August 4, 2026

Consolidated Financial Results Supplementary Document for Q1 FY26

SIGMAXYZ Holdings Inc. (Stock code: 6088)

CREATE A BEAUTIFUL TOMORROW TOGETHER

Outline of Financial Results for Q1 FY26

SIGMAXYZ

- Consolidated revenue was 5.61 billion yen, and ordinary profit was 1.29 billion yen.
- Revenue decreased by 10% year on year, reflecting the impacts of subsidiaries that were excluded from the scope of consolidation and a decrease in large-scale projects utilizing outsourcing (revenue excluding the impact of subsidiaries decreased by 5% year on year). Ordinary profit decreased by 25% year on year due to a decrease in gross profit associated with the decline in revenue and an increase in SG&A expenses.
- Although the equity ratio decreased to 64% due to an increase in borrowings associated with the growth investment, the financial base remains sound.

(Unit: JPY mn)	Q1 FY25	Q1 FY26	YoY change	FY26 consolidated forecasts	Progress
Consolidated revenue	6,242	5,612	-10%	25,300	22%
(Reference: Revenue excluding the effects of subsidiaries no longer included in the scope of consolidation)	(5,879)	(5,612)	(-5%)		
Ordinary profit	1,727	1,296	-25%	6,700	19%
Ordinary profit margin	27.7%	23.1%			
Profit attributable to owners of parent	1,116	882	-21%	4,460	20%
Equity ratio	79%	64%			

FY26 Consolidated Earnings Forecasts and Dividend Forecasts

SIGMAXYZ

- There is no change to consolidated earnings forecasts and dividend forecasts announced on May 8, 2026.

(Unit: JPY mn)	FY25 results	FY26 consolidated forecasts	Q1 FY26 results	Progress
Revenue (Reference: Revenue excluding the effects of subsidiaries no longer included in the scope of consolidation)	23,831 (23,207)	25,300	5,612	22%
Operating profit	6,064	6,600	1,228	19%
Ordinary profit	6,351	6,700	1,296	19%
Profit attributable to owners of parent	3,971	4,460	882	20%

	FY25 dividend	FY26 dividend forecast	YoY change	Notes
Annual dividend per share	26 yen	26 yen	±0 yen	• Taking into account a target dividend payout ratio of 50% • Same as previous fiscal year

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

Consolidated Statement of Income for Q1 FY26

SIGMAXYZ

(Unit: JPY mn)	Q1 FY25	Q1 FY26	YoY change		Major changes
			Amount	Rate	
Revenue	6,242	5,612	-630	-10%	• Change in the scope of consolidation (the two subsidiaries that were excluded from the scope of consolidation recorded combined revenue of approximately 360 million yen in the same period of the previous fiscal year.) • Decrease in large-scale projects utilizing outsourcing
Cost of revenue	3,293	2,924	-368	-11%	• Significant decrease in outsourcing expenses (50% decrease YoY)
Gross profit (Gross profit margin)	2,948 (47.2%)	2,687 (47.9%)	-261	-9%	• Decrease in revenue
SG&A expenses	1,330	1,459	128	10%	• Impact of the reversal of the provision for bonuses which was recorded in Q1 FY25
Operating profit	1,618	1,228	-390	-24%	• Decrease in gross profit
Ordinary profit (Ordinary profit margin)	1,727 (27.7%)	1,296 (23.1%)	-431	-25%	
Profit before income taxes	1,661	1,287	-374	-23%	
Profit attributable to owners of parent	1,116	882	-233	-21%	
Comprehensive income attributable to owners of parent	1,118	1,171	53	5%	

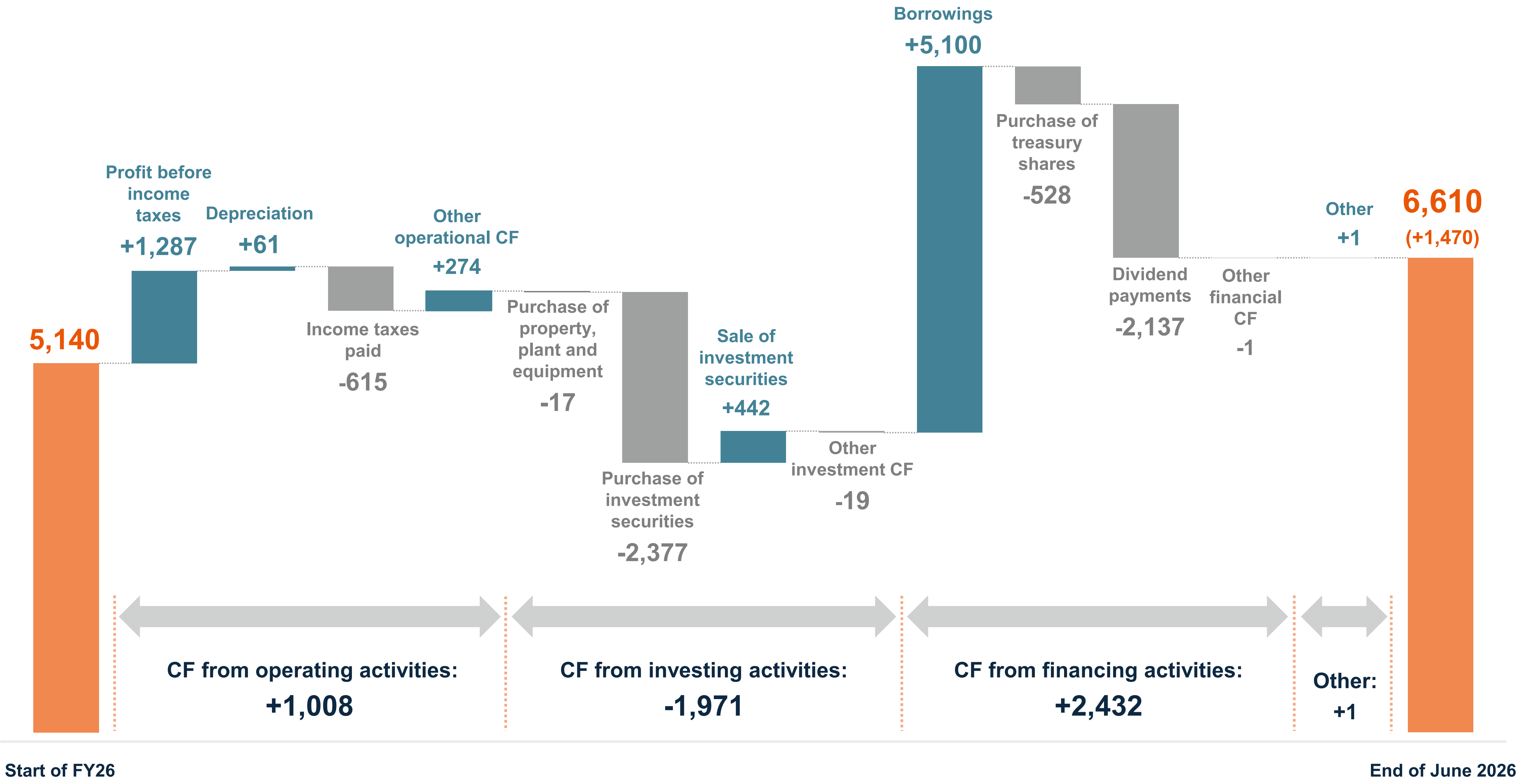
Consolidated Balance Sheet for Q1 FY26

SIGMAXYZ

(Unit: JPY mn)	End of FY25	End of Q1 FY26	Change	Major changes
Current assets	8,429	9,519	1,089	• Increase in cash and deposits
Cash and deposits	5,140	6,610	1,470	
Non-current assets	8,640	10,775	2,135	• Increase in investment securities
Investment securities	5,974	8,414	2,440	• Acquisition of shares of Core Concept Technologies Inc. • Revaluation and sale of investment securities
Total assets	17,069	20,294	3,224	
Current liabilities	2,384	6,328	3,944	
Short-term borrowings, etc.	—	4,433	4,433	
Non-current liabilities	422	956	534	
Long-term borrowings	—	666	666	
Total liabilities	2,806	7,285	4,478	• Increase in borrowings
Total net assets	14,262	13,008	-1,253	
Equity ratio	84%	64%		

Changes in Consolidated Cash Flows

(Unit: JPY mn)

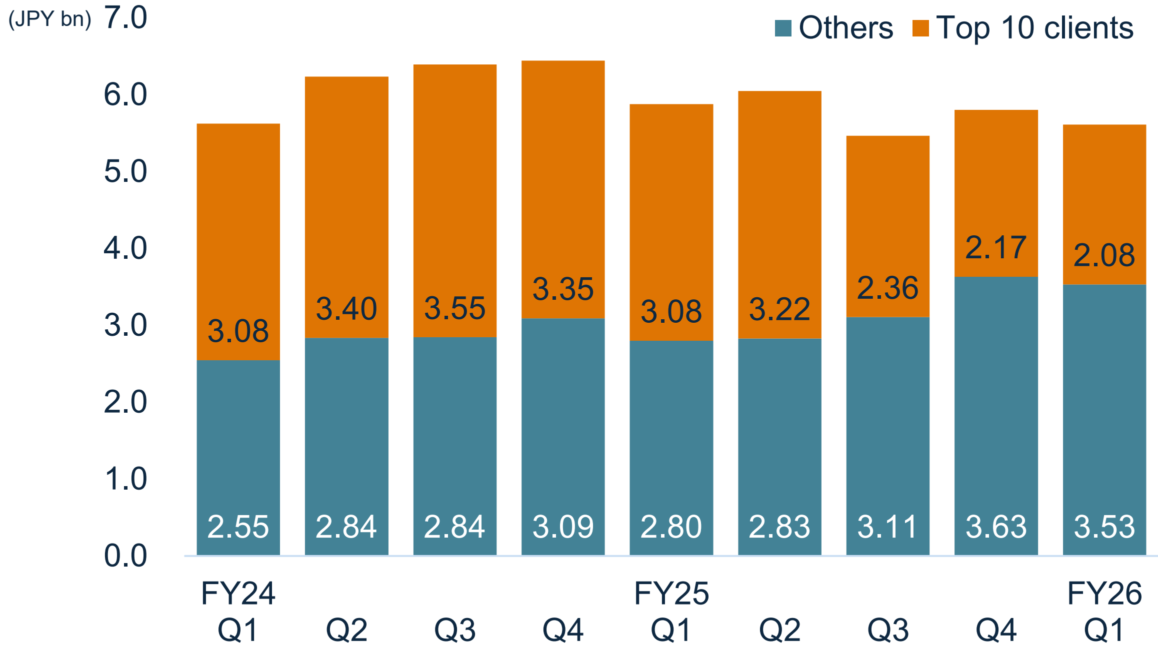


Business Performance Highlights: Consulting Services

SIGMAXYZ

- By industry, our main client base consists of transportation, information communication, retail, finance, construction, and trading. Order-receiving activities have been partially impacted by the Middle East situation. Reduced concentration on specific clients and expanded our client base. As a result of new client development activities, the number of projects and clients increased. Due to the decrease in large-scale projects and the impact of new client development, revenue per contract decreased.
- In terms of project content, progress has been made on mid-sized projects related to the introduction of core systems. In the AI sector, multiple generative AI utilization projects under ongoing support have expanded to the implementation phase, while both the number of clients and revenue have grown, centered on AI infrastructure development projects.

Top 10 client revenue



	FY24 Q1	Q2	Q3	Q4	FY25 Q1	Q2	Q3	Q4	FY26 Q1
Top 10 clients' revenue share*	54.7%	54.5%	55.5%	52.0%	52.4%	53.2%	43.2%	37.4%	37.1%

* Revenue share is the proportion of consolidated revenue excluding revenue from subsidiaries no longer included in the scope of consolidation.

Numbers of projects and clients, and revenue per contract

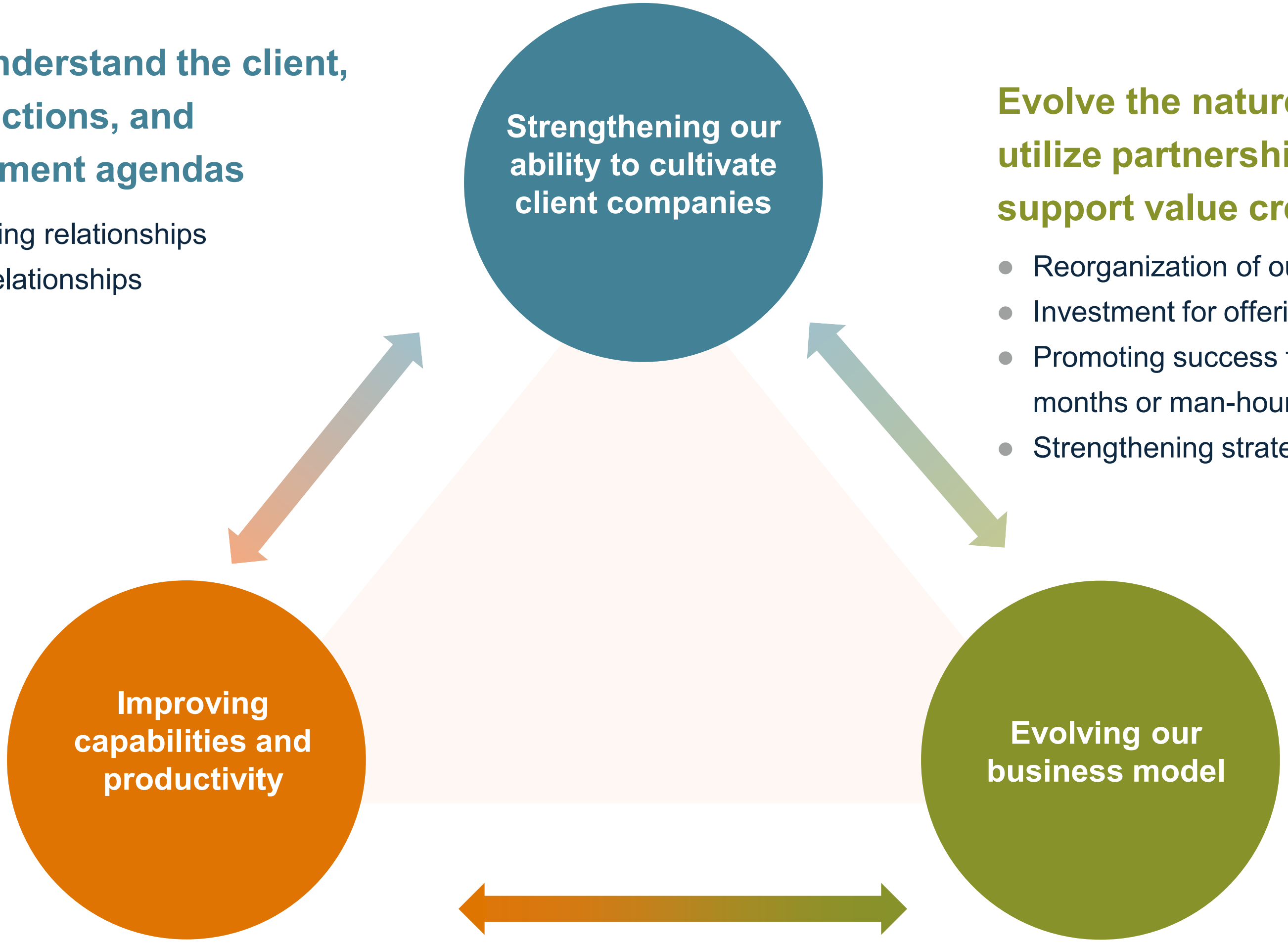
	Q1 FY24	Q1 FY25	Q1 FY26	YoY change
Number of projects*1	311	310	312	+1%
Number of clients*2	105	112	124	+11%
Revenue per contract (JPY mn)	18.1	19.0	18.0	-5%

*1 Number of projects: The total number of projects for which revenue was recorded during the period, aggregated by contract unit.
*2 Number of clients: The total number of client companies with projects for which revenue was recorded during the period, aggregated by corporate unit.

Subsidiaries no longer included in the scope of consolidation excluded in all calculations.

SIGMAXYZ

Previously disclosed



Thoroughly understand the client, expand connections, and solve management agendas

- Deepening existing relationships
- Acquiring new relationships

Evolve the nature of services, utilize partnerships, and support value creation for diverse clients

- Reorganization of our client portfolio
- Investment for offering development
- Promoting success fee-based proposals that do not rely on man-months or man-hours
- Strengthening strategic partnerships such as capital alliances

Enhance productivity through thorough AI utilization, continuously respond swiftly to market changes, and aim for further value enhancement

- AI utilization and investments
- Enhance adaptability to change (Establish a specialized organization to promote internal transformation through AI utilization)
- Improve productivity and the value we provide

Strengthening Strategic Partnerships Through Capital Alliances

SIGMAXYZ

- Currently considering a capital and business alliance with Core Concept Technologies Inc. ("CCT") (TSE Growth Market: 4371) including collaboration in a wide range of fields such as digital transformation.

Status of consideration for a capital and business alliance	• Our initiatives to promote value creation in the business we offer to clients in the manufacturing industry
	• We expect the following synergies with CCT, which has exceptional expertise in the business they offer to clients in the manufacturing industry
	  · Expansion of the client bases of both parties
	  · Collaboration in providing solutions for the manufacturing industry
	  · Collaboration between CCT's engineering capabilities and SIGMAXYZ's PMO capabilities, etc.
	• Both companies are currently promoting joint solution development as well as joint sales and proposal activities. **Secured the first project through a joint proposal in Q1.**
	• Regarding the capital and business alliance, there are no matters of agreement between the two companies at the present stage.

Shareholding policy and status	• **Became CCT's largest shareholder as of June 12, 2026. As of July 10, the shareholding ratio* was 14.79% (2,604,600 shares).** *Proportion of shares held against the total number of issued shares as of April 27, 2026 • Our intention is to maintain and develop the current amicable relationship while aiming to increase the voting rights ratio to a level where CCT becomes our equity-method affiliate by March 31, 2027. • Details such as the acquisition method have not been decided at the present time.

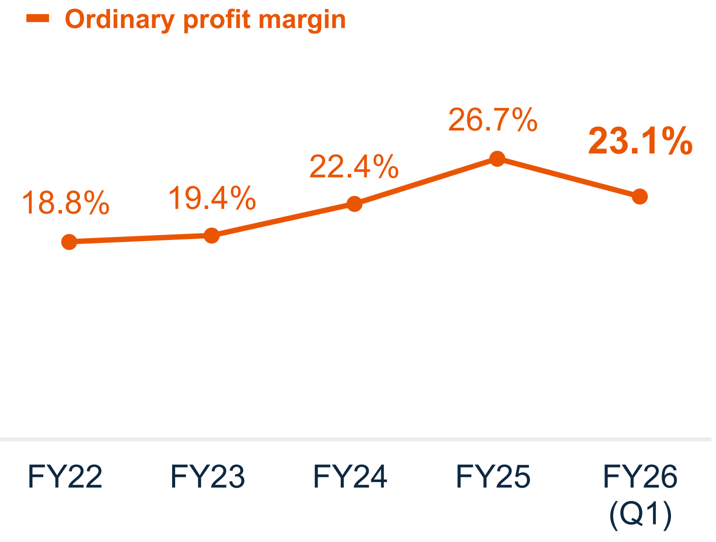
Note: We are currently investigating the effects of this matter on consolidated earnings for the fiscal year ending March 31, 2027, and in the event that matters requiring public release occur in the future, they will be released promptly.

Timely disclosure: SIGMAXYZ Holdings: Notice Regarding the Acquisition of Core Concept Technologies Inc. (Stock Code: 4371)'s Shares
https://www.sigmaxyz.com/en/ir/news/auto_20260413502647/pdfFile.pdf
Core Concept Technologies Inc.: Notice Regarding the Change of the Largest Shareholder Among Major Shareholders
https://contents.xj-storage.jp/xcontents/AS82666/c67f8527/ed08/4f54/a28b/0f7bf1d54da0/140120260622575336.pdf

Key Performance Indicators (KPIs)

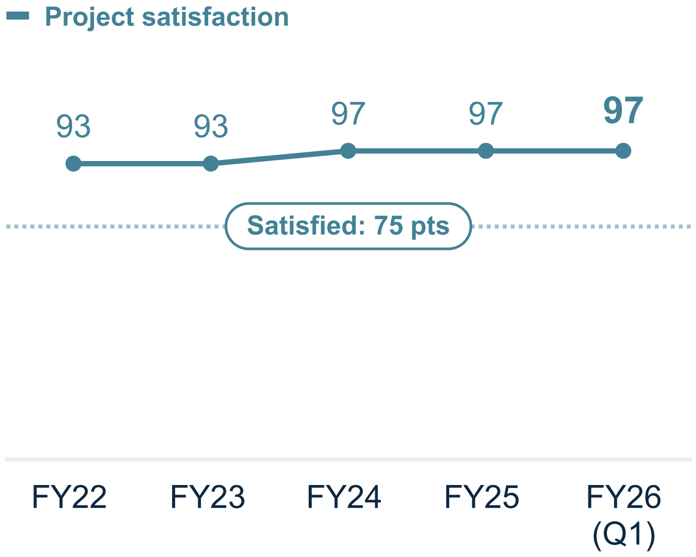
SIGMAXYZ

	Q1 FY25	Q1 FY26	YoY change
Ordinary profit margin on consolidated revenue	27.7%	23.1%	-4.6pts



Consulting services

	Q1 FY25	Q1 FY26	YoY change
Number of consultants	692	738	+ 7%
Project satisfaction (NSI*)	97	97	± 0 pts



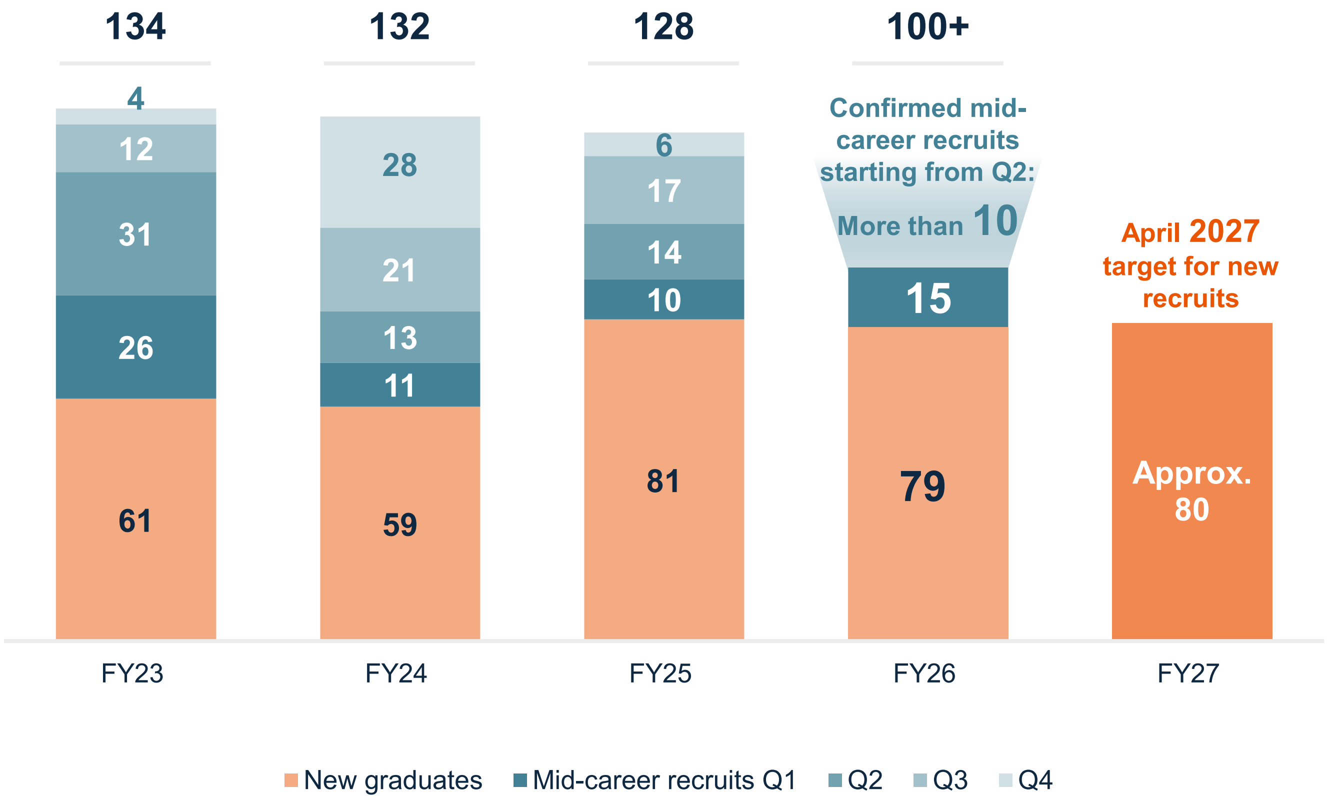
* Net Satisfaction Index: Average score from five possible ratings for each question evaluating project satisfaction. Conducted in a questionnaire format for client project owners. Points are distributed on a five-grade scale as follows. 5: Very satisfied, 100 points; 4: Satisfied, 75 points; 3: Cannot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

SIGMAXYZ

In Q1 FY26, we hired 15 mid-career recruits and 79 new graduates. As of the end of June, the number of consultants was 738.

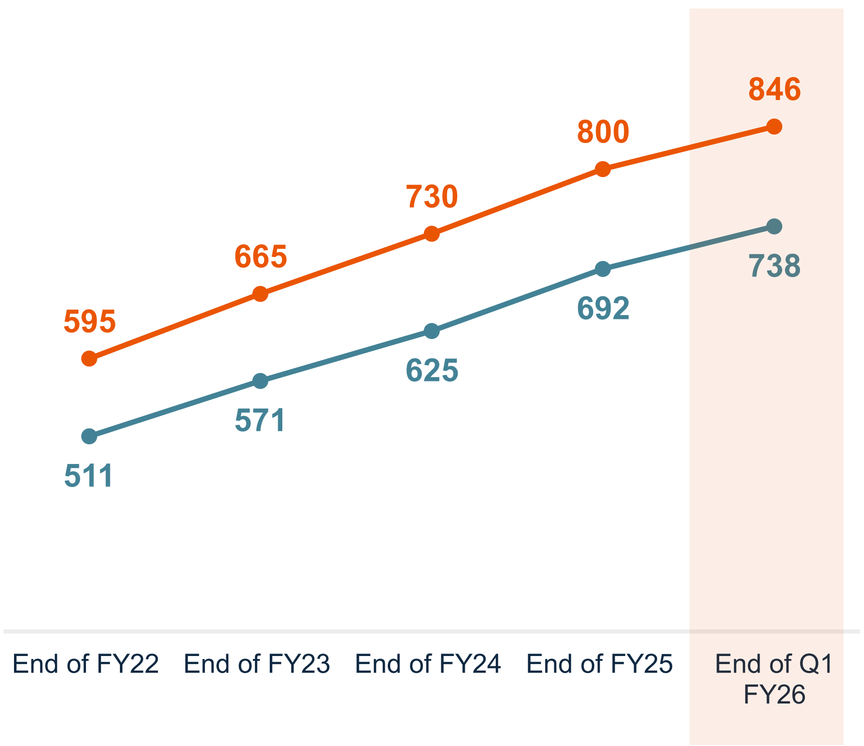
- Hiring of mid-career recruits: Continued screening with emphasis on quality, and hired approximately the same number as the previous fiscal year.
- Hiring of new graduates: We are continuing hiring activities aiming for a target of approximately 80 new graduate hires joining in April 2027.

Number of hires per annum (consultants) (Unit: persons)



Group employees / Group consultants

(Unit: persons)



Status of Inherited Assets

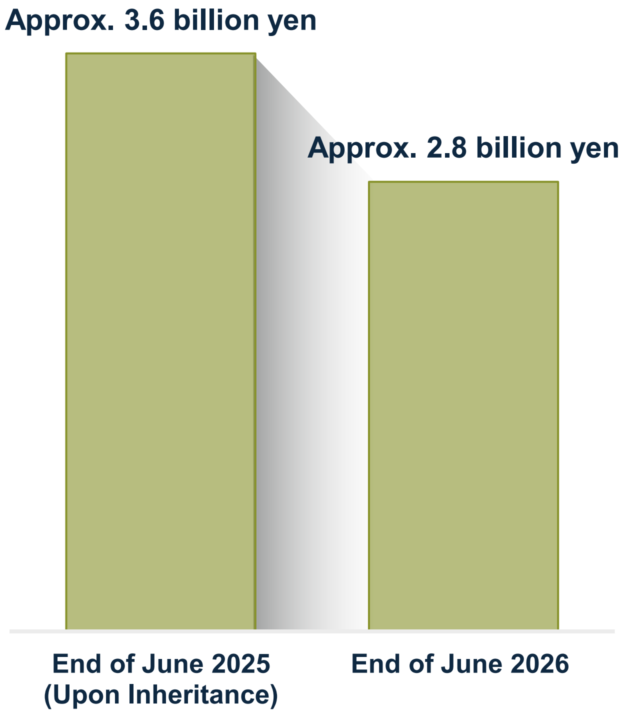
SIGMAXYZ

- The investment assets inherited from the former investment business to the holding company are recorded as part of investment securities.
- The investment balance of inherited assets, including valuation differences, was approximately 2.8 billion yen as of the end of June.
- We continue to proceed with early divestment while monitoring market conditions, and recorded an extraordinary loss of 8 million yen in Q1 from the revaluation and sale. We plan to record an extraordinary income of 528 million yen in Q2 from the sale.

Investment year	Company
2022	Shizen Energy Inc.
	Mental Health Technologies Co., Ltd. (TSE Growth Market: 9218)
	DORAEVER Co. ltd
2023	iGRID SOLUTIONS Inc. (Sold in July 2026)
2024	EUCALIA Inc. (TSE Growth Market: 286A)*
	Syuppin Co., Ltd. (TSE Prime Market: 3179)

* Classified as surplus assets under management

Balance of inherited assets



Main Publicized Project Case Studies

SIGMAXYZ

Introduction of core systems

- Support for Standardization and Visualization of Processes Intended for Transfer of Operations to Overseas Sites (Mitsui O.S.K. Lines, MOL Drybulk)
- Largest Domestic Implementation of SAP S/4HANA® Cloud Public Edition (NYK Line)
- 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)

Promotion of digital transformation

- Supporting the Renewal of the Official App of a Hotel Chain Reservation Site (Toyoko Inn)
- 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)

Launch of new services

New Case

- **Concept Formulation and Implementation Support for Regional Circular Economy and Energy Business (NTT ME)**
- **Concept Formulation, Product Development and Commercialization Support for Service Robot Business (Machinery Manufacturer Company C)**

- Support for the Launch and Conduct of the New “Machi-ken” Customer Service Business in the Health Sector (H2O Retailing)
- 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)

Utilization of AI

- Supporting the Implementation of a Tool-utilizing AI Assistant within a Data Utilization Platform (Nissan Motor)
- Utilizing Generative AI to Support More Advanced System Maintenance Services (Intec)
- Introduced a generative AI service from the Generative AI Research Lab (ITOCHU Corporation)
- Support for automating price revisions of used cameras using AI (Syuppin)

Program Management Office (PMO)

- Project Management Office for Subsidiary Merger (Yamaha Motor)
- Support for International Standard (ISO 20022) Compliance and Large-Scale System Renewal for Overseas Payment Systems (Sumitomo Mitsui Trust Bank)
- 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

NTT ME, Inc.

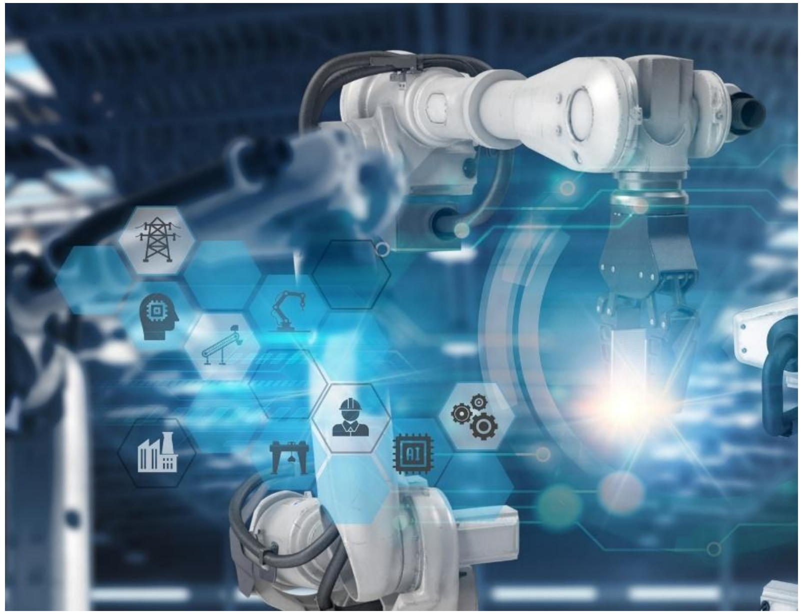
NTT ME, Inc. leverages its knowledge and expertise cultivated through the construction and operation of information and communications infrastructure, and it leads the co-creation of a regional circular economy through the promotion of renewable energy and other initiatives. Since October 2022, SIGMAXYZ has taken part in formulating concepts for NTT ME's initiatives. We have provided end-to-end support, from the development of a co-creative power business concept aimed at local energy production and consumption as well as regional economic circulation, to building relationships with Unnan City, Shimane Prefecture and Yonezawa City, Yamagata Prefecture, which served as pilot regions, and finally through to implementation and execution of the business.

In June 2024, a partnership agreement on promoting decarbonization and renewable energy in Unnan City through co-creation was concluded among five parties, including NTT ME and SIGMAXYZ, in Unnan City, Shimane Prefecture. The new regional power company established under this agreement returns a portion of its retail electricity revenues to the local community and promotes community development through the co-creation between residents and businesses.

In May 2025, a joint proposal by NTT ME with Yonezawa City and Iide Town, Yamagata Prefecture was selected as one of the Ministry of the Environment's "Decarbonization Leading Areas (Sixth Round)." SIGMAXYZ leveraged its expertise in decarbonization and renewable energy to support NTT ME's proposal, which promotes local production and consumption of renewable energy through on-site solar PPA service to address challenges unique to heavy snowfall regions.

Machinery Manufacturer Company C

At the launch of the service robot business of Company C, a major machinery manufacturer, SIGMAXYZ provided end-to-end support including business feasibility assessment, development of product concepts and specifications, establishment of a maintenance scheme, a growth plan aimed at sustainable monetization, and business model design.



In this project, SIGMAXYZ demonstrated not only its consulting capabilities in structuring challenges and objectively organizing value proposition, market potential and business viability, but also its deep understanding of physical AI. In addition to business concept development, SIGMAXYZ led the definition of functional requirements and UX/UI design for the robot, as well as proof-of-concept testing at service sites. Additionally, SIGMAXYZ provided comprehensive support encompassing project management of a multi-vendor development structure and the establishment of a maintenance and Service Level Agreement (SLA) framework, contributing to the formulation of concrete business plans.

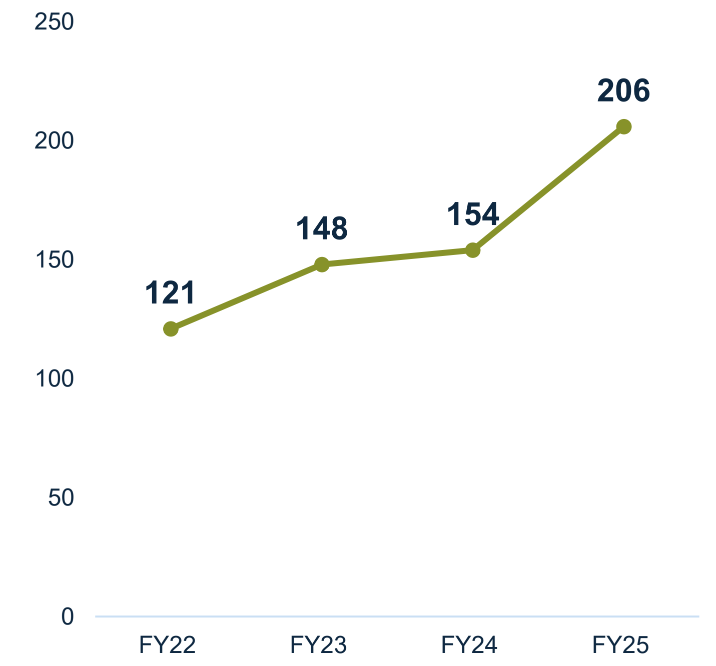
Since 2016, SIGMAXYZ has been building a track record in the robotics and physical AI sector through full-scale activities in next-generation robotics, including the launch support for business support robot services for the manufacturing industry, development of robot services leveraging precision control technology, creating future stores in the retail sector using robotics and AI, development of laboratory robotization services, and research into humanoid robots. SIGMAXYZ will continue to support clients across diverse industries in adopting robotics technology and entering the robotics industry, thereby contributing to the enhancement of Japan’s industrial competitiveness.

Reference: Implementation Status of IR Activities

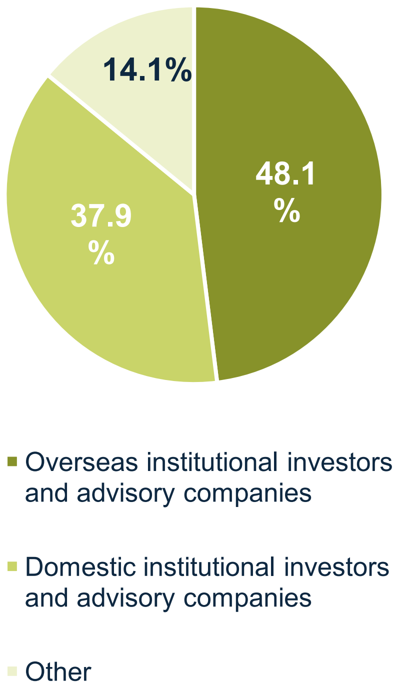
SIGMAXYZ

FY25 Communication with Shareholders

Trends in number of IR meetings and small meetings



Breakdown of investors engaged in meetings in FY25

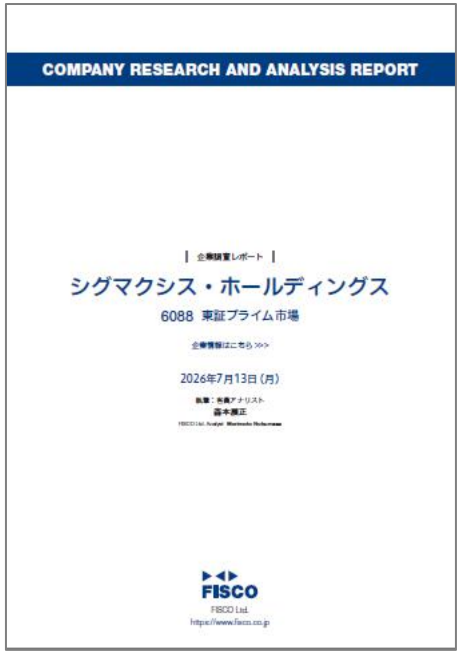


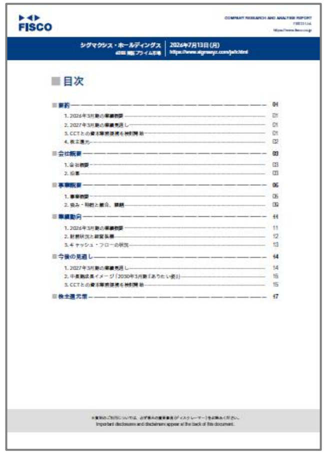
Financial results presentation meetings: twice a year

Small meetings: 18 times

Company Research and Analyst Report

- A company research report on SIGMAXYZ was published by FISCO Ltd. in July 2026. (This report was prepared by FISCO Ltd. at the Company's request, based on its research and analysis from a third-party perspective.)





Communication with Shareholders

FISCO Research Report

Appendix

Corporate Information

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 June 30, 2026

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

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

Representative: Hiroshi Ota, President, Representative Director

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

Subsidiary: SIGMAXYZ Inc. (Consulting)

SIGMAXYZ Group Toranomon Office

Previously disclosed

Creates value in a wide range of industries and companies, and creates new markets and businesses that solve social issues.

Defining the key three transformations that companies must address in the digital economy, we have professionals with diverse skills who work 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")

SHERPA

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

- Introduction of core systems
- 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
- New service development, etc.

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

SIGMAXYZ Group's History

SIGMAXYZ

Previously disclosed

2008～	2013～	2019～
Established the Company	**Listed in TSE Mothers Market/ Shifted Our Skills**	**Accelerating the Use of SaaS/Cloud Solutions / Moving to a Holding Company System**

- **FY 2008** — **SIGMAXYZ established (May)**
  - Absorbed Eupholink
  - Relocated the office
- **FY 2009**
  - Nikkei New Office Promotion Award
  - Telework Promotion Award
- **FY 2010**
  - First new graduates joined the company
  - Introduced a target client system
- **FY 2011**
  - Expanded offering deployment
- **FY 2012**
  - Japan Facility Management Award

SIGMAXYZ
Xpartner for Your Z

Logo and slogan at the time of establishment

- **FY 2013** — **Listed in TSE Mothers Market (Dec)**
  - Books: Management Theory Z / Aggregator
  - Concluded a partnership agreement with Intec/IIJ
- **FY 2014**
  - **- Promoted DX**
  - **- Strengthened PMO services**
  - **- Suspended contracted IT development**
- **FY 2015**
  - Established Lawson Digital Innovation
- **FY 2016**
  - Partnership with Google Cloud Platform
  - Partnership with US-based DataRobot
  - Capital tie-up with SX Capital
- **FY 2017** — **Changed stock market to TSE First Section (Nov)**
  - Breakthrough Leadership Lab
- **FY 2018**
  - Rebranding / new corporate mission, vision and value
  - SAKURA Project for Japan Airlines
  - Secondary offering of all SIGMAXYZ shares held by Mitsubishi Corporation

- **FY 2019**
  - Full-scale service launch of utilizing SaaS/cloud solutions
- **FY 2020** — **Accelerate “Three Innovations” proposal**
  - Sale of our entire shares in Lawson Digital Innovation
- **FY 2021**
  - Concluded a partnership agreement with ITOCHU
  - Transition to a Holding Company System
- **FY 2022** — **TSE Prime Market (April)**
- **FY 2023** — **Nurturing “Value Co-Creator”**
  - Redefine categories of human assets' capabilities
- **FY 2024**
  - Capital and business alliance with Syuppin
- **FY 2025**
  - Core accounting system migration project for NYK Line


Listed in
TSE Mothers Market


Changed stock market to
TSE First Section

Consulting Service: Business Operation Structure (April 2026)

SIGMAXYZ

Previously disclosed

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

Client Sherpa	Understand management issues deeply through strong relationships with client executives and create opportunities for transformation
Management Transformation Sherpa	Promoting the development of autonomous organizations to catalyze innovation
Digital Transformation Sherpa	Leveraging the power of digital to drive an explosive increase in business productivity
Service Transformation Sherpa	Driving the development of new businesses to serve as new growth engines for corporations
Program Management Sherpa	Leading corporate transformation to successful completion through strategic planning and execution
Enterprise Platform Sherpa	Driving corporate transformation through the standardization of core business processes, systems, and data
IT Modernization Sherpa	Advancing corporate IT systems and operational frameworks through the leverage of strategic IT solutions
AI Value Creation Sherpa	Accelerating corporate productivity by harnessing the power of AI to transform business operations
Robotics & AM Sherpa	Leveraging cutting-edge technologies to bridge the digital and physical worlds, fostering business innovation and operational excellence
Acceleration Sherpa	Accelerating the growth of consultants and strengthening the capabilities needed for SIGMAXYZ's business
Adaptive Intelligence Sherpa	Evolving the SIGMAXYZ Group's organizational adaptability by leveraging technology to drive sustainable productivity in value co-creation.

SIGMAXYZ

Previously disclosed

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 results	FY26 forecasts	Blueprint in FY29 (unchanged)	CAGR (FY24–FY29)
Revenue	26,293	23,831	25,300	50,000	Approx. 14%
Ordinary profit	5,876	6,351	6,700	15,000	Approx. 21%
Ordinary profit margin	22%	27%	26%	30%	
Number of consultants	625	692	—	1,100	Approx. 12%

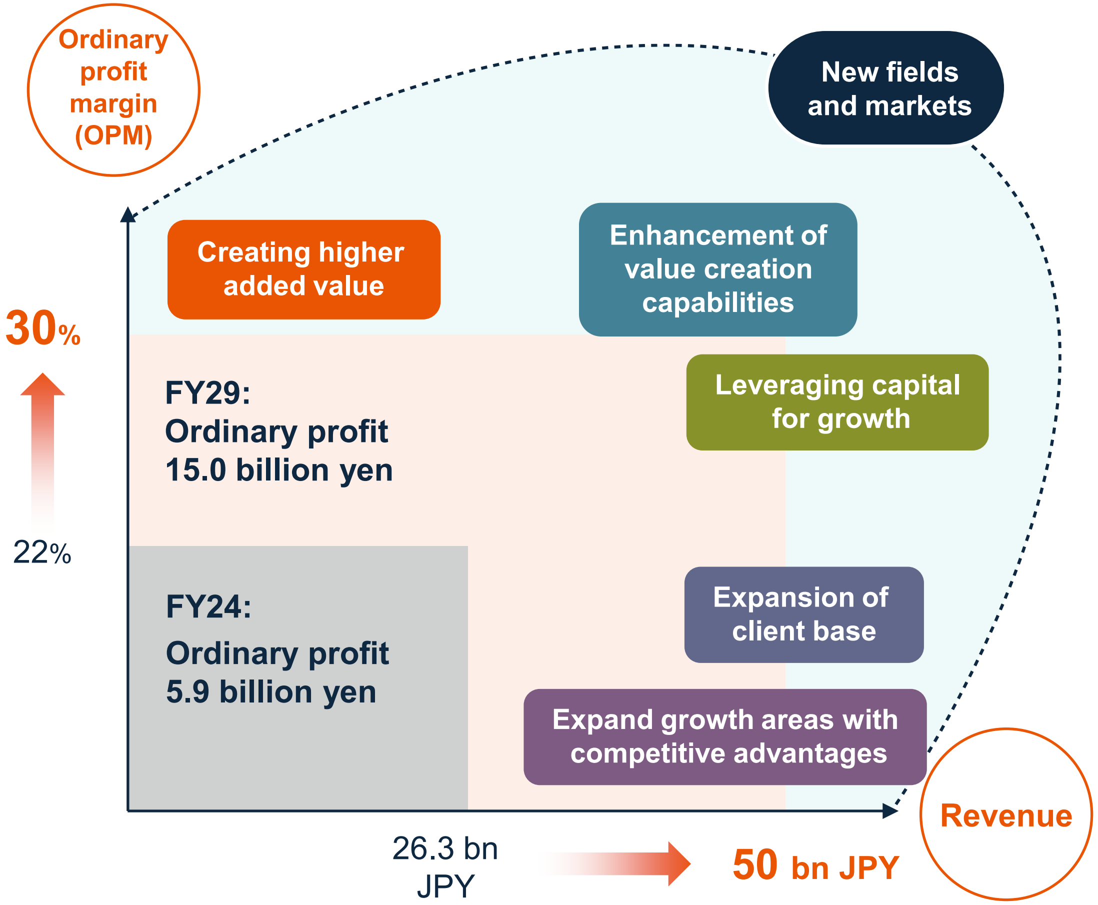
*Note: "Blueprint" is how we want to grow in the medium and long term, and is shared with our shareholders and investors every few years as reference information.

SIGMAXYZ Group 2030: Growth Strategy

SIGMAXYZ

Previously disclosed

- 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 of 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

Previously disclosed

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** ● Acquisition and development of human assets ● Improving productivity (including use of generative AI) ● Business investment (M&A, JV with clients, etc.)	**approx. 1/3** of free cash flow	
	Shareholder returns	**Dividends** 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	Shareholder returns	**Acquisition of treasury shares** 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.

Effects of Agentic AI and Generative AI on Our Business Model

Previously disclosed

The emergence of agentic AI and generative AI is not a threat.

This is an opportunity to leverage our strengths through “improving the level of provided value” and “transforming the business model.”

Changes in client demand	The Company’s initiatives
● Progress in AI utilization ● Higher expected value from consultants (decrease in demand for low value-added and substitute man-hour services) ● Emergence of “new agendas” resulting from AI utilization ● Increased expectations for the areas where the Company excels, such as “transformation sherpa” and “innovation creation” areas	● Improving productivity with the utilization of AI ● Strengthening efforts in high-value-added, high-difficulty projects (such as “transformation sherpa” and “innovation creation” areas) ● Accelerating differentiation in fields where human skills are essential (such as “business transformation,” “stakeholder management,” and “project management”) ● Success-based pricing.

Primarily areas where replacement of the SaaS handled by our business model by AI is difficult

- In core operations such as accounting, where systems must withstand governance requirements like audits and security, any shift back to in-house operation through the utilization of AI is a complex challenge.
- Business transformation in these areas requires complex stakeholder consensus and change management, making the presence of consultants continue to be highly valuable.
- Clients’ demand is growing for SaaS ERP introduction and the construction and standardization of data infrastructure (becoming “AI Ready”) as preconditions for AI use (good quality data infrastructure, System of Record).
- It will be extremely difficult to use general-purpose AI to replace industry-focused SaaS which contains deep expert knowledge of the industry domain and logic unique to the industry.

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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