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**Consolidated Financial Results for the
First Nine Months of the Fiscal Year Ending March 31, 2021
(Japanese Accounting Standards)**

February 3, 2021

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 Scheduled date of quarterly securities report filing: February 3, 2021
 Scheduled date of dividend payment: -
 Preparation of supplementary materials on quarterly financial results: Yes
 Schedule of quarterly financial results presentation meeting: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results (Cumulative) (% 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	%
Nine months ended								
December 31, 2020	10,241	(13.3)	1,168	(28.5)	1,212	(24.3)	743	(21.0)
December 31, 2019	11,809	22.9	1,634	82.1	1,601	64.2	942	53.8

Note: Comprehensive Income
 Nine months ended December 31, 2020: ¥743 million [(21.0)%]
 Nine months ended December 31, 2019: ¥942 million [53.8%]

	Profit per Share	Profit per Share (Diluted)
	Yen	Yen
Nine months ended		
December 31, 2020	38.81	38.76
December 31, 2019	48.69	48.48

Reference: Profit before income taxes
 Nine months ended December 31, 2020: ¥1,359 million [(15.1)%]
 Nine months ended December 31, 2019: ¥1,601 million [66.6%]

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2020	9,736	5,000	51.4	263.36
March 31, 2020	9,669	5,036	52.1	263.82

Reference: Equity
 As of December 31, 2020 ¥5,000 million
 As of March 31, 2020: ¥5,036 million

2. Dividends

	Annual Dividend				
	First Quarter-End	Second Quarter-End	Third Quarter-End	Fiscal Year-End	Total
Fiscal year ended					
March 31, 2020	—	0.00	—	22.00	22.00
Fiscal year ending					
March 31, 2021	—	0.00	—		
Fiscal year ending					
March 31, 2021 (Forecast)				22.00	22.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(% figures indicate year-on-year changes)

	Revenue		Ordinary Profit		Profit before Income Taxes		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, 2021	14,500	(9.4)	—	—	1,850	(15.0)	1,100	(21.8)	57.52
	– 15,500	– (3.1)	—	—	– 2,300	– 5.7	– 1,500	– 6.6	– 78.44

- Note: 1. Revisions to the most recently announced earnings forecasts: Yes
 2. For details on the consolidated earnings forecasts, please refer to the “Notice Concerning Revisions to Earnings Forecasts” announced on February 3, 2021 (Japanese Only).
 3. Profit per share has been calculated without taking into account the effect of treasury shares repurchased by the Company on or after January 1, 2021 as part of the Company’s repurchase of treasury shares based on the resolution at the Board of Directors’ meeting held on August 3, 2020.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries affecting the scope of consolidation): None
 (2) Adoption of special accounting methods for preparation of quarterly consolidated financial statements: None
 (3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements
 1) Changes in accounting policies associated with revisions to accounting standards: None
 2) Changes in accounting policies other than those in item 1) above: None
 3) Changes in accounting estimates: None
 4) Retrospective restatements: None
 (4) Number of shares issued (common stock)

- 1) The number of shares issued as of the end of the period (including treasury shares)

As of December 31, 2020	21,104,300 shares
As of March 31, 2020	21,068,300 shares

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

As of December 31, 2020	2,114,864 shares
As of March 31, 2020	1,977,334 shares

- 3) Average number of shares outstanding during the period (cumulative from the start of the fiscal year)

Nine months ended December 31, 2020	19,166,340 shares
Nine months ended December 31, 2019	19,346,793 shares

Note: The number of treasury shares excluded from the calculation of the number of treasury shares as of the end of the period and average number of shares outstanding during the period (cumulative from the start of the fiscal year) include the shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Employee Stock Ownership Plan (J-ESOP) and those held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for a performance-linked stock compensation program.

* These quarterly financial statements are outside the scope of quarterly review 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 various factors. For more information on earnings forecasts and underlying assumptions, please refer to “Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements” on page 3 of the attached materials.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

The Japanese economy has remained harsh under the influence of the novel coronavirus disease (COVID-19) but is expected to continue to pick up down the road. However, we need to closely look at the rising downside risk for the domestic and overseas economies due to the spread of the infection, as well as the effects of fluctuation in the financial and capital markets.

In such environment, the Group promotes businesses to support client companies in their digital transformations and create innovations. During the three months ended June 30, 2020, the Group experienced some delays in receiving orders due to self-restraint from visiting and interacting face-to-face with customers and delayed launch of projects by our client companies under the influence of the COVID-19 pandemic. Since the three months ended September 30, 2020, the volume of orders received has recovered gradually as the Group resumed face-to-face interaction with customers. As for project delivery, we made the most of our digital workplace environment throughout these nine months to continue delivering relevant services in a stable manner.

The consolidated financial results and key business indicators for the nine months ended December 31, 2020 are as follows.

Revenue decreased to ¥10,241 million (down 13.3% year on year), despite a growth in the ERP cloud migration service, affected by decreased revenues from consulting services for the aviation industry which has been severely affected by the COVID-19 pandemic, and from decreased product sales due to a phased scale-down of the procurement of hardware and software products on behalf of clients, a service that is ancillary to call center projects in the retail industry and has contributed only marginally to profit. The Group acquired a large ERP cloud migration services project, and moved forward, particularly with the reassignment of consultants from aviation industry related projects to other projects. As a result, revenue for the three months ended December 31, 2020 increased by 3.3% compared to the three months ended September 30, 2020.

Selling, general and administrative expenses came to ¥2,820 million (down 1.0% year on year). This year-on-year decrease is attributable to increases in personnel expenses related to recruitment, investments in development of solutions and productivity improvement, and expenses associated with measures against COVID-19, which were more than offset by a decrease in other expenses.

Operating profit came to ¥1,168 million (down 28.5% year on year) while ordinary profit came to ¥1,212 million (down 24.3% year on year).

Extraordinary income came to ¥147 million mainly due to the sale of the Group's entire stake in Lawson Digital Innovation Inc. to Lawson, Inc. in April 2020. Lawson Digital Innovation is a joint venture established in 2016 primarily for the purpose of promoting the digitalization of the Lawson business. We sold our stake in the company as we achieved the intended purpose.

Total income taxes stood at ¥616 million (down 6.6% year on year).

Profit before income taxes came to ¥1,359 million (down 15.1% year on year), whereas profit attributable to owners of parent came to ¥743 million (down 21.0% year on year).

On the hiring front, the Group added 27 mid-career recruits and 51 new graduates in the nine months ended December 31, 2020. This brought its total workforce up to 561 people (up 36 year on year) including 491 consultants. The training for new graduates was completed successfully in a fully remote work environment, and they have started working on their clients' jobs since October.

We achieved to maintain a high level of project satisfaction with a score of 94 points.

(2) Explanation of Financial Position

(Assets)

Total assets as of December 31, 2020 stood at ¥9,736 million (up ¥67 million from the end of the previous fiscal year). This was mainly attributable to an increase in cash and deposits (up ¥699 million from the end of the previous fiscal year), a decline in accounts receivable-trade (down ¥342 million from the end of the previous fiscal year), and a decline in investment securities (down ¥276 million from the end of the previous fiscal year).

(Liabilities)

Liabilities as of December 31, 2020 totaled ¥4,735 million (up ¥102 million from the end of the previous fiscal year). This was mainly attributable to a decline in income taxes payable (down ¥513 million from the end of the previous fiscal year) and an increase in short-term borrowings (up ¥600 million from the end of the previous fiscal year).

(Net assets)

Net assets as of December 31, 2020 came to ¥5,000 million (down ¥35 million from the end of the previous fiscal year). This mainly reflected the booking of profit attributable to owners of parent and ¥453 million in dividends paid (compared to ¥374 million in the same period of the previous fiscal year).

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

The Company has revised its consolidated earnings forecasts announced on August 3, 2020. For details, please refer to the “Notice Concerning Revisions to Earnings Forecasts” announced on February 3, 2021 (Japanese Only).

2. Quarterly Consolidated Financial Statements and Important Notes
 (1) Quarterly Consolidated Balance Sheet

	Fiscal year ended March 31, 2020 (As of March 31, 2020)	Nine months ended December 31, 2020 (As of December 31, 2020)
(Thousands of yen)		
Assets		
Current assets		
Cash and deposits	4,175,567	4,874,910
Accounts receivable - trade	1,912,122	1,569,612
Operational investment securities	648,433	720,498
Other	233,718	322,599
Allowance for doubtful accounts	(26,400)	-
Total current assets	6,943,442	7,487,620
Non-current assets		
Property, plant and equipment	251,110	193,127
Intangible assets		
Software	251,150	245,718
Software in progress	167,389	235,008
Other	6,729	6,154
Total intangible assets	425,268	486,881
Investments and other assets		
Investment securities	1,346,620	1,069,687
Deferred tax assets	245,443	129,196
Other	457,486	370,232
Total investments and other assets	2,049,550	1,569,116
Total non-current assets	2,725,930	2,249,126
Total assets	9,669,373	9,736,746
Liabilities		
Current liabilities		
Accounts payable - trade	356,138	218,660
Short-term borrowings	1,200,000	1,800,000
Accounts payable - other	899,514	624,667
Income taxes payable	660,596	147,123
Provision for share-based remuneration	193,393	326,960
Other	115,128	219,360
Total current liabilities	3,424,770	3,336,772
Non-current liabilities		
Long-term borrowings	300,000	300,000
Lease obligations	16,375	12,201
Provision for share-based remuneration	248,312	74,811
Provision for share-based remuneration for directors (and other officers)	556,888	925,517
Asset retirement obligations	86,444	86,444
Total non-current liabilities	1,208,021	1,398,974
Total liabilities	4,632,791	4,735,747
Net assets		
Shareholders' equity		
Share capital	2,842,098	2,848,506
Capital surplus	1,108,045	1,132,159
Retained earnings	3,181,923	3,472,395
Treasury shares	(2,095,486)	(2,452,062)
Total shareholders' equity	5,036,581	5,000,999
Total net assets	5,036,581	5,000,999
Total liabilities and net assets	9,669,373	9,736,746

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(Nine months ended December 31, 2019 and 2020)

(Thousands of yen)

	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
Revenue	11,809,864	10,241,853
Cost of revenue	7,324,448	6,252,264
Gross profit	4,485,415	3,989,589
Selling, general and administrative expenses	2,850,539	2,820,800
Operating profit	1,634,875	1,168,788
Non-operating income		
Interest income	3,972	5,129
Dividend income	15,674	-
Share of profit of entities accounted for using equity method	-	3,604
Foreign exchange gains	614	-
Lectures fee income	14,099	18,242
Miscellaneous income	25,264	23,465
Total non-operating income	59,625	50,441
Non-operating expenses		
Interest expenses	865	4,450
Share of loss of entities accounted for using equity method	88,722	-
Miscellaneous loss	3,062	2,132
Total non-operating expenses	92,650	6,583
Ordinary profit	1,601,850	1,212,647
Extraordinary income		
Gain on sales of investment securities	-	147,345
Total extraordinary income	-	147,345
Profit before income taxes	1,601,850	1,359,992
Income taxes - current	603,282	499,954
Income taxes - deferred	56,494	116,246
Total income taxes	659,776	616,201
Profit	942,074	743,791
Profit attributable to owners of parent	942,074	743,791

(Quarterly Consolidated Statement of Comprehensive Income)
(Nine months ended December 31, 2019 and 2020)

	(Thousands of yen)	
	Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)
Profit	942,074	743,791
Comprehensive income	942,074	743,791
Comprehensive income attributable to owners of parent	942,074	743,791

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

(Notes on Significant Changes in the Amount of Shareholders' Equity)

I. Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date	Appropriated from
May 7, 2019 board resolution	Common stock	374,397	18	March 31, 2019	June 10, 2019	Retained earnings

Note: Total amount of dividends includes ¥27 million of dividends for shares held in trust accounts for the Employee Stock Ownership Plan (J-ESOP) and performance-linked stock compensation program.

2. Dividends whose record date falls in the nine months ended December 31, 2019, but whose effective date comes after December 31, 2019.
 No applicable matters to report.

II. Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

1. Dividends paid

Resolution	Type of shares	Total amount of dividends (Thousands of yen)	Dividend per share (yen)	Record date	Effective date	Appropriated from
May 7, 2020 board resolution	Common stock	453,318	22	March 31, 2020	June 8, 2020	Retained earnings

Note: Total amount of dividends includes ¥33 million of dividends for shares held in trust accounts for the Employee Stock Ownership Plan (J-ESOP) and performance-linked stock compensation program.

2. Dividends whose record date falls in the nine months ended December 31, 2020, but whose effective date comes after December 31, 2020.
 No applicable matters to report.

(Segment Information, etc.)

This information has been omitted as the SIGMAXYZ Group mainly operates in the consulting business, and other operations are not significant.