- Management transformation,etc.

An aggregator that creates new value by bringing together internal and external parties

- New business development
- Co-creation process management, etc.

Leveraging our investment capabilities, we will promote value co-creation through utilization of capital, such as joint investments with clients.

# Consulting Service: Business Operation System（As of September 2025）

SIGMAXYZ

## Promote Blueprint proposals, taking into consideration fundamental issues of corporations and the industries

**Client Sherpa** Cultivating relationships and co-creating value

**Offering Development**

| | |
|---|---|
| **Industry Transformation Sherpa** | Promoting innovation by combining industry-specific business and solution expertise |
| **Program Management Sherpa** | Achieving corporate transformation through the power of planning and execution |
| **Enterprise Transformation Sherpa** | Driving enterprise transformation by implementing next generation platform such as SaaS |
| **Business Development Sherpa** | Supporting future-oriented initiatives/new business development |
| **Advanced Technology Sherpa** | Applying cutting-edge technology to business |

**Acceleration Sherpa** Accelerating the growth of consultants and strengthens the capabilities needed for business

Repost
published on May 8, 2025

## Becoming a company that creates value together with our clients and draws out the maximum value of human assets while making extensive use of technology

| (Unit: JPY mn) | FY24 results | FY25 forecasts | Blueprint in FY29 | CAGR |
|---|---|---|---|---|
| Revenue | 26,293 | 30,000 | 50,000 | Approx. 14% |
| Ordinary profit | 5,876 | 7,060 | 15,000 | Approx. 21% |
| Ordinary profit margin | 22% | 24% | 30% | |
| Number of consultants | 625 | — | 1,100 | Approx. 12% |

*Note: “Blueprint” is how we want to grow in the medium and long term, and is shared with our shareholders and investors every few years.

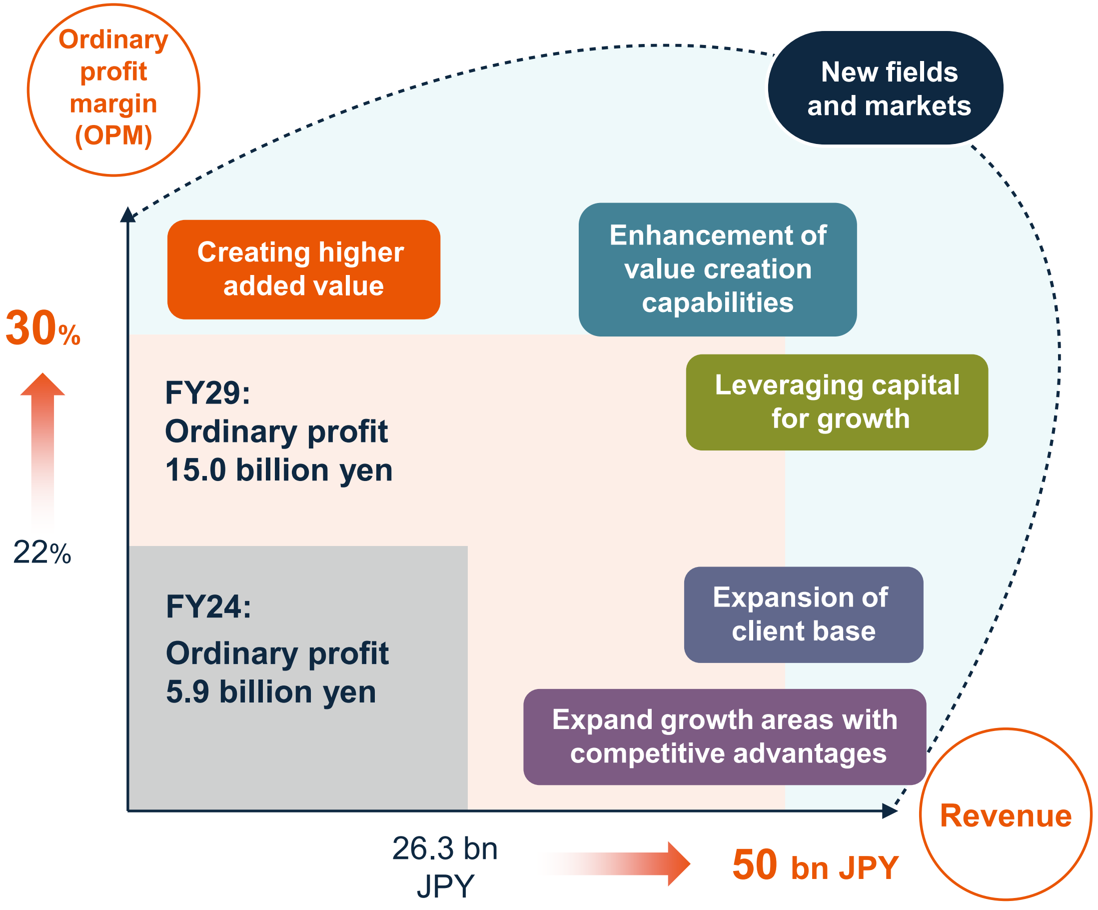
Blueprint in FY29
Audio Commentary

# SIGMAXYZ Group 2030: Growth Strategy

SIGMAXYZ

**Repost published on May 8, 2025**

- Growth centered on increasing value, expanding client base, and growing SaaS/AI business
- Accelerate growth through capital-leveraged M&A and business alliances while enhancing internal capabilities




## Toward achieving the Blueprint in FY29

**Creating higher added value** — Improve OPM

Realization of value co-creation with clients
Improving consultant productivity

**Expansion of client base** — Increase Revenue

Deepening expertise and expanding areas in each industry
Diversification of client segments

**Expand growth areas with competitive advantages** — Increase Revenue

Further growth in the SaaS/AI area

## Focusing on further growth

**Entering new fields and markets** — Improve OPM / Increase Revenue

Support for Japanese companies overseas
Development a business that transcends the headcount-based model

**Enhancement of value creation capabilities** — Improve OPM / Increase Revenue

Strengthening hiring capabilities, accelerating skills development, and forming alliances with external companies

**Leveraging capital for growth** — Improve OPM / Increase Revenue

M&As, business alliances

# SIGMAXYZ Group 2030: Policy for Cash Allocation and Shareholder Returns

SIGMAXYZ

Repost
published on May 8, 2025

**Basic Policy**

In order to continually carry out a balanced return of value to employees, shareholders, and society, we will invest in medium- and long-term sustained growth, and maintain an appropriate level of shareholder equity that enables risk tolerance.

| Cash inflow | Cash outflow | | |
|---|---|---|---|
| **Operating cash flow** | **Growth investment** | **Growth investment**<br>● Acquisition and development of human assets<br>● Improving productivity (including use of generative AI)<br>● Business investment (M&A, JV with clients, etc.) | **approx. 1/3 of free cash flow** |
| | **Shareholder returns** | **Dividends**<br>We will carry out shareholder returns linked with business performance, and endeavor to maintain stable dividend payments. | Target dividend payout ratio **50%** (FY29) |
| **Funds procurement** | | **Acquisition of treasury shares**<br>To be carried out at appropriate times with consideration for factors including the market environment and capital efficiency. | ROE Target **35%** (FY29) |

## Improving ROE

The Company's Board of Directors recognizes ROE as an important management indicator of return on capital.

**01** Revenue expansion and profit growth through the realization of growth strategies

**02** Control the level of equity capital through strategic returns to shareholders.

- We have set a new target for the dividend payout ratio, and have raised the target ROE level.
- The investment business will be absorbed into the holding company. We will utilize them as a joint value creation function for purposes such as M&A and joint investment aimed at business growth.

An audio commentary of this material will be made available on the company's website at
6:00 PM on the day of the earnings announcement.
https://www.sigmaxyz.com/en/ir.html

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| URL | www.sigmaxyz.com | Inquiries | sigmaxyz_ir@sigmaxyz.com |
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