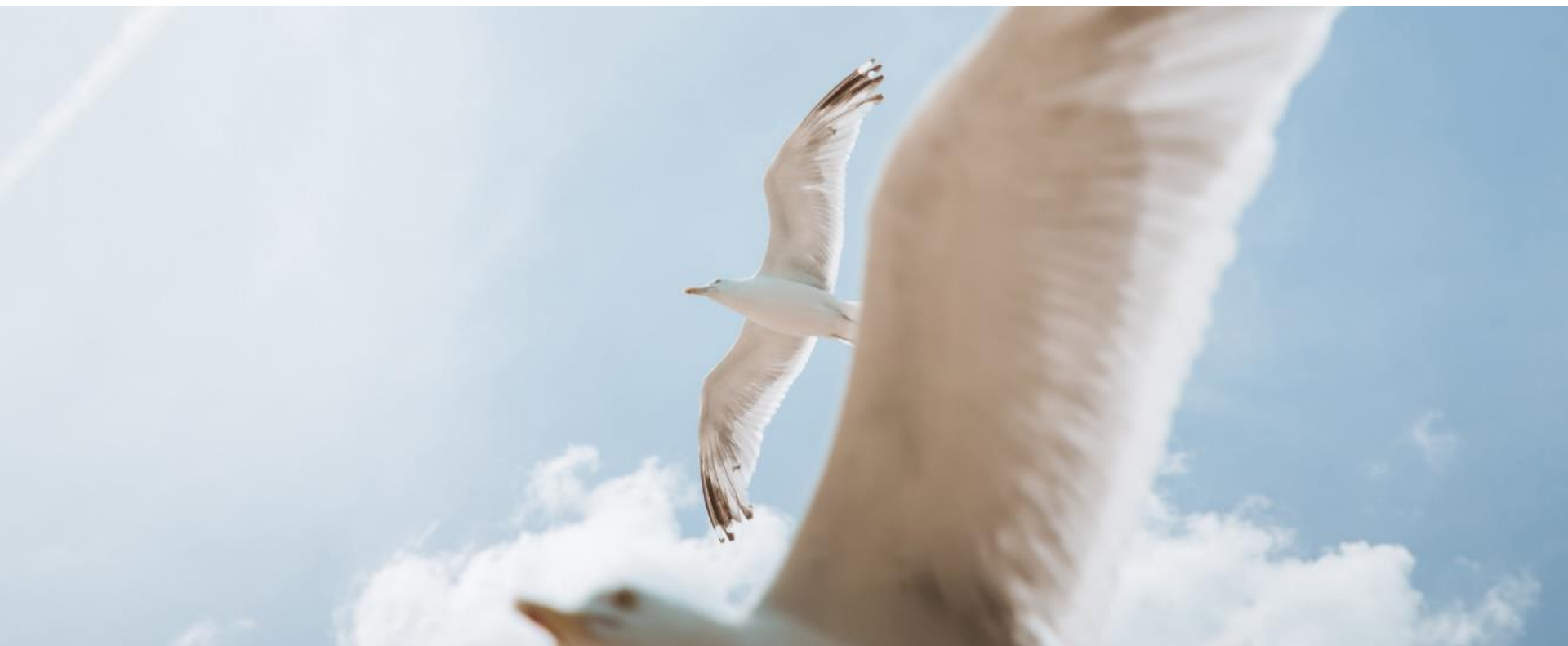


# Consolidated Financial Results Supplementary Document FY21

May 9, 2022/ SIGMAXYZ Holdings Inc. (Stock Code: 6088)



# Outline of Financial Results for FY21

## Summary

- With solid consolidated earnings, the forecast was achieved at 98% consolidated revenue and 102% ordinary profit.
- Consulting business: Projects that support corporate transformation, including DX strategy planning, new business and service development, and revitalization of organizations and personnel, are leading our business.
- Investment business: Successfully expanding operations by supporting investee companies, making new investments, and selling assets. The amount of new investments is approximately 1.2 billion yen.

Unit: JPY mn	FY20	FY21	YoY change Rate	FY21 Consolidated Earnings Forecast	Achievement
Consolidated revenue	14,024	15,654	+12%	16,000	98%
(Consulting business)	14,024 <sup>(*1)</sup>	15,470 <sup>(*2)</sup>	+10% <sup>(*1)</sup>		
(Investment business)	—	334 <sup>(*2)</sup>	—		
Ordinary profit	1,797	2,764	+54%	2,700	102%
(Ordinary profit margin)	13%	18%			
Profit	1,210	1,664	+38%		
Equity ratio	53%	70%			

\*1 From Q3, "consulting business" and "investment business" are separated into two categories because the importance of "investment business" has increased. This is a reference value for consulting business results based on the consolidated earnings of the previous fiscal year

\*2 Includes internal revenue between segments

# FY21 Consolidated Earnings Forecasts and Results / Annual Dividends

- Operating profit increased as the utilization rate of consulting business overachieved

Unit: JPY mn	FY21 Results	FY21 Consolidated earnings Revised forecast (2/ 7)	Achievement
Revenue	15,654	16,000	98%
Operating profit	2,759	2,700	102%
Ordinary profit	2,764	2,700	102%
Profit attributable to owners of parent	1,664	1,650	101%

- FY21 annual dividend: 26 yen per share (equivalent to 13 yen per share after the stock split)

# Consolidated Income Statement for FY21

Unit: JPY mn	FY20	FY21	YoY change		Major changes
			Amount	Rate	
Revenue	14,024	15,654	+1,630	+12%	
Gross profit	5,324	7,246	+1,921	+36%	<ul style="list-style-type: none"> <li>- Increased due to overachieved utilization rate</li> </ul>
S, G&A expenses	3,576	4,486	+909	+25%	
Operating profit	1,747	2,759	+1,011	+58%	<ul style="list-style-type: none"> <li>- Increase owing to increased revenue and decreased cost of revenue</li> </ul>
Ordinary profit	1,797	2,764	+967	+54%	
Profit before income taxes	1,945	2,753	+808	+42%	<ul style="list-style-type: none"> <li>- Profit from the sale of affiliate shares.</li> <li>- Software impairment loss</li> </ul>
Profit	1,210	1,664	+454	+38%	

# Outline of Earnings by Segment for FY21

Unit: JPY mn	FY20	FY21	YoY change	
			Amount	Rate
Consolidated revenue	<b>14,024</b>	<b>15,654</b>	<b>+1,630</b>	<b>+12%</b>
(Consulting Business)	14,024 (※1)	15,470	+1,445 (※1)	+10% (※1)
(Investment Business)	—	334	—	—
(Internal transactions)	—	-150	—	—
Segment profit	—	<b>4,425</b>	—	—
(Consulting Business)	—	4,380	—	—
(Investment Business)	—	45	—	—
The segment profit margin for revenue	—	<b>28%</b>	—	—
(Consulting Business)	—	28%	—	—
(Investment Business)	—	14%	—	—

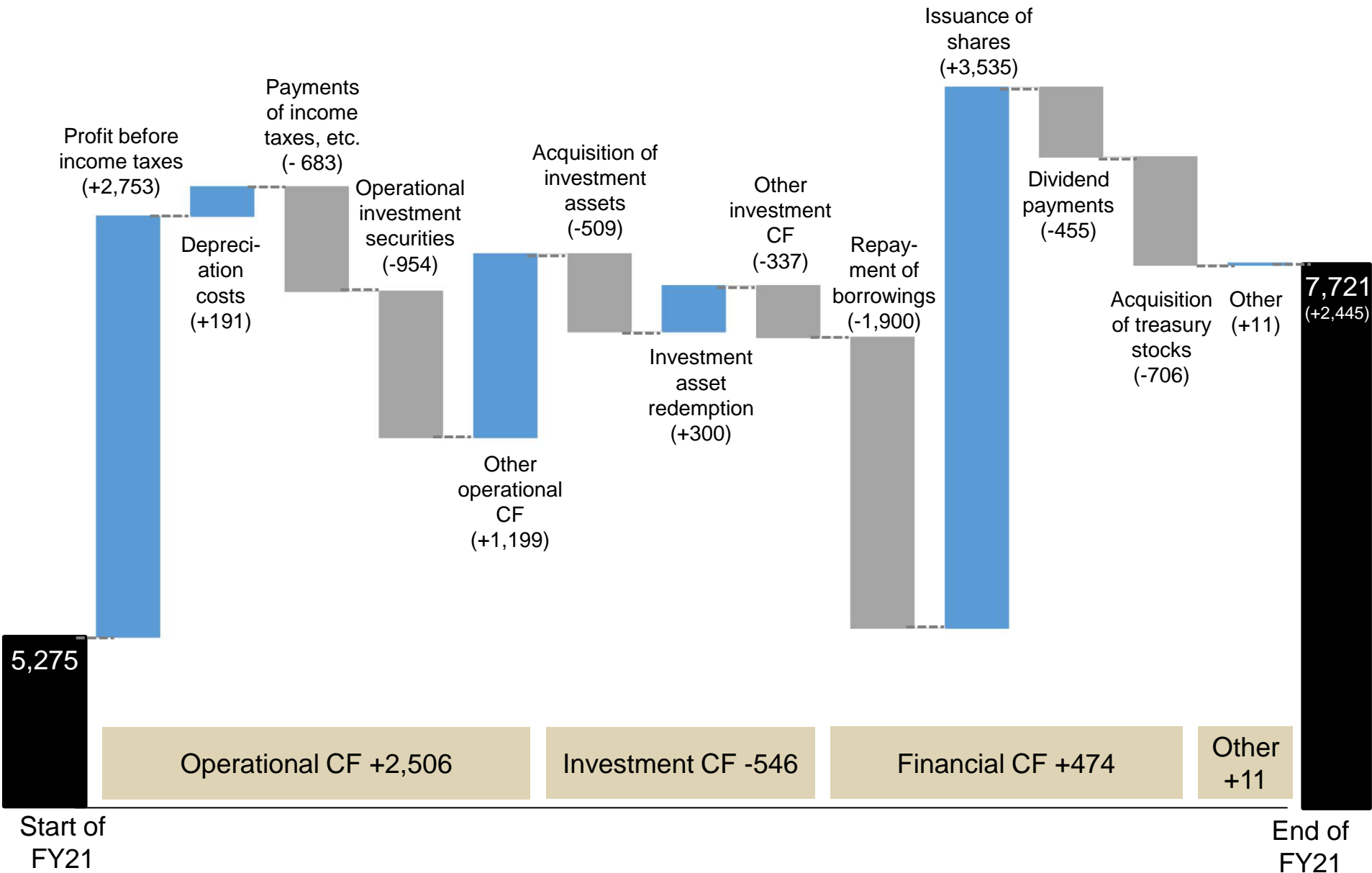
\*1 From Q3, "Consulting Business" and "Investment Business" are separated into two categories because the importance of "Investment Business" has increased. This is a reference value for consulting business results based on the consolidated earnings of the previous fiscal year

# Consolidated Balance Sheet for FY21

Unit: JPY mn	End of FY20	End of FY21	YoY change (Amount)	Major changes
Current assets	8,015	12,147	+4,131	- Increase in cash, deposits, and operational investment securities
Cash and deposits	5,275	7,721	+2,445	
Non-current assets	2,267	2,509	+241	- Increase due to headquarters office renewal
Total assets	10,283	14,656	+4,373	
Current liabilities	3,239	2,764	-474	- Repayment of borrowings and the increase of income tax payables, etc.
Non-current liabilities	1,581	1,589	+8	
Total liabilities	4,821	4,354	-466	
Net assets	5,462	10,302	+4,839	- Increase due to capital increase through a third-party allotment
Equity ratio	53%	70%		

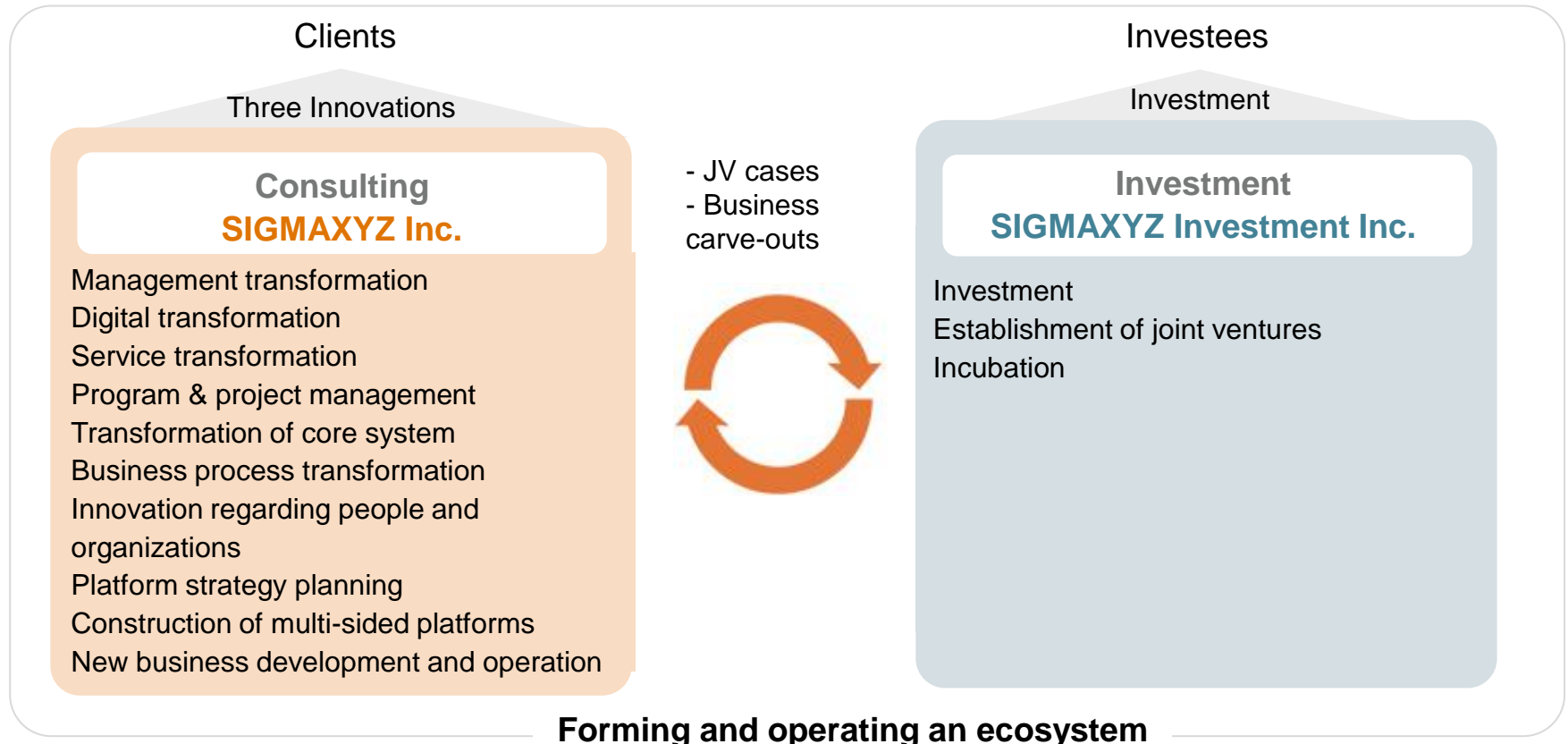
# Transitions in Consolidated Cash Flow

Unit: JPY mn



# SIGMAXYZ Group's Business

- Centering their business on "consulting services" and "investment," SIGMAXYZ Group 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.
- In consulting services, we have experts on business strategy planning, business transformation, digital technology, cloud solutions, project management and new business development to help create new value.
- In the investment business, the focus is on the use of advanced digital technologies and investment projects in areas that connect multiple industries, such as "city development," and "food and wellness." Through the linkage with consulting business, we support the growth and enhancement of corporate value of investee companies.





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

- **MX: Management Transformation**

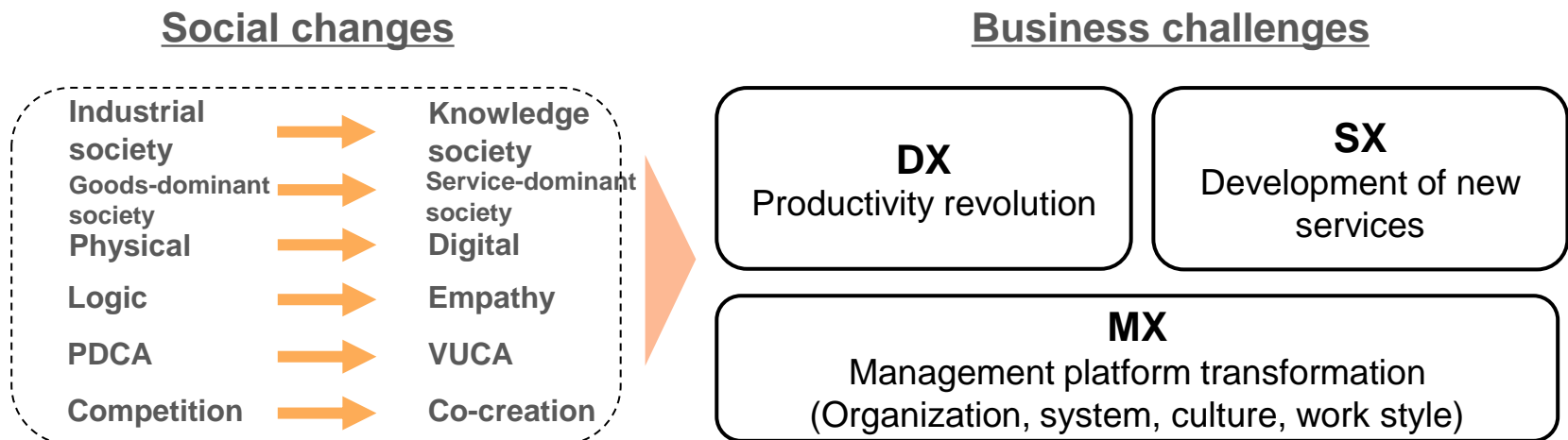
Build a platform that ensures the autonomy and psychological safety of people involved in the business, improves engagement, creates continuous innovation, and enables rapid individual-customer interaction

- **DX: Digital Transformation**

Transform the core business model and achieve significant performance improvements through a productivity revolution

- **SX: Service Transformation**

Build a business model that will serve as a new growth engine in growth markets



# SIGMAXYZ Group Companies

Company name	Year of incorporation / start of business / capital participation (Joint venture partners, share of voting rights)	Business description
<b>SIGMAXYZ Inc.</b>	2021 (100% subsidiary of SIGMAXYZ Holdings Inc.)	Providing consulting services to support corporate transformation
<b>SIGMAXYZ Investment Inc.</b>	2021 (100% subsidiary of SIGMAXYZ Holdings Inc.)	<ul style="list-style-type: none"> <li>- Investment in stocks, bonds, etc.</li> <li>- Management and administration of assets of investment partnerships</li> <li>- Consulting on corporate management and M&amp;As</li> <li>- General investment business to support value creation</li> </ul>
<b>SXA Inc.</b>	2014 (100% subsidiary of SIGMAXYZ Holdings Inc.)	Providing M&A advisory services (Financial advisory / due diligence / valuation / business turnaround advisory / development of in-house M&A systems)
<b>SXF Inc.</b>	2019 (100% subsidiary)	Providing various services related to financial EDI Electronic payment agency: Director-General of the Kanto Local Finance Bureau (Electronic Payment Agency) No. 40

**In the fourth quarter of FY2022, the Company sold its shares in equity-method affiliate AnalySys.. AnalySys. is no longer consolidated.**

# AI Integration & Deployment (AID) Program

AID Program enable our client companies to achieve a competitive business advantage with AI, by clarifying the best AI application area, measures to be implemented, and expected effects in the company, creating viable plans for AI adoption, and providing support through its implementation.

The program covers all layers of AI adoption, including planning, building an internal and external data analytics platform, improving and accelerating data analytics, selecting and implementing AI and deep learning solutions, and driving edge computing. Experienced professionals will provide you with end-to-end support to transform your business with AI.

Details: <https://www.sigmaxyz.com/sx/business/aid/>

## Customer case

Syuppin Co., Ltd.

Support for automated price revision of used cameras (AIMD)



We supported Syuppin Co., Ltd.'s used camera section with the realization of Dynamic Pricing (AIMD), which automates sale/purchase price revisions using AI.

With the introduction of AIMD, Syuppin Co., Ltd. has increased the number of price revisions by six times, reducing man hours and making timely price revisions. In addition, the number of e-mail notifications to customers associated with price changes has increased, resulting in more contact with customers that leads to business opportunities. As a result, the profitability of the business has increased significantly.

Article image source: Nikkei XTECH

<https://xtech.nikkei.com/atcl/nxt/column/18/00001/06276/>



# "Niigata x Food Tech" - Creating Consumer-oriented Collaboration

For two years, SYGMAXYZ has supported Niigata City's efforts to revitalize its industry by utilizing food tech, which has been promoted since 2020.

Niigata City, where "agriculture" and "food" have been historically important, has formulated a medium to long-term plan to create consumer-oriented collaboration using food tech. In addition to promoting collaboration among industry, academia, and government, including financial institutions and universities, it has also planned and promoted "co-creation programs" through mutual cooperation among local companies.

Using its consulting capabilities and network centered on its food tech community, SIGMAXYZ provided support in developing a vision for this project, promoting community launch, cooperating with other companies, and the start-up of business projects by companies.



「新潟市 × フードテック」  
生活者起点での協業創出

## Vision of the food tech community in Niigata City

### Bring happiness to everyone with the ultimate "new" culinary experience

- With food tech and agritech, everyone becomes a prosumer and will have equal access to Niigata food experiences (not bound by place, time, or season).
- It will be a booster to create a new food business, which can be started small by anyone who wants to do it.
- Discover and update the food assets that are rooted in Niigata.
- Establish win-win relationships with other regions and share food creativity with the world.

#### •Niigata City website Food Tech and Agritech Efforts

[https://www.city.niigata.lg.jp/smph/business/foodtech\\_agritech/index.html](https://www.city.niigata.lg.jp/smph/business/foodtech_agritech/index.html)

# Agile development management

We provide an "Agile development management service," where agile methodology is introduced in developing business systems in the SoR (System of Records) field of companies. We promote practical and speedy agile development without assuming organizational transformation.

Based on our experience of being involved in many projects as the PMO, we aggregated our know-how to minimize risks and confusion on site while taking advantage of the benefits of agile development.

## Nikkei XTECH Feature Serial article of March 2021 "The Best Shortcut to Successful Agile Development"

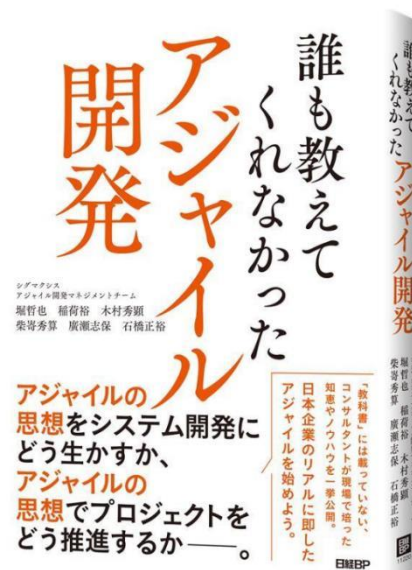
How can centralized Japanese companies with less experience in agile development achieve successful agile development of SoR field business systems, without organization/culture transformation and by using development vendors the same as before? This can't be found in any textbook—the know-how based on practices and actual cases is explained, and the sequel series started on February 2.



Source: Nikkei XTECH website  
<https://xtech.nikkei.com/atcl/nxt/column/18/01562/>

## New Book

## Agile Development No One Taught You



Amazon

<https://www.amazon.co.jp/dp/4296112201>

# SIGMAXYZ Investment Inc.: Investment Business

In April 2021, SIGMAXYZ Investment Inc. was established as a 100% subsidiary in order to increase the value of our investment business. Focusing on investment projects that connect multiple industries, we support the growth and enhancement of corporate value of investee companies through the linkage with consulting business.

In FY21, the company invested in Wellness Communications Corporation through networks of ITOCHU Corporation. The company also invested in PROGRIT Inc., eWeLL, Inc., and SHIZEN ENERGY Inc.

## Investment areas

Areas that enrich people's lives while making wise use of global resources  
(Regenerative & well-being)

### Investees

### Partners



Ghelia Inc.



Creww Inc.



Monstar Lab, Inc.

New investments in FY21



Wellness Communications Corporation



PROGRIT Inc.



eWeLL Inc.



SHIZEN ENERGY Inc.



Invest in wonder

SX Capital, Inc.

startbahn



Empath



Housmart



Fermenting a Renewable Society



WELMO



bluememe  
MODEL & DESIGN YOUR BUSINESS



Fresco Capital

[www.sigmaxyz.com/sxi/](http://www.sigmaxyz.com/sxi/)



# Collaborated with Tokyu Corporation for New City Development

SIGMAXYZ Holdings concluded a basic agreement with Tokyu Corporation on the promotion of a new city development initiative for consumers in the Tama Garden City area (nexus project). The companies of SIGMAXYZ Group will work together to promote activities aimed at realizing this project in collaboration with Tokyu.

In this project, SIGMAXYZ Group will play a role as an "aggregator" to gather the best players and promote collaboration. In addition to deepening and improving this project, SIGMAXYZ Group will invite administrative governments and diverse companies (buddies) that empathize with and participate in this project, establish a consortium by promoting collaboration between buddies, hold study sessions to promote understanding of the project, support planning and implementation of demonstration experiments and commercialization, and engage in public relations activities.

In the field of demonstration experiments and commercialization, consulting services and investment assistance will be provided as necessary.

## "nexus project"

In order to realize a free and rich life for the residents in the suburbs, the aim is to create a "walkable neighborhood" where living, learning, working, and playing are intertwined with nature and agriculture.

The nexus project will begin in the Tama Garden City area (Kajigaya Station to Chuo Rinkan Station on the Den-en-toshi Line), around Aoba-ku, Yokohama-shi and Miyamae-ku, Kawasaki-shi.

In April 2022, "nexus Challenge Park Hayano" opened in the Nijigaoka-danchi and Susukino-danchi areas near the city border of Kawasaki and Yokohama.



"nexus Challenge Park Hayano"

### Related links

- SIGMAXYZ Holdings Press Release

[https://www.sigmaxyz.com/release\\_20220119/](https://www.sigmaxyz.com/release_20220119/)

- Tokyu Press Release

<https://www.tokyu.co.jp/company/news/list/Pid=20220119-1.html>

# First Listed Company in Japan to Obtain B Corporation Certification

We have obtained the "B Corporation Certification" for the business and activities of SIGMAXYZ Group.

Approximately 4,500 companies in 78 countries have obtained this certification. SIGMAXYZ Group is the eighth Japanese company to obtain this certification, and the first listed company group that has its headquarters in Japan. (As of January 2022)



## What is B Corporation Certification

A system for certifying companies with excellent public interest in terms of environmental and social performance, management transparency, and business sustainability, etc. To obtain this certification, a company needs to earn at least 80 points on a rating based on the metrics defined by the U.S. non-profit organization B Lab in the following five areas: governance, community, employees, environment, and customers.

### Related links

- SIGMAXYZ Holdings News  
<https://www.sigmaxyz.com/news/>
- B Corporation website  
<https://www.bcorporation.net/>



# Building Social Multi-sided Platforms (2)

We are forming an ecosystem beyond the conventional framework of consulting services, where people inside and outside of the company who empathize with and support our initiatives gather to address social issues.

## [Example] Social implementation of 3D bioprinting technology

### SIGMAXYZ Inc.

- In March 2022, **SIGMAXYZ concluded a collaboration agreement** with the Graduate School of Engineering, Osaka University and Shimadzu Corporation **for the "social implementation of 3D bioprinting technology"**.
- Taking advantage of its high program management capabilities and its alliance network with a variety of companies, including the food tech community, the company will play a role as a program management office in this collaboration.

#### Joint press release:

Osaka University, Shimadzu, and SIGMAXYZ Collaborate on 3D Bioprinting Technology

-Accelerating technological development to solve social issues such as the environment, food, and health-

[https://www.sigmxyz.com/release\\_20220328/](https://www.sigmxyz.com/release_20220328/)

#### Advertisement on Nature's Articles:

Cultivating gourmet meat in the lab

<https://www.nature.com/articles/d42473-022-00009-0>

### Graduate School of Engineering, Osaka University



March 28, 2022 Press release

# Key Performance Indicator (KPI)

	FY20	FY21	YoY change
Number of employees	554	560	+1%
(Number of consultants)	(481)	(478)	(-1%)
Client Satisfaction (NSI*)	94	94	+0pt
Number of projects **	1,019	987	-3%
Number of clients ***	213	181	-15%
Revenue per contract (Million yen)	13.8	15.9	+15%

\* NSI (Net Satisfaction Index): Average score from 5 possible ratings for 10 questions evaluating project satisfaction. Conducted in a questionnaire format for the client project owner. 5 ratings - 5: I really agree 100 points; 4: I agree 75 points; 3: I can't say either way 50 points; 2: I don't agree 25 points; 1: I don't agree at all 0 points

\*\* Number of projects: Projects for which revenue has been recorded over the consolidated cumulative period are aggregated by contract.

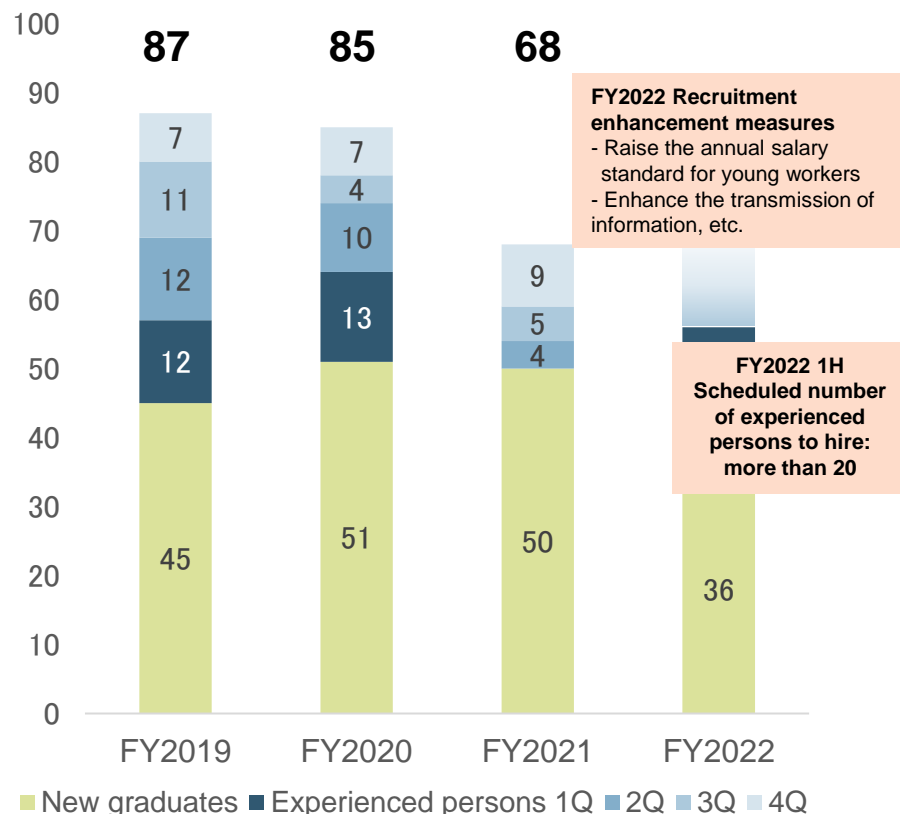
\*\*\* Number of clients: Clients of projects for which revenue has been recorded over the consolidated cumulative period are aggregated by corporation.

# Recruitment Activities

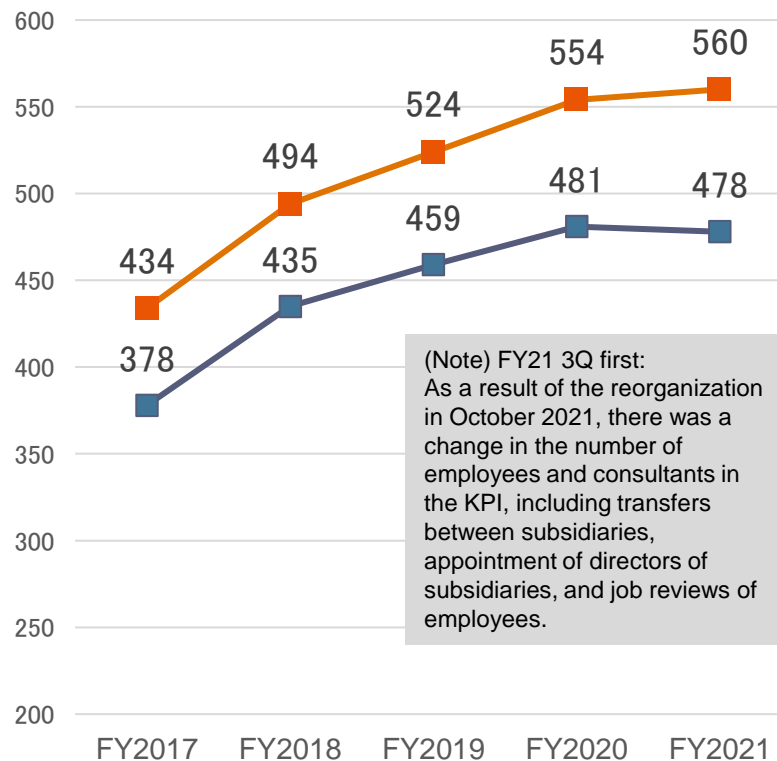
36 new graduates joined the company on April 1, 2022. We have strengthened measures to recruit more excellent personnel in FY 22. The recruitment activities are progressing smoothly toward hiring about 50 experienced persons in FY 22 and about 50 new graduates in April 2023.

Number of people hired per annum (consultants)

Unit: people



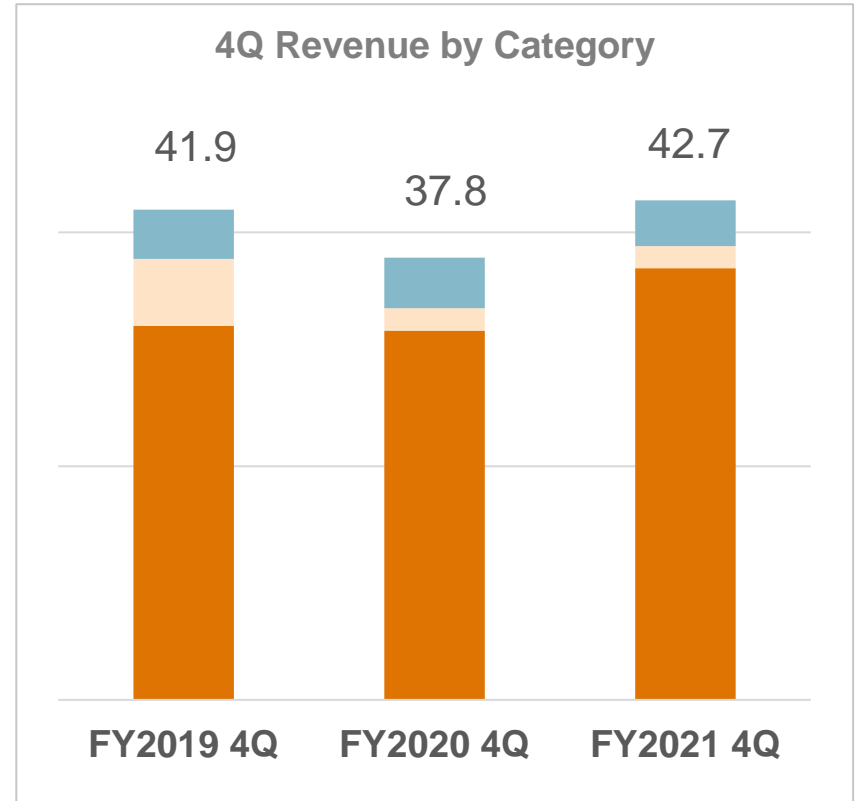
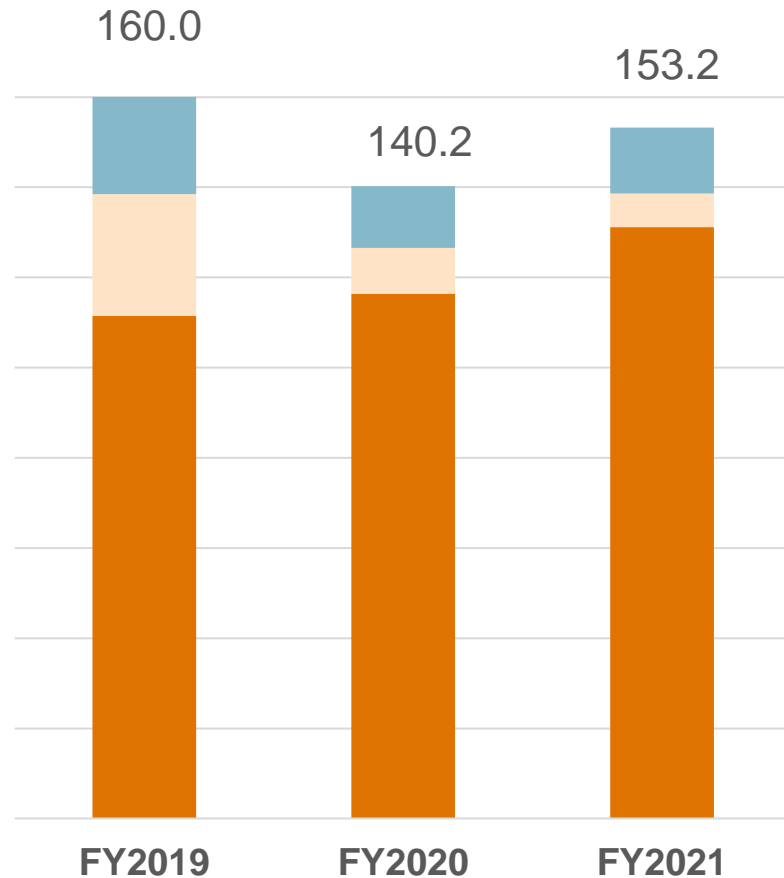
Number of employees and consultants in the Group



# (Reference) Revenue by Category

The restructuring of the business portfolio has been steadily progressing over the past two years, with the optimization of the ratio of consulting services for the aviation industry to sales and the strategic scale-down of product procurement services.

(Unit: JPY bn)



- Product procurement service (including product sales)
- Consulting services: Aviation industry
- Consulting services: Other than aviation industry

\*Excludes internal revenue between segments. FY2019 & FY2020 are consolidated figures. FY2021 is consulting business segment figures only. (Segment disclosure started in 3Q. The figures for the full year have been recalculated excluding the investment business.)

# FY22 Consolidated Earnings Forecasts

Unit: JPY mn	FY22	Increased/decreased amount to the previous fiscal year	Increased/decreased rate to the previous fiscal year
Revenue	17,200	1,545	10%
Operating profit	3,180	420	15%
Ordinary profit	3,180	415	15%
Profit attributable to owners of parent	2,000	335	20%

In terms of the consolidated earnings forecast, because the investment business can strongly be affected by the influence of domestic and overseas stock markets and newly listed markets, the profit level range may be greater than the forecast. We have made the forecasts based on the information confirmed at present.

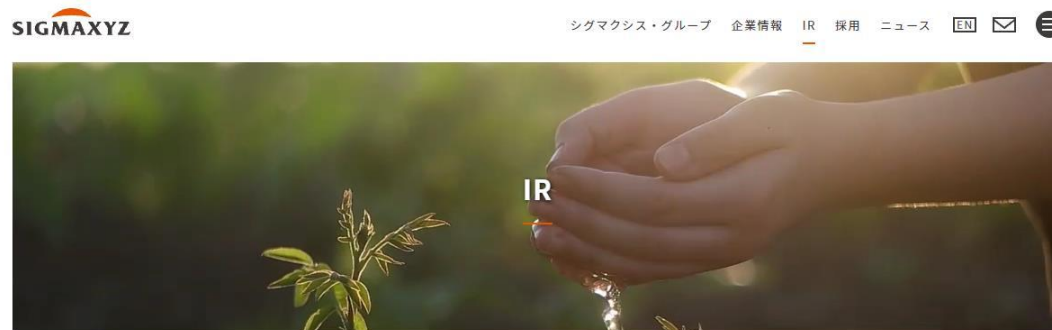
# Dividend Policy

- 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.
  - FY21 annual dividend  
26 yen per share (equivalent to 13 yen after the stock split)
  - FY22 annual dividend  
15 yen per share after the stock split

(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) Audio Report for Financial Results Supplementary Documents

A Japanese audio report for the documents is posted on our website at 6:00 pm JST on the day the results are disclosed.



## IR information

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



 **最新IR資料**  
2022年3月期 第1四半期決算 (2021年8月4日 発表)

### 最新のIRニュース

IRニュース一覧

2021.10.01	<a href="#">プレスリリース</a>	持株会社体制への移行に関するお知らせ <a href="#">PDF</a>
2021.09.29	<a href="#">お知らせ</a>	「会社四季報2021年4集秋号」 訂正情報



## 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.

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