COMPANY RESEARCH AND ANALYSIS REPORT

SIGMAXYZ Holdings Inc.

6088

Tokyo Stock Exchange Prime Market

18-Aug.-2026

FISCO Ltd. Analyst

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Note: This report is based on information available as of July 13, 2026 (the date when the Japanese version was finalized).
The Company's 1Q FY3/27 financial results have since been announced.
Please refer to the latest financial results and other disclosure materials in conjunction with this report.

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Summary

Operating profit and ordinary profit reached record highs in FY3/26. Began considering a partnership with CCT

SIGMAXYZ Holdings Inc. <6088> (hereafter, also “the Company”) is an independent, execution-focused consulting firm whose mainstay business is corporate transformation support. Rather than remaining a mere advisor, the Company acts as a partner that aims to generate positive outcomes alongside client companies. In that capacity, it has involvement in everything from concept formulation through execution across the three domains of Digital Transformation (DX), Management Transformation (MX), and Service Transformation (SX). It employs a business model that flexibly combines in-house human assets, external experts, and alliance partners, and has established a position that emphasizes value co-creation and execution capabilities, setting it apart from major full-service consulting firms.

1. Overview of FY3/26 results

In FY3/26, the Company’s consolidated results were revenue of ¥23,831mn (down 9.4% year on year (YoY)), operating profit of ¥6,064mn (up 7.6%), ordinary profit of ¥6,351mn (up 8.1%), and profit attributable to owners of parent of ¥3,971mn (down 9.6%). Revenue declined due to the exclusion of subsidiaries from consolidation, a decrease in outsourcing revenue as large-scale projects went live, and delays in the ramp-up of new projects, and fell short of the revised forecasts that the Company disclosed in November 2025. On the other hand, the Company reached new record highs in operating profit and ordinary profit, with cost reductions resulting from the curbing of outsourcing expenses as well as efforts to control SG&A expenses playing a part. Profit attributable to owners of parent decreased due to the recognition of extraordinary losses arising from the revaluation and sale of investment securities inherited from the former Investment Business.

2. FY3/27 forecasts

For FY3/27, the Company forecasts consolidated results of revenue of ¥25,300mn (up 6.2% YoY), operating profit of ¥6,600mn (up 8.8%), ordinary profit of ¥6,700mn (up 5.5%), and profit attributable to owners of parent of ¥4,460mn (up 12.3%), representing increases in both revenue and profit. These forecasts call for new record-high profit at each level. The Company intends to avoid reliance on specific large-scale projects and to build up orders for mid-sized projects as it aims to stabilize its earnings base through growth in the number of its projects and clients. With demand for DX, new business development, and AI utilization remaining firm, the Company expects its ordinary profit margin, which constitutes a key performance indicator (KPI), will remain at a high level of 26.5%. At the same time, the Company also plans upfront investments in AI utilization and internal transformation. Simultaneously achieving both revenue growth and high profitability will be the focus going forward.

3. Began considering a capital and business alliance with CCT

The Company’s consideration of a capital and business alliance with Core Concept Technologies Inc. <4371> (hereafter, “CCT”) is attracting attention as a growth option that would bolster DX support for the manufacturing industry. The combination of the Company’s upstream conceptualization capabilities and transformation-driving capabilities with CCT’s DX support capabilities for manufacturing, the DX development platform “Orizuru,” and proprietary network “Ohgi” for IT staffing support would strengthen the framework for delivering end-to-end support from upstream concept formulation through implementation and the establishment of operational structures. Note that while the Company and CCT are already moving forward with joint sales and proposal activities, the details of the formal alliance, as well as the timing and scale of its contribution to results, remain to be confirmed.

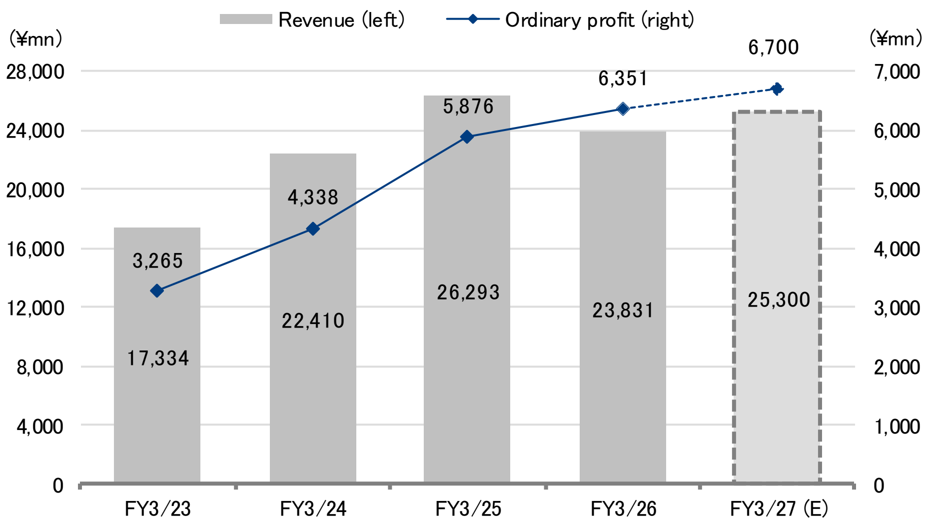
4. Shareholder returns

With respect to shareholder returns, the Company continues to use a combination of dividends and the acquisition of treasury shares. It has set forth a policy to target a 50% dividend payout ratio by FY3/30, and in FY3/26, it increased the dividend per share to ¥26.0, with the dividend payout ratio at 54.5%. The Company also plans to pay the same dividend amount for FY3/27. In FY3/26, in addition to raising the dividend, it also acquired treasury shares of over ¥2.6bn. Furthermore, in May 2026, the Company established an authorization for the acquisition of treasury shares with an upper limit of 600,000 shares or ¥300mn, and is currently executing that acquisition. While its strong commitment to shareholder returns can be positively evaluated, the focus going forward will be on the balance between growth investments, M&A and alliance investments, and those shareholder returns.

Key Points

- In FY3/26, despite lower revenue, operating profit and ordinary profit reached record highs due to the curbing of outsourcing expenses and controlled expense management
- In FY3/27, the Company will curb reliance on large-scale projects as it endeavors to diversify and stabilize its earnings base through a buildup of mid-sized projects
- Will aim to bolster its support and implementation capabilities in the domain of DX for manufacturing by considering an alliance with CCT
- As the Company continues to return profits to shareholders at a high level, the balance with growth investment will be the focus going forward

Results trends



Source: Prepared by FISCO from the Company's financial results

Company profile

An independent holding company that offers “Sherpa for Strategy Realization”-model consulting

1. Company profile

The Company is a holding company that has SIGMAXYZ Inc., which engages in business consulting operations centered on promoting corporate DX, under its umbrella. It began operations as a consulting firm uninfluenced by specific IT products or the intentions of an overseas headquarters, and is characterized by its “Sherpa for Strategy Realization”-model support style through which it takes end-to-end responsibility from concept formulation through execution and implementation.

With “Create a Beautiful Tomorrow Together” as its Purpose and “Promote transformation in companies and contribute to attaining the SDGs together with clients and partners” as its Mission, the Company is pursuing initiatives aimed at promoting corporate transformation and realizing a sustainable future society.

Up to this point, the Company Group has operated two segments: the Consulting Business and the Investment Business. However, in its “Blueprint in FY29 (Fiscal Year Ending March 2030)” (hereafter, the “Blueprint in FY3/30”), it reviewed the positioning of its Investment Business and clarified its policy to concentrate management resources on the Consulting Business. In its Consulting Business, the Company serves leading companies across a wide range of industries, including transportation, finance, information and communication, retail, trading companies, and construction, undertaking the entire process seamlessly from concept formulation through implementation for the promotion of DX, the development of new businesses, program management, the implementation of cutting-edge technologies, and other similar themes. Moreover, the Company intends to consolidate its Investment Business into its holding company and utilize it as a value co-creation function that handles M&A and joint investments with clients, among other operations.

The Company’s management structure (effective from June 24, 2026) centers on Hiroshi Ota, President, Representative Director, and is comprised of six Directors excluding those who are Audit & Supervisory Committee Members (three of whom are outside Directors who are independent officers) and three Directors who are Audit & Supervisory Committee Members (all of whom are outside Directors who are independent officers). The Company has established its governance structure as a company with an Audit & Supervisory Committee. As of April 1, 2026, it has 866 employees, of whom 757 are consultants.

2. History

The Company’s history can be organized into four phases: (1) Founding and early years (from 2008), (2) Skill transition due to stock listing and changes in the business environment (from 2013), (3) Acceleration in the utilization of SaaS and cloud technologies and transition to a holding company system (from 2019), and (4) Concentration of resources on the Consulting Business (from around 2025).

(1) Founding and early years (from 2008)

The Company was established in May 2008 through a joint venture between Mitsubishi Corporation <8058> and RHJ International SA. Behind the Company's establishment was an alignment of interests between Mitsubishi Corporation, which was seeking an upstream consulting function in order to expand its IT services business, and the Company's founder, Hideki Kurashige (then Representative Director and Chairman of RHJ International Japan, Inc.), who sought to establish a consulting firm that would handle everything from concept formulation through implementation on an end-to-end basis.

Subsequently, in addition to expanding projects for the Mitsubishi Corporation group, capital participation by Internet Initiative Japan Inc. <3774> and INTEC Inc. in September 2013 strengthened the linkage between the Company's IT consulting services and IT services, leading to an expansion in the scale of its operations.

(2) Skill transition due to stock listing and changes in the business environment (from 2013)

In December 2013, the Company was listed on the Mothers market of the Tokyo Stock Exchange (hereafter, "TSE") largely for the purpose of improving name recognition and social credibility and reinforcing the acquisition of human assets. Afterwards in November 2017, the Company's stock market listing was changed to the First Section of the TSE. This was later transferred to the Prime Market of the TSE in April 2022.

As the wave of digitalization surrounding corporations gathered momentum, the Company moved away from operations centered on IT system contracting, and instead moved fully forward with its efforts to accommodate the digital domain. In July 2018, which marked the 10th anniversary of its founding, the Company renewed its corporate philosophy. Under the Purpose "Create a Beautiful Tomorrow Together," it expanded the domains in which it offers support beyond traditional strategy development and system implementation to include business model transformation based on the premise of digital technologies as well as the creation of new businesses. The Company also more clearly highlighted its contributions in addressing social issues. In June 2018, Mitsubishi Corporation sold all the shares it held in the Company in a secondary offering, further clarifying the Company's identity as a listed consulting firm with an independent management base.

(3) Acceleration in the utilization of SaaS and cloud technologies and transition to a holding company system (from 2019)

Since the late 2010s, the Company has accelerated DX support that fully leverages SaaS and cloud technologies. In April 2021, the Company entered into a capital and business alliance with ITOCHU Corporation <8001>, strengthening collaboration in DX and new business domains. At the same time, it established SIGMAXYZ Investment Inc., and commenced its Investment Business in earnest. Furthermore, that October, the Company transitioned to a holding company system as SIGMAXYZ Holdings Inc., thereby putting a group management system in place with consulting and investment as its two pillars. In January 2022, the Company became the first listed company headquartered in Japan to obtain B Corporation Certification*. In doing so, it indicated to internal and external stakeholders its management stance focused on solving social issues based on a third-party standard.

* An abbreviation for "Benefit for all corporation." A certification system that recognizes companies with a high degree of public benefit that excel in environmental and social consideration, management transparency, business sustainability, and other such areas.

In parallel with these moves, the Company spun off the businesses that handle peripheral consulting functions into separate subsidiaries, with the intent of expanding its domains of operation. Specifically, in addition to SIGMAXYZ Investment, the Company established SXF Inc. (currently Finect Inc.) (established in February 2019; provides financial EDI-related services and the “finect” global treasury management cloud platform) and SXD Inc. (currently SINCERIO Co., Ltd) (established in December 2024; engages in the procurement, design, development, and maintenance of enterprise systems).

(4) Concentration of resources on the Consulting Business (from around 2025)

In response to rapid changes in its market environment, the Company set out the following new medium- to long-term vision in the “Blueprint in FY3/30,” which it released in May 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.” Under this policy, the Company moved forward with a revision of its group structure. Following the sale of SXF (currently Finect) in April 2025, in July the Company absorbed SIGMAXYZ Investment through a merger, incorporating the Investment Business into its holding company. That October, the Company also sold SXD (currently SINCERIO) and consolidated its management resources into the Consulting Business.

History

Date	Event
May 2008	Established as a joint venture of Mitsubishi Corporation and RHJ International SA to strengthen the IT and consulting services of the Mitsubishi Corporation group
September 2013	Capital participation from Internet Initiative Japan Inc. to strengthen collaboration in IT consulting services Capital participation from INTEC Inc. to strengthen collaboration in IT services
December 2013	Listed on Mothers market of the TSE
October 2014	Acquired shares of SXA Inc. (formerly T-Model Investment Inc.) and made it a consolidated subsidiary
September 2016	Started a capital and business alliance with SX Capital, Inc.
November 2017	Change in stock market listing to the First Section of the TSE
July 2018	Renewed its corporate philosophy
February 2019	Established SXF Inc.
April 2021	Established SIGMAXYZ Investment Inc. Concluded an alliance agreement with ITOCHU Corporation
June 2021	Transferred the Investment Business to SIGMAXYZ Investment Inc.
October 2021	Transitioned to a holding company system and changed trade name to SIGMAXYZ Holdings Inc. Established SIGMAXYZ Inc. and transferred the Consulting Business
January 2022	Obtained B Corporation Certification
April 2022	Transferred from the First Section to the Prime Market of the TSE
January 2023	SXA Inc. removed from the scope of consolidation
December 2024	Established SXD Inc.
April 2025	SXF Inc. removed from the scope of consolidation
October 2025	SXD Inc. removed from the scope of consolidation
April 2026	Resolved at a meeting of the Board of Directors to begin considering a capital and business alliance with Core Concept Technologies Inc., including collaboration across a wide range of fields starting with DX

Source: Prepared by FISCO from the Annual Securities Report and the Company’s website

Business overview

Made the shift to the single segment of the Consulting Business. Support DX, MX, and SX transformation

1. Business overview

Up through FY3/25, the Company had a two-segment structure consisting of the Consulting Business and the Investment Business, the latter of which made investments in venture companies and joint ventures (JVs) and provided hands-on support. However, the Company reviewed the Investment Business' previous positioning as an independent business segment and, after absorbing it into its holding company, shifted to a policy of utilizing the segment as a value co-creation function responsible for M&A and joint investments with clients. Consequently, it transitioned to a single segment of the Consulting Business as of FY3/26. As a result, under its current structure, the Company concentrates management resources on consulting services, with SIGMAXYZ, an operating company, serving as the core.

The move to a single segment signifies a clear consolidation of the core of the Company's operations into the consulting domain. While the previous Investment Business had played a role in broadening future business opportunities, valuation gains and losses, among other items in that segment, were factors behind earnings volatility. With its clear shift of focus to the Consulting Business, the Company's business structure and earnings structure are now easier to grasp.

(1) Characteristics of consulting model

The Company's consulting model is centered on two unique concepts, "Sherpa" and "Aggregator." A distinctive characteristic of this approach is that the Company assembles the most suitable team to address issues by optimally combining internal and external human assets, the cutting-edge technologies of venture companies, and operating companies from other industries, without being bound by an in-house-only approach.

Consulting that accompanies clients until results are achieved is another key strength of the Company. The Company provides support on a continuous basis, up to and including the execution phase, until the goals set by the client are achieved, rather than concluding services rendered with submission of a strategy report. For that reason, a central theme is that the target of support is not one-off initiatives, but medium- to long-term transformation that changes the very nature of management and the way business is conducted.

The Company describes its role as a "Sherpa" to indicate that it consistently supports transformation at client companies from the conceptual stage to execution until positive outcomes are realized. Additionally, the concept of "Aggregator" encompasses the role of pooling diverse knowledge and capabilities from inside and outside the organization and converting them into a value proposition in an optimal form. With this approach, the Company has established execution-oriented positioning that is distinct from both advisory-type firms specializing in strategy formulation and implementation-focused companies centered on system introduction.

(2) Three domains of support

The Company primarily undertakes "transformation" projects that change the very nature of client companies. It tackles themes that involve the cross-functional transformation of business structure, organization, and services, not just the reduction of costs or introduction of systems. The Company's domains of support can be broadly classified into three categories: Digital Transformation (DX), Management Transformation (MX), and Service Transformation (SX).

DX fundamentally overhauls business processes by making use of advanced technologies that include the cloud, SaaS-based core systems (ERP), data platforms, and generative AI. The aim in doing so is not only IT renewal, but also the realization of swift, data-driven management decision-making and company-wide productivity gains. Specific examples that can be cited include introducing SaaS core systems, promoting DX, and supporting AI utilization.

MX as a domain involves organizational, institutional, and human asset-based transformation that is essential for entrenching digitalization. This entails building a management foundation that continuously brings forth transformation through themes that include the overhaul of corporate culture, establishment of an autonomous organization, and redesign of human asset strategy. Where DX serves to drive reforms in technology and work processes, MX serves to embed those elements within companies as sustainable practices.

SX as a domain involves transformation that redirects management resources generated through the streamlining of existing businesses toward new business development and the advancement of existing services. The Company places importance on a perspective that does not treat work efficiency enhancement and digitalization as ends in themselves, but rather links them to the creation of new growth opportunities. It also positions new service launches as a leading project theme, and promotes the improvement of existing businesses and the implementation of growth strategy in a unified manner.

(3) Sales structure and execution support structure

The Company's sales structure and execution support structure are characterized by a matrix-type, flat organizational structure that integrates operations from sales (project acquisition) to delivery (execution). Unlike major consulting firms, the Company does not have a dedicated sales organization. Under its adopted structure, Principals, Directors, Managing Directors, Executive Officers, and other senior personnel serve on the client front line and lead project origination and proposals. For that reason, the Company, with its relationships with client-side top management (CEOs) and business heads (CxO level) as the starting point, is well positioned to secure direct orders involving themes directly linked to management agendas, including company-wide DX, sustainability initiatives, and new business creation. As sales and delivery functions are not siloed, it is easier to grasp the essential issues of a project from the proposal stage and to transition smoothly to the execution phase after an order has been received.

Meanwhile, in its execution support structure, the Company has established a cross-industry and cross-functional framework. Targeting a broad range of industries that include transportation, finance, information and communication, retail, trading companies, and construction, the Company provides services through lateral combinations of specialized functions across its 11 "Sherpas" (what the Company calls its divisions). To this end, the Company has established an end-to-end structure to continuously undertake the process from upstream concept formulation through the promotion of execution.

Another distinctive characteristic of this approach is that the Company does not limit its project execution structure to internal members, but instead leverages its business partners and external networks to quickly assemble the optimal team for each project. This embodies the function of an "Aggregator," and flexibly brings together the necessary expertise and execution capabilities to produce results even when dealing with complex transformation projects.

Operating structure for consulting services

Sherpa name	Project description
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 business
Adaptive Intelligence Sherpa	Evolving the SIGMAXYZ Group's organizational adaptability by leveraging technology to drive sustainable productivity in value co-creation

Source: Prepared by FISCO from the Company's financial results supplementary documents

Eliminating dependence on specific clients to expand client base; maintaining high project satisfaction levels

(4) Client base and representative project themes

Due to the circumstances of its establishment, the Company was highly dependent on specific investors and major clients in its early days. However, recognition of the quality of the Company's projects led to deeper business with existing clients and progress in new client acquisition. After its stock market listing, the expansion of its client base accelerated as its brand recognition increased. In addition, due in good part to the effects of its capital and business alliance with ITOCHU Corporation, the Company's client portfolio is now more diversified. The Company conducts transactions directly with major companies that represent a wide range of industries. It has built an earnings structure that does not depend on any specific clients. Given that short-term results are susceptible to order trends for consulting projects and the presence or absence of large-scale projects, the Company seeks to stabilize its business foundation by steadily increasing the number of its projects and clients.

Over the past three fiscal years, the share of revenue accounted for by the top 10 clients was 52.0% in FY3/24, 54.2% in FY3/25, and 46.7% in FY3/26, tracking broadly within a range around 50%. Meanwhile, the number of client companies and projects has remained around 165 and 940, respectively. In FY3/26, against the backdrop of progress in large-scale projects going live and other factors, the share of revenue accounted for by the top 10 clients fell. At the same time, both the number of projects and clients increased through a review of the client portfolio. The number of projects was 956 (up 33 YoY), and the number of clients was 171 (up 16), resulting in revenue per contract of ¥24.3mn (down ¥2.5mn).

The Company's client industries are mainly transportation, finance, information and communication, retail, trading companies, and construction, with only limited deviation from fiscal year to fiscal year. Additionally, the KPI of project satisfaction (NSI*) remained at a high level of 97 points in FY3/26, providing a foundation that underpins repeat orders and deeper relationships with clients.

* An abbreviation for the Net Satisfaction Index. Average score from five possible ratings for each question evaluating project satisfaction. Conducted in a questionnaire format for client project owners. 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.

In FY3/26, the themes of client projects announced by the Company included support for the introduction of SaaS core systems, the standardization and visualization of operations accompanying the transfer of operations overseas, the renewal of B2C apps, the introduction of AI assistants, PMO support for large-scale system overhauls, and support for launching new services. It can be gleaned from these examples that the Company's domains of support extend beyond IT implementation to operational reforms, digital infrastructure development, client touchpoint reforms, and new business creation.

Industry-specific core client segments and project overview by fiscal year

	Number of client companies	Revenue share of the top 10 clients	Core client segments by industry	Project overview
FY3/24	164	52.0%	Transportation, finance, information and communication, trading companies, retail, and manufacturing	Support for the introduction of SaaS core systems, promotion of DX, launching of new services, and compliance with various regulations
FY3/25	155	54.2%	Transportation, finance, information and communication, retail, and trading companies	Support for the introduction of SaaS and other large-scale projects
FY3/26	171	46.7%	Transportation, finance, information and communication, retail, trading companies, and construction	Support for the introduction of SaaS core systems and other large-scale projects; support for AI utilization

Source: Prepared by FISCO from the Company's financial results supplementary documents

Additionally, as initiatives aimed at realizing a sustainable future society based on the Company's Purpose, the Company also actively engages in activities as the PMO for business communities formed through collaboration among multiple companies, including launching and operating the Cultivated Meat Future Creation Consortium and the Japanese Institute of Additive Manufacturing.

(5) Human asset base and hiring policy

The core assets that underpin the Company's competitiveness are the consultants who drive corporate transformation and a talent base that the Company positions as "human assets." Consultants address clients' management and business challenges across domains that include business, digital & IT, innovation, and PMO, handling strategy formulation, work reforms, system introduction support, and business promotion, among other responsibilities. The career path at the Company spans Consultant, Assistant Manager, Manager, Principal, Director, and Managing Director. The execution of business operations is handled by Executive Officers who are former Consultants.

In terms of personnel, the Company had 692 consultants at the end of FY3/26. During the same period, it hired 81 new graduates and 47 mid-career professionals. The Company's turnover rate is said to be hovering around the 10–12% range. While factoring in a certain level of talent mobility, it is expanding the scale of its organization through ongoing hiring.

Also, in terms of expertise, the number of SAP S/4HANA Cloud Public Edition certifications stood at 329 as of March 31, 2026. The Company has strong practical capabilities in the domains of migration of core systems to SaaS and the renewal of operational platforms. This could be termed a piece of evidence supporting the Company's ability to execute SaaS-based core system projects, one of its key strengths in recent years.

For its hiring policy, the Company places importance on securing "human assets" with diverse skills, experience, and values through both new graduate and mid-career hiring, and on developing and securing "Aggregator human assets" to handle value creation while harnessing internal and external knowledge and networks. In developing human assets, the Company emphasizes autonomous learning. In addition to basic training for new graduates, it has put a structure in place to assist with continuous capability development after placement through in-house and external training, online courses, and other methods.

Differentiated itself from major companies with its unique hands-on partnership approach and collaboration; bolstering its ability to implement cutting-edge technologies will be a future challenge

2. Key strengths/characteristics, competition, and challenges

(1) Key strengths/characteristics

The Company's key strengths are grounded in a deep understanding of its key clients' businesses, industry structure, management philosophies, and organizational culture. In addition, through involvement in diverse projects that include support for the "Three Innovations" of DX, MX, and SX, SaaS utilization, and IT organizational structure reform and work improvements, the Company has accumulated practical expertise and know-how pertaining to digital/IT.

Furthermore, by combining its execution capabilities as a "Sherpa" that stays continuously involved for the sake of realizing positive outcomes with its alliance/network capabilities that bring together internal and external expertise, insight, and technology, the Company is capable of driving projects in an integrated, end-to-end manner from conception to implementation, even those for addressing complex management challenges. This is largely what defines the Company.

(2) Competition

The Company's main competitors are full-service consulting firms that handle everything from strategy formulation to execution. An example is BayCurrent, Inc. <6532>, which covers a wide range of industries and service domains, and flexibly addresses a variety of themes through a one-pool system of consultants. The Big Four* firms also leverage their global networks and diverse expertise to provide unified support from strategy to execution, technology implementation, and operational transformation. Additionally, major domestic players such as ABeam Consulting Ltd. and Nomura Research Institute, Ltd. (NRI) <4307> also provide end-to-end support spanning strategy formulation, work reforms, system introduction, and digital transformation, competing with the Company in a number of domains.

* A collective term for the Big Four firms (corporate groups) in the consulting and accounting industries. Specifically refers to Deloitte Tohmatsu Consulting LLC, PwC Consulting LLC, EY Strategy and Consulting Co., Ltd., and KPMG Consulting Co., Ltd.

Amid that competition, the Company differentiates itself by going so far as to create new value through its hands-on partnership approach as a "Sherpa" and its role in bringing together internal and external knowledge as an "Aggregator." It has established its position in the market as a value co-creation-oriented transformation partner rather than a mere full-service consulting firm.

(3) Challenges

While there are concerns that AI could replace consulting services, accounting and other forms of core-system SaaS are subject to stringent governance requirements, making it difficult for AI to supplant them. In addition, as forms of transformation support that include business process reengineering (BPR) and stakeholder management require advanced coordination capabilities, the value-added offered by consultants will remain. Seeing these shifts as an opportunity, the Company is positioning AI not merely as a tool for elevating efficiency, but as a growth driver to realize the advancement of its value proposition and renewal of its business model, and as such is advancing productivity improvements and a shift to a performance-based (success fee-based) model.

That being said, the Company's key challenge going forward will be whether it can continuously incorporate AI and other rapidly evolving IT technologies and keep converting them into implementation know-how that links to client-side operational, organizational, and business transformation. While the Company provides transformation support with its own DX and utilization of IT as the core, its competitors are also pushing the use of AI, digital technologies, and data to the fore, creating an environment in which striking a balance between up-to-date technical expertise and execution capability is what directly determines competitiveness. Accordingly, in order for the Company to keep on maintaining and strengthening its advantages going forward, it will likely be critical that it further enhance its ability to rapidly absorb cutting-edge technologies and translate them into client value in addition to the client understanding, hands-on partnership approach, and network strength it has cultivated to date.

Results trends

In FY3/26, despite lower revenue, operating profit and ordinary profit reached record highs

1. Overview of FY3/26 results

In FY3/26, the Company's consolidated results were revenue of ¥23,831mn (down 9.4% YoY), operating profit of ¥6,064mn (up 7.6%), ordinary profit of ¥6,351mn (up 8.1%), and profit attributable to owners of parent of ¥3,971mn (down 9.6%). While revenue fell short of the revised forecasts disclosed in November 2025, operating profit and ordinary profit came in roughly in line with the plan, and both reached record highs. Notably, the decrease in profit attributable to owners of parent was mainly due to the recognition of extraordinary losses arising from the revaluation and sale of investment securities inherited from the former Investment Business.

The main factors behind the decline in revenue were the negative impact (¥1,495mn) of three subsidiaries, SIGMAXYZ Investment, SXF (currently Finect), and SXD (currently SINCERIO), being excluded from consolidation, a decrease in outsourcing revenue in 2H as large-scale projects went live in sequence, and longer lead times to ramp up new projects. Behind the shortfall in revenue versus the revised plan were, according to the Company, delays in launching new projects following the completion of large-scale ones.

Meanwhile, the growth in operating profit and ordinary profit was attributable to the decrease in the cost of revenue due to curbed outsourcing expenses, which improved profitability. In addition, SG&A expenses were contained, including company-wide cost controls and the reversal of provision for bonuses for the previous fiscal year. This boosted profit. The ordinary profit margin on revenue, which constitutes a KPI, rose 4.3 percentage points (pp) from 22.4% in the previous fiscal year to 26.7%.

Relative to the revised forecasts disclosed in November 2025 (revenue of ¥24,500mn, operating profit of ¥6,100mn, ordinary profit of ¥6,300mn, and profit attributable to owners of parent of ¥4,400mn), revenue was ¥668mn lower. Meanwhile, operating profit missed the forecast by ¥35mn, while ordinary profit exceeded the forecast by ¥51mn. Overall, profits can be viewed as coming in generally in line with the plan.

In the Consulting Business, revenue accounted for by the top 10 clients declined as large-scale projects successively went live, with the share of revenue decreasing from 54.2% in the previous fiscal year to 46.7%. Meanwhile, following a review of the client portfolio, the number of projects increased to 956 (up 33), and the number of clients increased to 171 (up 16). These developments suggest that the Company is making a shift toward broadening its client base while reducing reliance on specific clients. The number of consultants totaled 692 at the end of FY3/26, up 67 compared with the previous fiscal year-end. This was the result of 47 mid-career hires and 81 new graduates joining the Company. In addition, project satisfaction was 97 points, maintaining a high level for the second consecutive fiscal year.

For the investment assets transferred to the Company from the former Investment Business, the Company moved forward with their revaluation and sale, and recorded extraordinary losses of approximately ¥660mn and gain on sale of approximately ¥10mn. At fiscal year-end, the balance of investments in the inherited assets was approximately ¥2.9bn, down approximately ¥700mn from the end of 1Q FY3/26 at the time the assets were inherited. The Company will continue to reduce its assets while monitoring market conditions.

FY3/26 results

(¥mn)

	FY3/25		FY3/26				YoY		vs. revised plan	
	Results	% of revenue	Initial plan	Revised plan	Results	% of revenue	Change	Change (%)	Change	Change (%)
Revenue	26,293	-	30,000	24,500	23,831	-	-2,462	-9.4%	-668	-2.7%
Operating profit	5,638	21.4%	6,950	6,100	6,064	25.4%	425	7.6%	-35	-0.6%
Ordinary profit	5,876	22.4%	7,060	6,300	6,351	26.7%	474	8.1%	51	0.8%
Profit attributable to owners of parent	4,394	16.7%	4,900	4,400	3,971	16.7%	-422	-9.6%	-428	-9.7%

Note: Revised plan was disclosed on November 5, 2025.
Source: Prepared by FISCO from the Company's financial results

2. Financial position and management indicators

At the end of FY3/26, total assets were ¥17,069mn, down ¥2,671mn compared with the previous fiscal year-end. Current assets decreased ¥5,644mn. This mainly reflected a ¥1,805mn decrease in cash and deposits due to payments of dividends and income taxes and the acquisition of treasury shares, together with the reclassification of approximately ¥3,600mn of operational investment securities to investment securities under non-current assets in connection with the absorption-type merger of the Investment Business. Meanwhile, non-current assets increased ¥2,973mn, mainly reflecting the increase in investment securities.

Total liabilities were ¥2,806mn, down ¥2,661mn compared with the previous fiscal year-end. This mainly reflected decreases in accounts payable - other, income taxes payable, and provision for bonuses. Total net assets came to ¥14,262mn, a decrease of ¥9mn, remaining nearly unchanged.

Looking at management indicators, the equity ratio, which indicates financial soundness, rose from 72.3% at the previous fiscal year-end to 83.6%. Additionally, the current ratio improved from 294.3% to 353.5%, signifying that the Company's financial base has been further strengthened. In terms of profitability, the operating profit margin rose to 25.4% from 21.4% in the previous fiscal year. Meanwhile, ROE declined to 27.8% from 32.0%, reflecting a decrease in profit attributable to owners of parent.

Balance sheet and key management indicators

(¥mn)

	FY3/24	FY3/25	FY3/26	Change
Current assets	14,463	14,073	8,429	-5,644
Cash and deposits	7,171	6,945	5,140	-1,805
Notes and accounts receivable - trade, and contract assets	2,795	2,949	2,636	-313
Non-current assets	3,831	5,666	8,640	2,973
Total assets	18,295	19,740	17,069	-2,671
Current liabilities	3,913	4,781	2,384	-2,397
Non-current liabilities	1,188	687	422	-264
Total liabilities	5,102	5,468	2,806	-2,661
Interest-bearing debt	21	16	10	-5
Total net assets	13,193	14,272	14,262	-9
Total liabilities and net assets	18,295	19,740	17,069	-2,671
Profitability				
ROA	26.5%	30.9%	34.5%	3.6pp
ROE	26.9%	32.0%	27.8%	-4.2pp
Operating profit margin	18.9%	21.4%	25.4%	4.0pp
Safety				
Equity ratio	72.1%	72.3%	83.6%	11.3pp
Current ratio	369.6%	294.3%	353.5%	59.2pp

Source: Prepared by FISCO from the Company's financial results

3. Status of cash flows

Cash and cash equivalents at the end of FY3/26 were ¥5,140mn, down ¥1,805mn compared with the previous fiscal year-end. Cash flows from operating activities generated an inflow of ¥3,304mn, while cash flows from investing activities resulted in an outflow of ¥707mn, attributable mainly to the purchase of investment securities. Furthermore, cash flows from financing activities resulted in an outflow of ¥4,403mn, attributable mainly to the acquisition of treasury shares and payment of dividends. This led to a decrease in cash and cash equivalents at end of period.

Statement of cash flows

(¥mn)

	FY3/24	FY3/25	FY3/26
Cash flows from operating activities	3,119	5,390	3,304
Cash flows from investing activities	-1,035	-1,542	-707
Cash flows from financing activities	-2,016	-4,073	-4,403
Cash and cash equivalents at end of period	7,171	6,945	5,140

Source: Prepared by FISCO from the Company's financial results

Outlook

Looking to increase both revenue and profit while focusing on deepening relationships with existing clients and winning mid-sized projects

1. FY3/27 forecasts

The Company has set forth the following three actions as its business policy for FY3/27: "Strengthening our ability to cultivate client companies," "Evolving our business models (to pursue value co-creation beyond conventional frameworks)," and "Improving capabilities and productivity (of our internal human assets)." Through these actions, the Company will deepen relationships with its clients and enhance the value it provides.

For FY3/27, the Company forecasts consolidated results of revenue of ¥25,300mn (up 6.2% YoY), operating profit of ¥6,600mn (up 8.8%), ordinary profit of ¥6,700mn (up 5.5%), and profit attributable to owners of parent of ¥4,460mn (up 12.3%), representing increases in both revenue and profit. These forecasts call for new record-high profit at each level. Note that on a basis excluding the impact of the three subsidiaries that were excluded from the scope of consolidation, the revenue growth rate would be 9.0%.

Regarding revenue, the Company's policy is to avoid excessive reliance on specific large-scale projects and to build up orders for mid-sized projects. On the demand side, needs for DX, new business development, and AI utilization remain firm, and the Company's pipeline continues to build up. Meanwhile, in terms of profits, the Company is planning proactive investment in the hundreds of millions of yen for the purpose of leveraging AI and promoting internal transformation. Consequently, although SG&A expenses are expected to increase, the Company forecasts that its ordinary profit margin, which constitutes a KPI, will remain at a high level of 26.5%, close to the previous fiscal year's figure of 26.7%.

In the previous fiscal year, while the scaling back of large-scale projects was a drag on revenue, the number of projects and clients increased. This indicates that the earnings base is in the process of shifting from reliance on specific large-scale projects to a more diversified project portfolio. While the building-up of mid-sized projects may slow the rate of revenue growth in the short term, it contributes to expanding the client base and reducing earnings volatility risk.

FY3/27 forecasts

(¥mn)

	FY3/26		FY3/27		YoY	
	Results	% of revenue	Forecasts	% of revenue	Change	Change (%)
Revenue	23,831	-	25,300	-	1,468	6.2%
Operating profit	6,064	25.4%	6,600	26.1%	535	8.8%
Ordinary profit	6,351	26.7%	6,700	26.5%	348	5.5%
Profit attributable to owners of parent	3,971	16.7%	4,460	17.6%	488	12.3%

Source: Prepared by FISCO from the Company's financial results

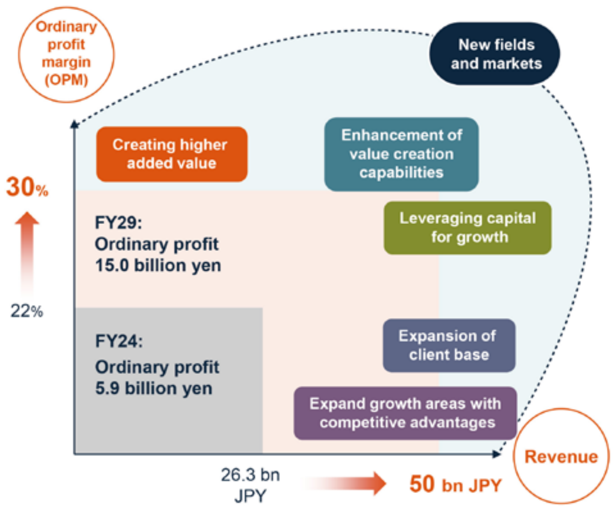
2. Medium- to long-term growth vision: the "Blueprint in FY3/30"

In May 2025, the Company released "Blueprint in FY3/30," which illustrates its medium- to long-term growth vision. Specifically, it sets out the aim of "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." Rather than focusing solely on expanding the scale of revenue and profits, the Company envisions a growth process that maximizes its value proposition to clients and society by integrating technology and human capabilities.

As quantitative targets, relative to the FY3/25 results of revenue of ¥26,293mn, ordinary profit of ¥5,876mn, and an ordinary profit margin of 22.4%, the Company aims to achieve revenue of ¥50.0bn, ordinary profit of ¥15.0bn, an ordinary profit margin of 30%, and 1,100 consultants in FY3/30. In addition to expanding revenue and profit, the Company plans to raise its profit margin as it commits itself to growth in both quantity and quality.

To realize this future vision, the Company has set forth the following as its growth strategies: Creation of higher added value, expansion of the client base, expansion of growth areas with competitive advantages (namely SaaS/AI), enhancement of value creation capabilities, capital-leveraged M&A and business alliances, and entry into new fields and markets (support for Japanese companies overseas and development of a business that does not rely on the man-month model). The current consideration of a partnership with CCT is positioned as a concrete move aligned with the Company's growth strategy of leveraging its strengths while proactively incorporating capabilities from the outside. Accordingly, the "Blueprint in FY3/30" can be perceived as a medium- to long-term future vision that integrates the Company's corporate philosophy and business strategy.

Image of growth strategy



Note: FY29 = FY3/30, FY24 = FY3/25
Source: The Company's financial results supplementary documents

3. Began considering a capital and business alliance with CCT

At a meeting of the Board of Directors held on April 13, 2026, the Company resolved to begin considering a capital and business alliance with CCT, including collaboration across a wide range of fields starting with DX. Both companies are already advancing discussions on collaboration, and are promoting joint sales and proposal activities. This is the growth strategy of capital-leveraged business alliances under the "Blueprint in FY3/30," and this endeavor is intended to expand revenues and improve profit margins through strengthening the Company's client base, predominantly in manufacturing.

Note that the Company intends to maintain and develop the current amicable relationship while aiming to increase the voting rights ratio to a level where CCT becomes an equity-method affiliate by March 31, 2027. The ratio of CCT shares held by the Company has continued to increase thereafter, standing at 5.02% as of April 6, 2026, 10.64% as of April 27, and 12.76% as of May 29.

(1) CCT company profile

CCT is an IT services company that provides DX support and IT staffing support primarily to the manufacturing, construction, and logistics industries. It is a DX company that combines industry insight, implementation capabilities, and talent supply capabilities, with particular strengths in field-oriented transformation, especially in manufacturing. In the area of DX support, CCT provides end-to-end services from concept formulation and system development to insourcing support. In the area of IT staffing support, it builds project-specific teams by leveraging its proprietary network "Ohgi." As of March 31, 2026, CCT had 596 employees on a consolidated basis and 421 on a non-consolidated basis.

CCT's results for FY12/25 were revenue of ¥20,878mn and operating profit of ¥2,201mn, with an operating profit margin of 10.5%. The revenue composition broke down into 48.1% for DX support and 51.8% for IT staffing support while DX support accounted for 67.3% of the gross profit, indicating that DX support is the core driver of CCT's profitability. The number of CCT's clients was 523, up 41 from the previous fiscal year. It has a broad client base while also having a meaningful number of large clients, and has adopted a strategy of increasing its number of large clients by deepening relationships with its existing clients.

CCT's results

(¥mn)

	FY12/24 Results	FY12/25 Results	FY12/25 % of revenue	YoY
Revenue	19,166	20,878	-	8.9%
Gross profit	5,020	5,684	27.2%	13.2%
Operating profit	2,007	2,201	10.5%	9.7%
Ordinary profit	2,046	2,202	10.6%	7.7%
Profit attributable to owners of parent	1,439	1,501	7.2%	4.3%

Source: Prepared by FISCO from CCT's financial results

(2) Synergies expected from the capital and business alliance

The main synergy expected from the capital and business alliance lies in the ability to integrate CCT's track record in DX support, predominantly that for the manufacturing industry. The alliance promises to enable the expansion of the Company group's client base and an increase in proposals for core system renewal to mid-sized enterprises. In addition, the Company's upstream conceptualization and transformation-driving capabilities and CCT's DX support and implementation capabilities for the manufacturing industry are complementary, potentially leading to an expansion of joint proposals.

Shareholder return policy

Bolstering shareholder returns through dividends and the acquisition of treasury shares

In the “Blueprint in FY3/30” mentioned above, the Company has established its basic policy of promoting investments in medium- and long-term sustained growth (allocating approximately one-third of free cash flow) while providing a balanced return of value to employees, shareholders, and society. The Company is promoting measures for shareholder returns through dividends and the acquisition of treasury shares.

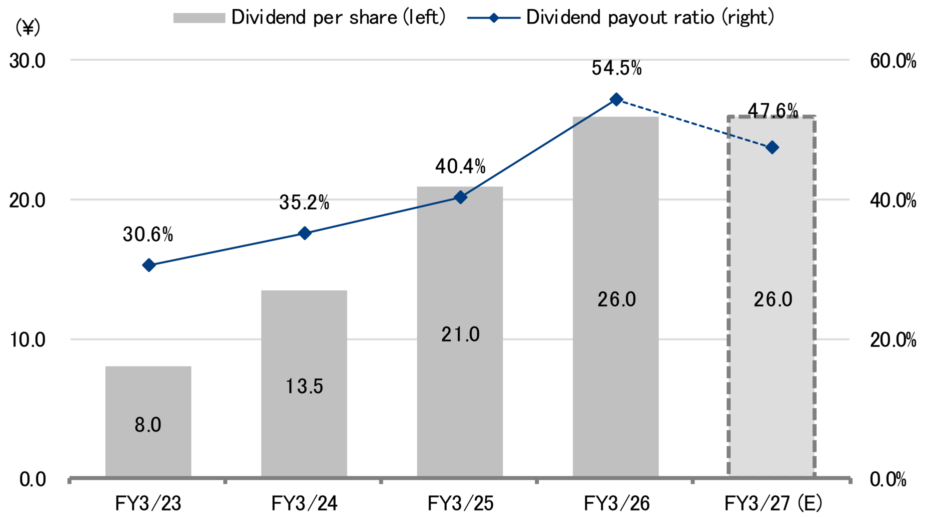
Its dividend policy is to carry out shareholder returns linked with business performance, and endeavor to maintain stable dividend payments. The Company has set a target of raising its dividend payout ratio to 50% by FY3/30. Based on this policy, it set its dividend per share for FY3/26 at ¥26.0, up ¥5.0 YoY. As a result, the dividend payout ratio came to 54.5%, exceeding the 50% target. For FY3/27 as well, the Company is planning the same dividend amount of ¥26.0, and its forecast dividend payout ratio is 47.6%.

Meanwhile, the Company positions the acquisition of treasury shares as part of a flexible capital policy to be carried out at appropriate times with consideration for factors including the market environment and capital efficiency. In FY3/26, the Company acquired treasury shares totaling over ¥2.6bn. In November 2025, it canceled 3,000,000 treasury shares. The total payout ratio, including dividends, reached a level exceeding 100%. Furthermore, in May 2026, the Company established an authorization for the acquisition of treasury shares with an upper limit of 600,000 shares or ¥300mn, and continues its flexible stance on shareholder returns in FY3/27 as well.

Accordingly, the Company has set targets of a 50% dividend payout ratio and 35% ROE for FY3/30, and will aim to enhance shareholder value through a capital policy that combines dividends and the acquisition of treasury shares. Meanwhile, as the Company is anticipated to make growth investments, M&A, and alliance investments toward FY3/30, steering the balance between a high level of shareholder returns and growth investments will be the focus for medium- to long-term growth going forward.

Shareholder return policy

Dividend per share and dividend payout ratio



Note: The Company carried out a two-for-one split of its common stock in December 2024. The dividend per share shown for FY3/23 is a retroactively adjusted figure.
Source: Prepared by FISCO from the Company's financial results

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