

# **Third Quarter of the Fiscal Year Ending September 30, 2021 Financial Results Briefing Materials**

Plus Alpha Consulting Co., Ltd.  
(Tokyo Stock Exchange Mothers 4071)



August 13, 2021

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# 1. Company outline

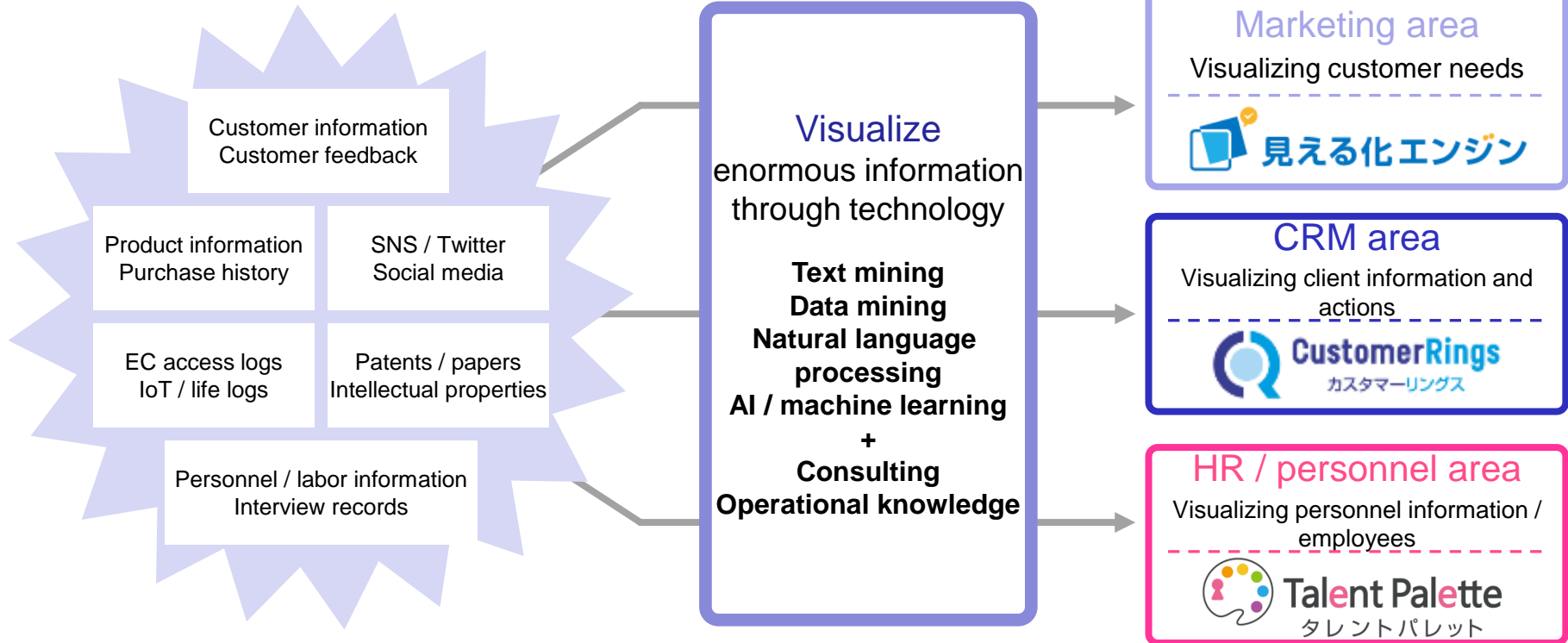
# Corporate profile

- Company name Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Mothers: 4071)
- Representative Katsuya Mimuro, Representative Director and President
- Headquarters location Sumitomo Hamamatsucho Building, 1-18-16 Hamamatsucho, Minato-ku, Tokyo
- Osaka Branch 13F Osaka Nakanoshima Building, 2-2-2 Nakanoshima, Kita-ku, Osaka-shi, Osaka
- Fukuoka Branch 5F ACROS Fukuoka East Office, 1-1-1 Tenjin, Chuo-ku, Fukuoka-shi, Fukuoka
- Established December 25, 2006
- Capital 63,475 thousand yen (as of June 30, 2021)
- Business content Providing cloud services for data analysis platforms
- Number of employees 187 (as of April 30, 2021)
- URL <https://www.pa-consul.co.jp/>

# Business concept

## Platform to visualize big data

Explosive information growth = Creation of big data  
Information in all areas will be digitized



# Main services

Developing profitable SaaS businesses  
in multiple areas

## Marketing solutions



Text mining analysis for the use of customer feedback data from call logs, Twitter, etc.

Monthly subscription according to the amount of analyzed data

## CRM solutions



Customer analysis using purchase histories, web access logs, etc., and automation of marketing initiatives

Monthly subscription according to the number of customers/e-mails delivered

## HR solutions



Analysis of employee information for HR measures such as personnel development and optimal placement

Monthly subscription according to the number of employees

## Subscription products

Technology and expertise behind the services

Language  
processing  
technologies

Visualized  
mining  
technologies

Mass data  
analysis  
expertise

Industrial /  
operational  
knowledge

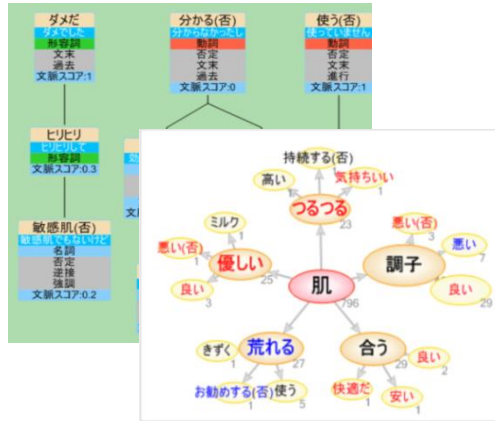
Utilization  
support  
consulting

# Business strengths

Advanced technologies to visualize big data for practical use

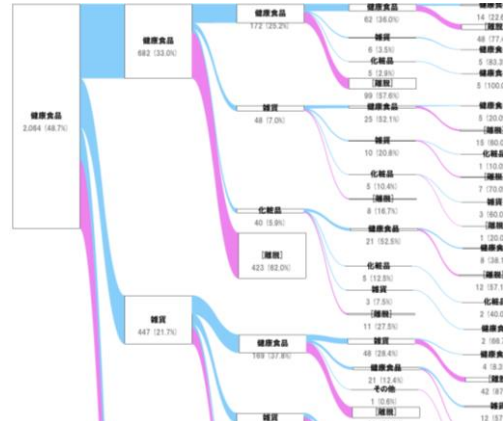


## Syntax analysis, word maps



Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

## Purchasing pattern analysis



Analyze product purchasing data, etc., to visualize purchasing patterns and ascertain how customers become loyal customers

## Employee network diagram

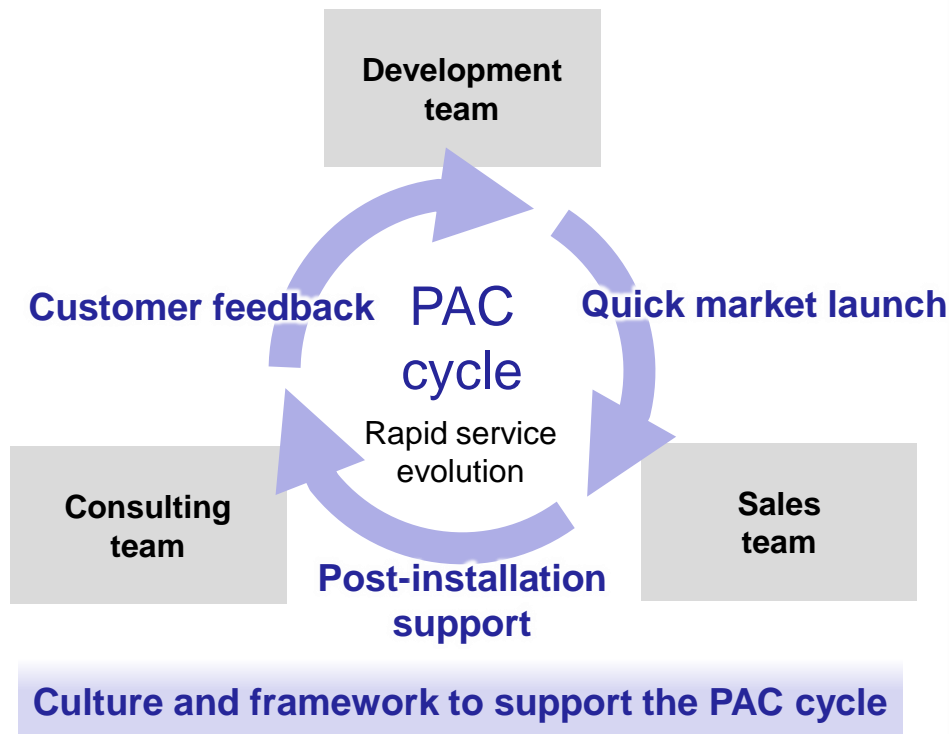


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

# Business strengths

## Organizational capabilities to realize rapid service evolution

We realize rapid implementation of general-purpose functions by ascertaining needs through consulting services for leading companies



## PAC cycle realizes:

### Differentiation

by rapid functional evolution

### ARPU improvement

by creating high added value

### Cancellation prevention / LTV improvement

through analysis support

### Partner relationships

on equal footing with clients

### Early market launch

of new functions and businesses



# Business strengths

Capabilities to develop multiple businesses and create new businesses based on the SaaS business foundations

Rapid launch of new businesses such as Talent Palette by utilizing approximately 15 years of accumulated expertise in the SaaS business

Accumulated SaaS expertise through existing services

Highly profitable business



見える化エンジン

Stable growth business



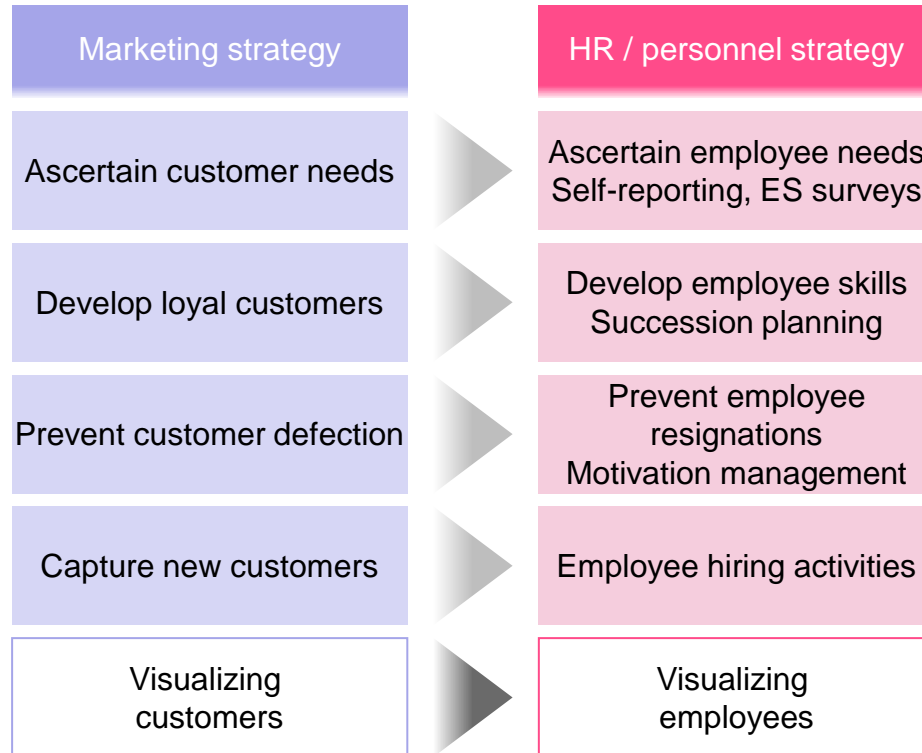
By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.



# Characteristics of Talent Palette

Entering the HR sector leveraging our expertise in “scientific personnel management”

By applying our marketing analysis method to the HR sector, we not only increase efficiency in HR operations but also support the decision-making process.

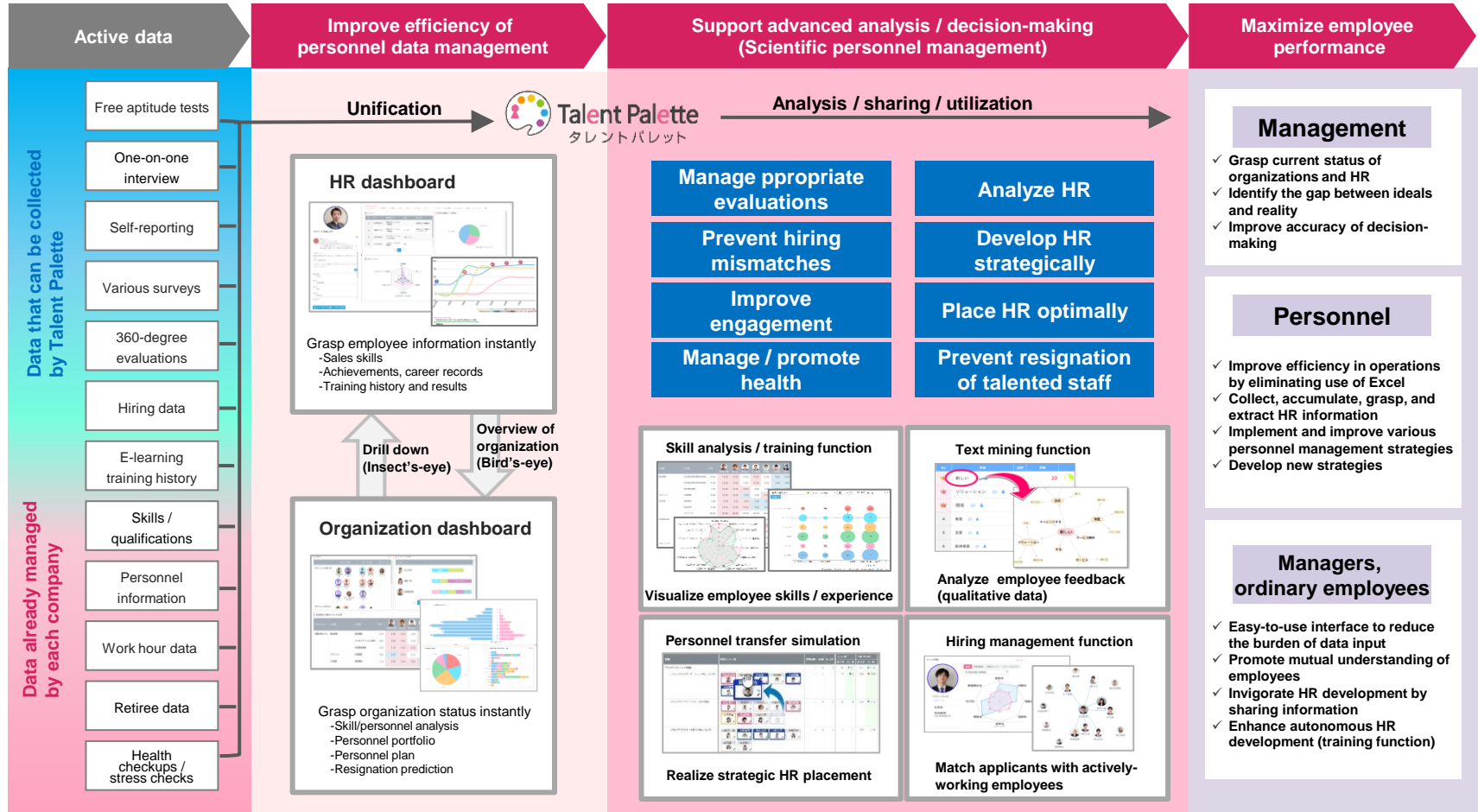


Revolutionized personnel management by thinking of employees as customers and using various analysis methods in personnel strategy

# Characteristics of Talent Palette

## Integrated personnel information platform

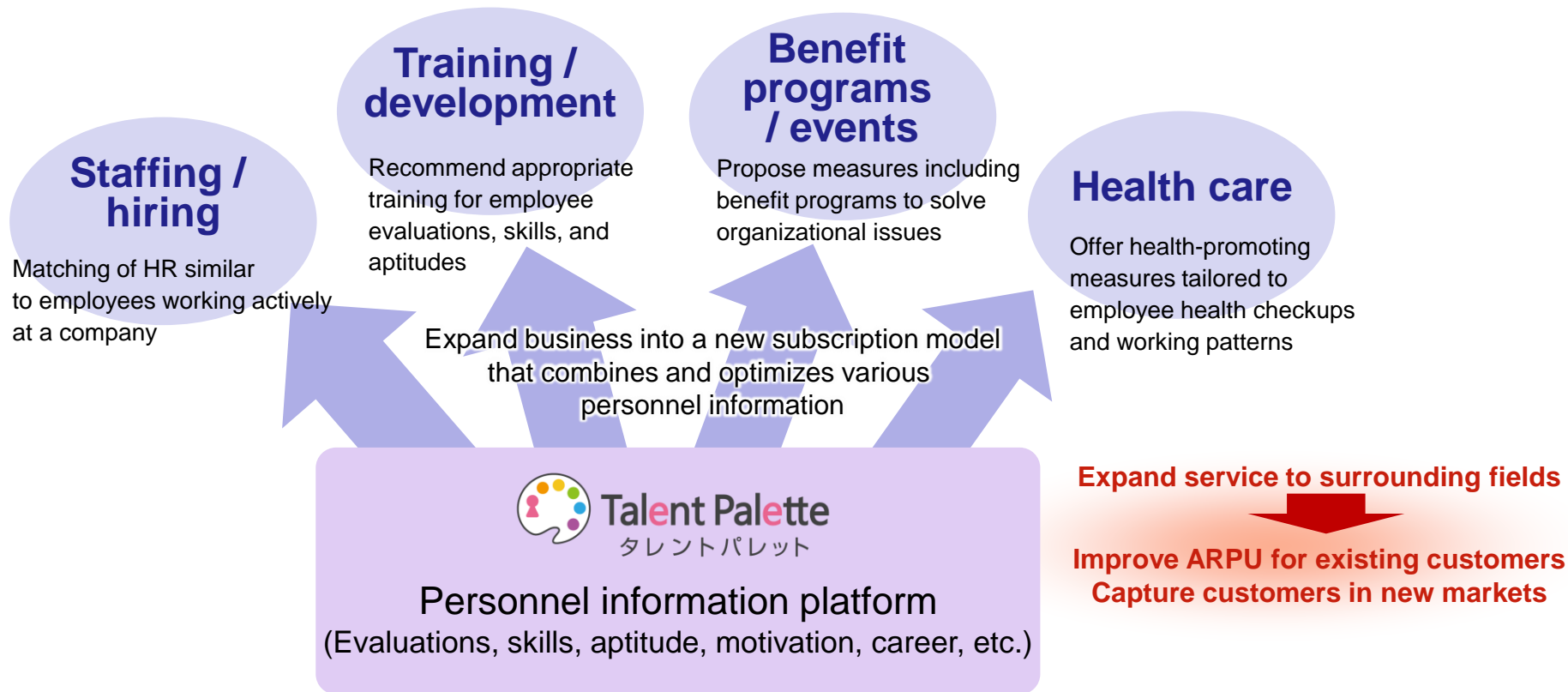
Evolved into a one-stop service for various personnel measures by rapidly functionalizing the needs of leading companies



# Further development of Talent Palette Business プラスアルファ コンサルティング

Expand services to sectors surrounding HR

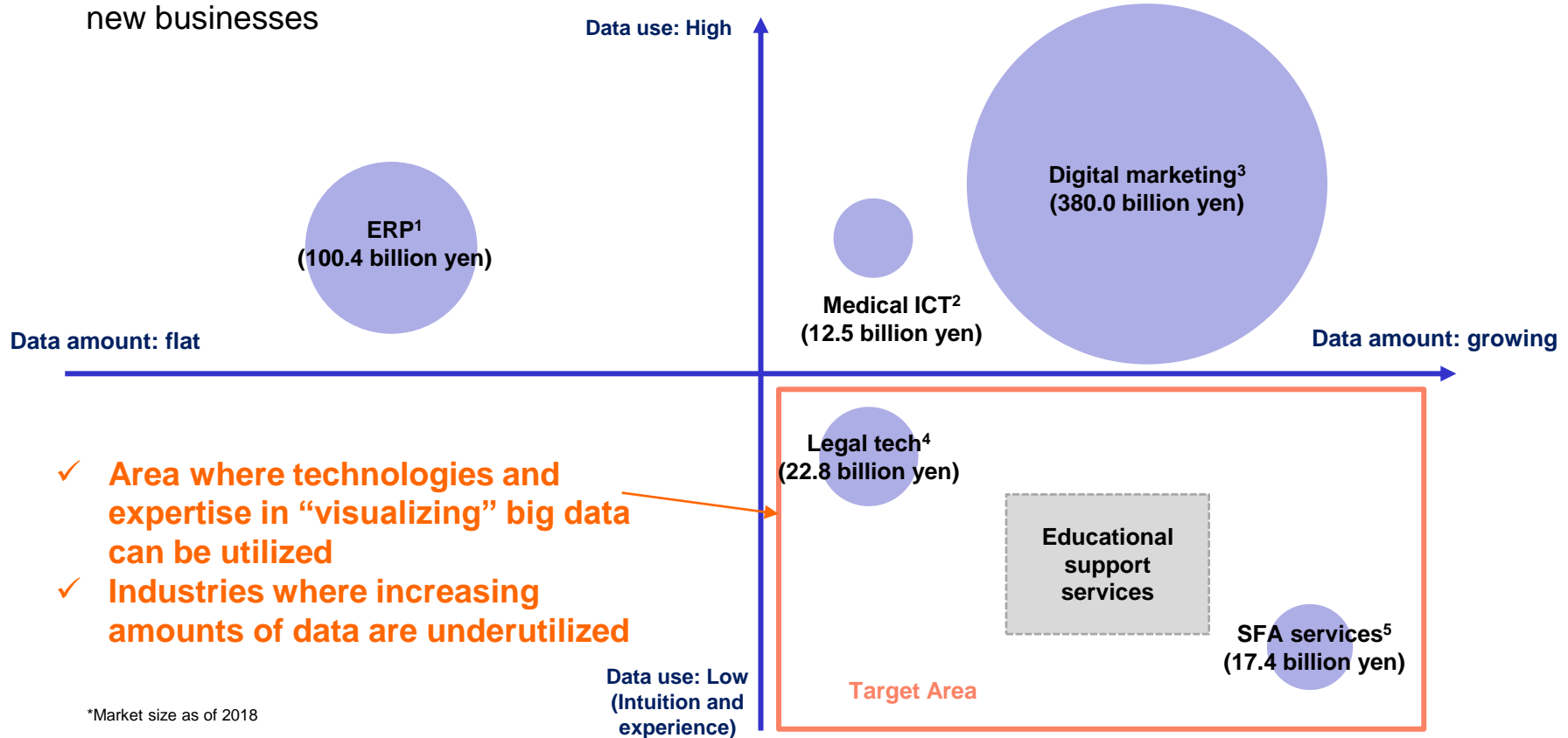
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel.



# Approach to new business creation

## New sector of “visualizing” big data

- Currently planning educational support services, sales force automation (SFA) services, and other new businesses



- ✓ Area where technologies and expertise in “visualizing” big data can be utilized
- ✓ Industries where increasing amounts of data are underutilized

\*Market size as of 2018

Note 1: “ERP Market 2020,” ITR

Note 2: “Current State and Future of the Next Generation Medical ICT Market, FY2020 Edition,” Yano Research Institute

Note 3: “Domestic Digital Marketing-related Service Market 2020 – 2024,” IDC

Note 4: “2019 Legal Tech Watch,” Yano Research Institute

Note 5: “Integrated Marketing Support Market 2020,” ITR

## **2. Financial results for the nine months ended June 30, 2021**

# Highlights

## ■ Overview

- Increased the number of Talent Palette users with favorable sales, achieved targets in financial results and exceeded initial plans
- Visualization Engine and Customer Rings made progress generally as planned

## ■ Financial results for the nine months ended June 30, 2021 (3Q)

- 28.2% increase in net sales and 58.9% increase in operating profit for the nine months ended June 30, 2021
- Year-on-year increase of 30.5% in revenue in 3Q driven by steadily-accumulated recurring sales
- Talent Palette Business showed an increase of 68.3% in net sales and an increase of 292.8% in operating profit (before elimination of shared expenses)
- Profit margin declined in 3Q as a result of carrying forward unused promotion expenses from the first half of the fiscal year to the second half (3Q & 4Q), but the full-year profit target is expected to be achieved

## ■ Earnings forecasts for the fiscal year ending September 30, 2021

- As initially planned, full-year targets for net sales and operating profit are 6,000 million yen (up 26.9% year on year) and 1,838 million yen (up 28.5% year on year) respectively, with continued growth expected centered on the Talent Palette business.
- While development of services surrounding Talent Palette and launching of new businesses are ongoing, these businesses are not currently expected to affect financial results

# Financial results highlights

- Financial results for the nine months ended June 30, 2021, showed a 28.2% increase in net sales and a 58.9% increase in profit from the same period of the previous fiscal year.

<Nine months ended June 30, 2021>

Net sales	<b>4,405</b>	million yen	YoY change	up <b>28.2</b>	%
Operating profit	<b>1,512</b>	million yen	YoY change	up <b>58.9</b>	%
Operating profit margin	<b>34.3</b>	%	YoY change	up <b>6.6</b>	points
Ordinary profit	<b>1,492</b>	million yen	YoY change	up <b>55.3</b>	%
Profit	<b>976</b>	million yen	YoY change	up <b>54.6</b>	%

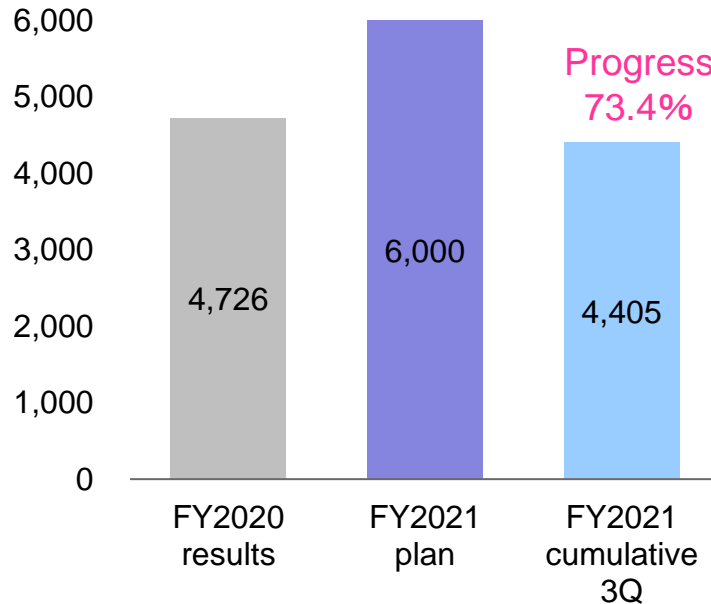


# Financial results progress (Companywide)

- Net sales for the nine months made progress of 73.4% against the full-year plan, mostly as planned
- While operating profit for the nine months showed significant progress of 82.3% against the the full-year plan, we plan to increase the amount of promotional investments in 4Q as in 3Q

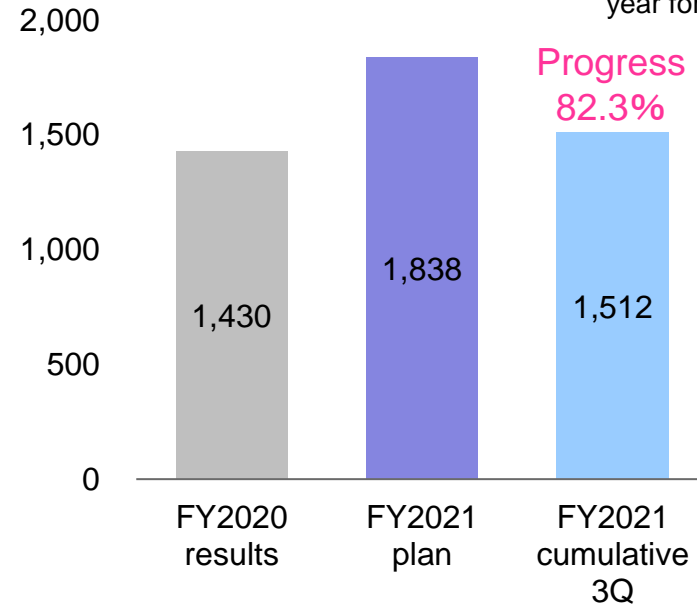
(Million yen)

## Net sales



(Million yen)

## Operating profit



Plan to make marketing investments within the bounds of not falling below full-year forecasts

# Financial results summary (Companywide)

- Net sales and operating profit increased both in the third quarter and the nine months ended June 30, 2021.
- Net sales and operating profit showed steady progress of 73.4% and 82.3%, respectively, compared to the full-year forecasts

Million yen	FY2021 (Apr.-Jun.)			FY2021 (Oct.-Jun.)			FY2021 3Q (Oct.-Jun.)	
	3Q	3Q, FY2020		Cumulative 3Q	Cumulative 3Q, FY2020			
	Results	Results	YoY	Results	Results	YoY	Plan	Progress
Net sales	1,524	1,201	26.9%	4,405	3,436	28.2%	6,000	73.4%
Cost of sales	440	357	23.2%	1,273	971	31.1%	1,692	75.2%
Gross profit	1,083	843	28.5%	3,131	2,464	27.1%	4,307	72.7%
Selling, general and administrative expenses	615	430	42.8%	1,619	1,512	7.0%	2,469	65.6%
Operating profit	468	413	13.5%	1,512	951	58.9%	1,837	82.3%
Operating profit margin	30.8%	34.4%	-	34.3%	27.7%	-	30.6%	-
Ordinary profit	441	414	6.5%	1,492	960	55.3%	1,821	81.9%
Profit	288	271	6.2%	976	631	54.6%	1,191	81.9%

# Financial results highlights (Talent Palette Business)

- In particular, the Talent Palette Business performed well, showing a 68.3% increase in net sales and a 292.8% increase in operating profit

	FY2020 3Q		FY2021 3Q		YoY change
Net sales <sup>1</sup>	1,297	million yen	2,183	million yen	68.3 % up
Operating profit <sup>2</sup>	264	million yen	1,037	million yen	292.8 % up
Operating profit margin	20.4	%	47.5	%	27.2 points up
MRR <sup>3</sup>	125	million yen	224	million yen	79.2 % up
Number of customers <sup>4</sup>	383	cases	623	cases	240 cases up
Revenue churn rate <sup>5</sup>	0.63	%	0.46	%	0.17 points down
ARPU <sup>6</sup>	321	thousand yen	356	thousand yen	10.9 % up

As described in Note 2, operating profit and operating profit margin by segment are before elimination of shared expenses

Note 1: Results for 3Q of 2021 and 3Q of 2021 (cumulative)

Note 2: Amount of operating profit of the segment in 3Q of FY2020 and 3Q of FY2021 (before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2020 and in June 2021

Note 4: Number of monthly billed contracts as of June 30, 2020 and June 30, 2021

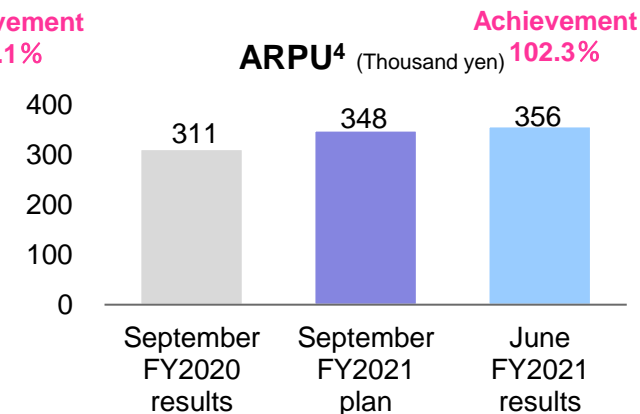
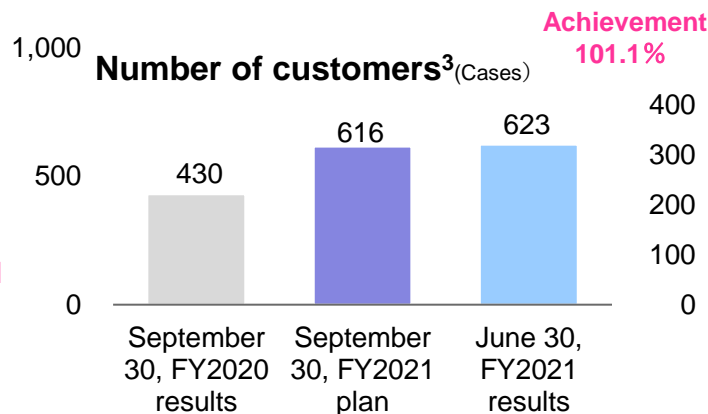
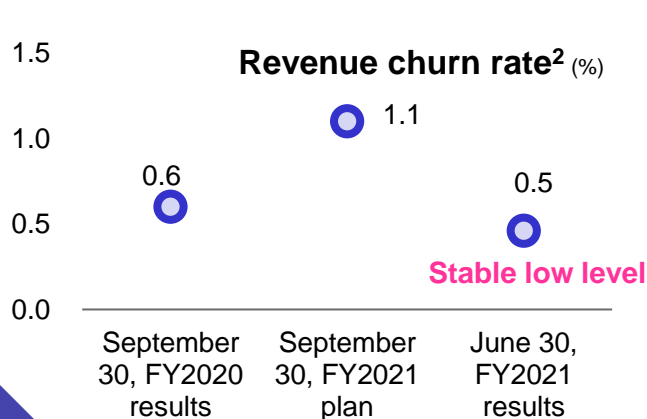
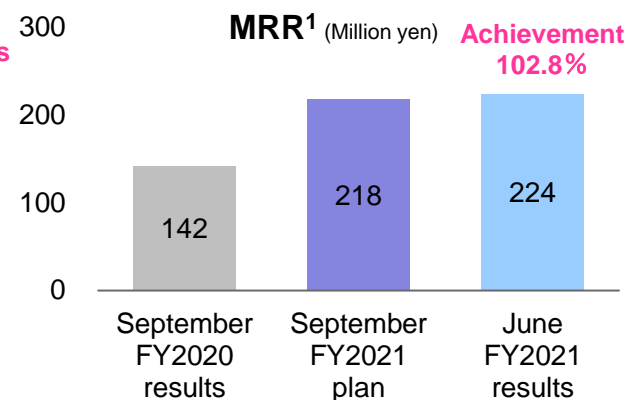
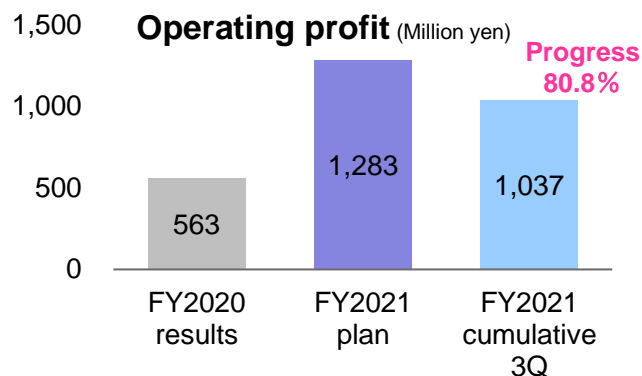
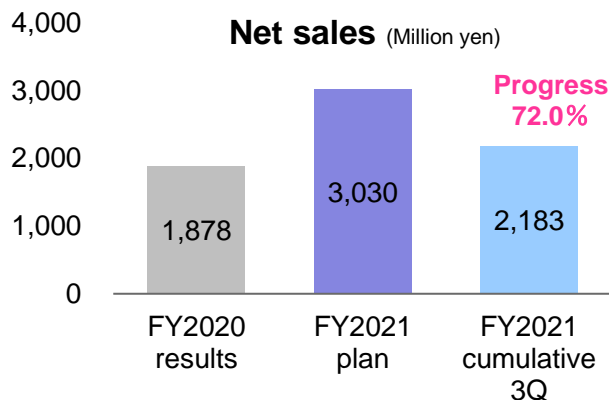
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2020 and June 2021 (average for the past 12 months).  
This

ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 3Q of FY2020 and 3Q of FY2021 by the average number of paid billing enterprise users of each month for the same period.

# Financial results progress (Talent Palette Business)

- In the Talent Palette Business, many key KPIs exceeded initial plans or were as planned



Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.

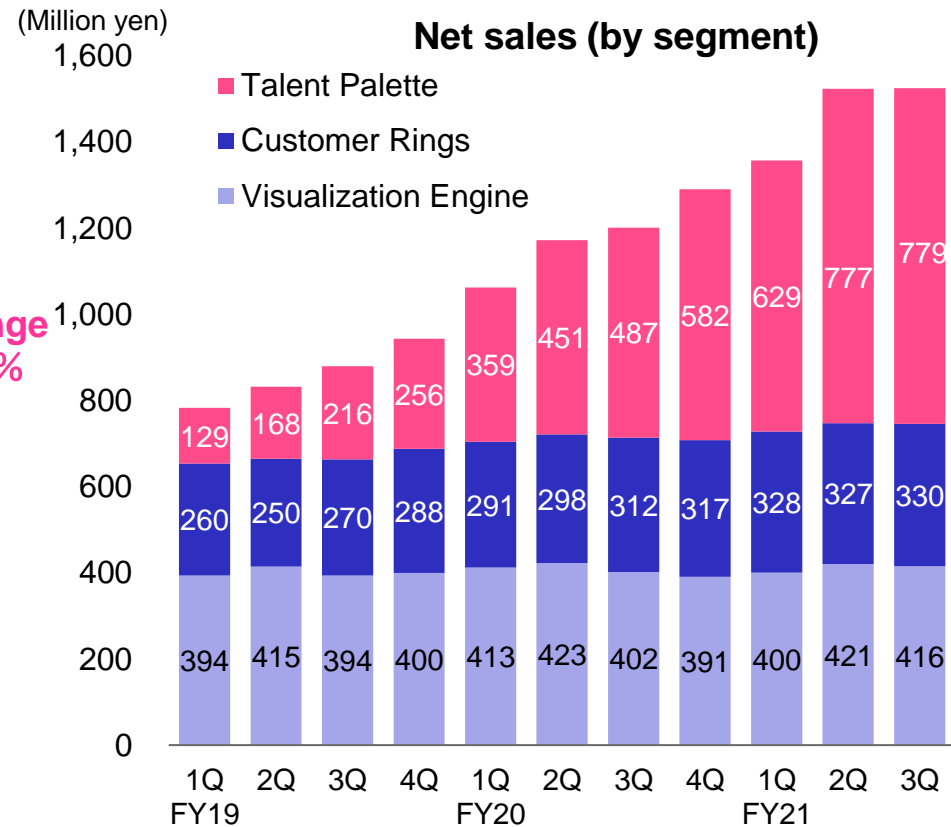
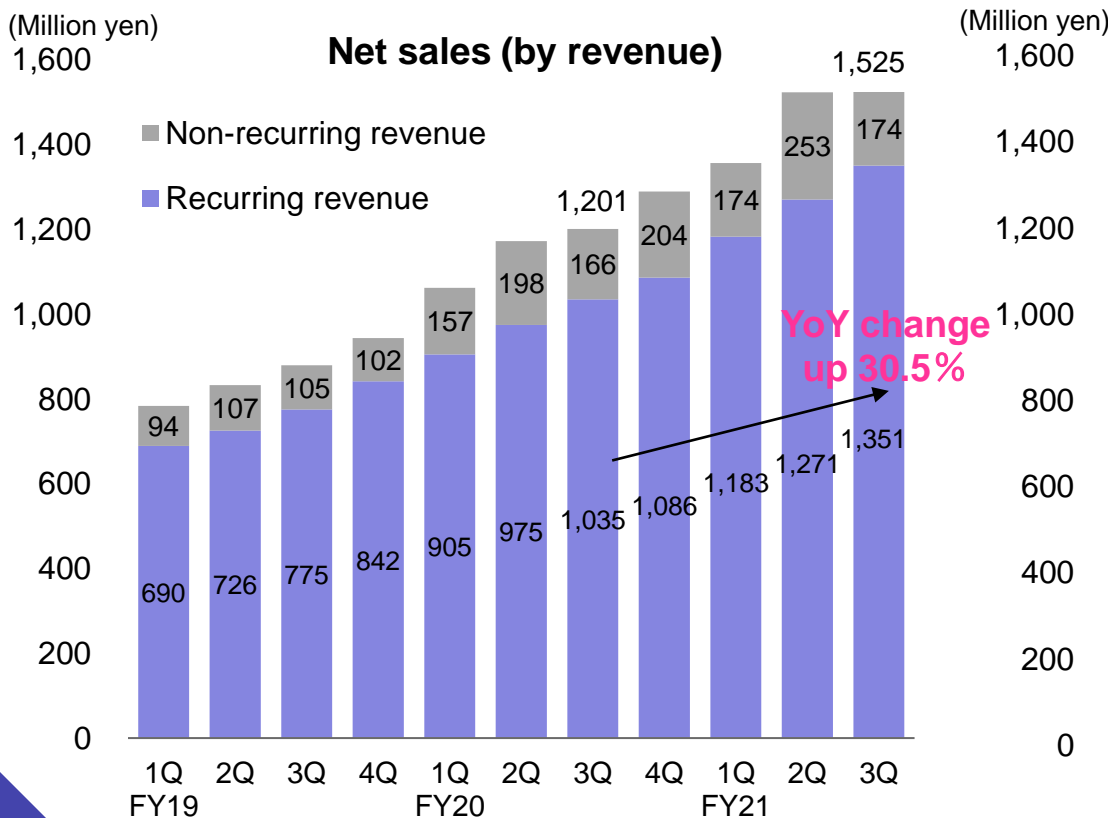
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)

Note 3: Number of monthly billed contracts

Note 4: Average Revenue Per User. Calculated by dividing MRR by the number of customers at the end of the month.

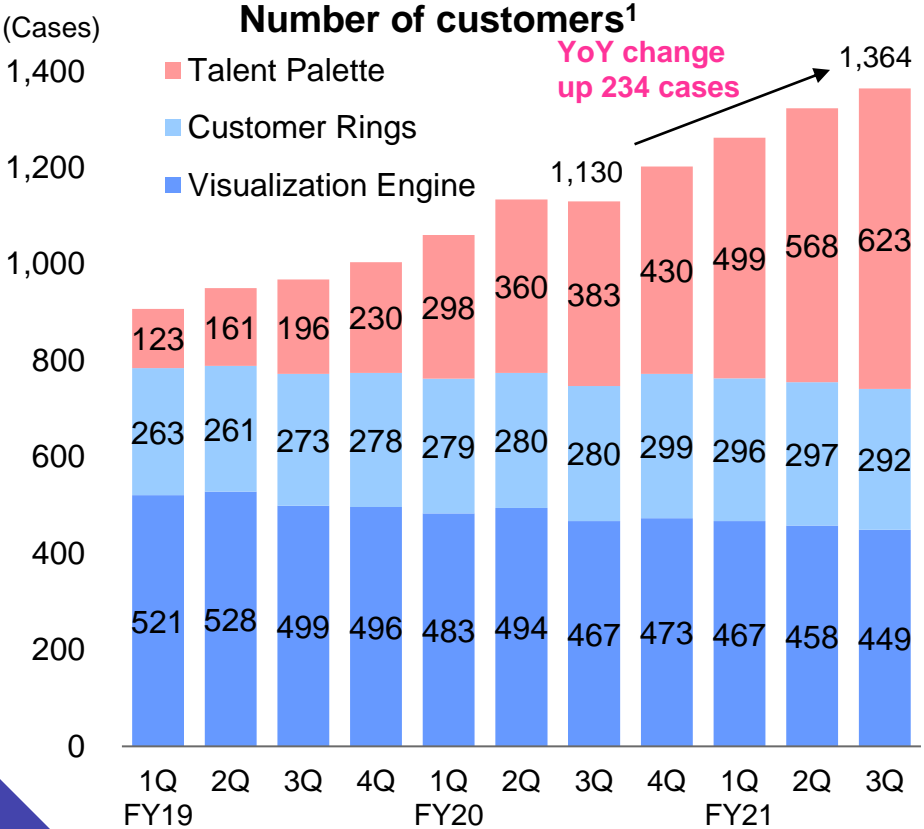
# Net sales trends

- Recurring revenue steadily increased and expanded to 1,351 million yen (+30.5% year-on-year) in 3Q
- Net sales increased slightly year on year due to the seasonal factor that non-recurring revenue tends to center on 2Q (delivery by the end of March)

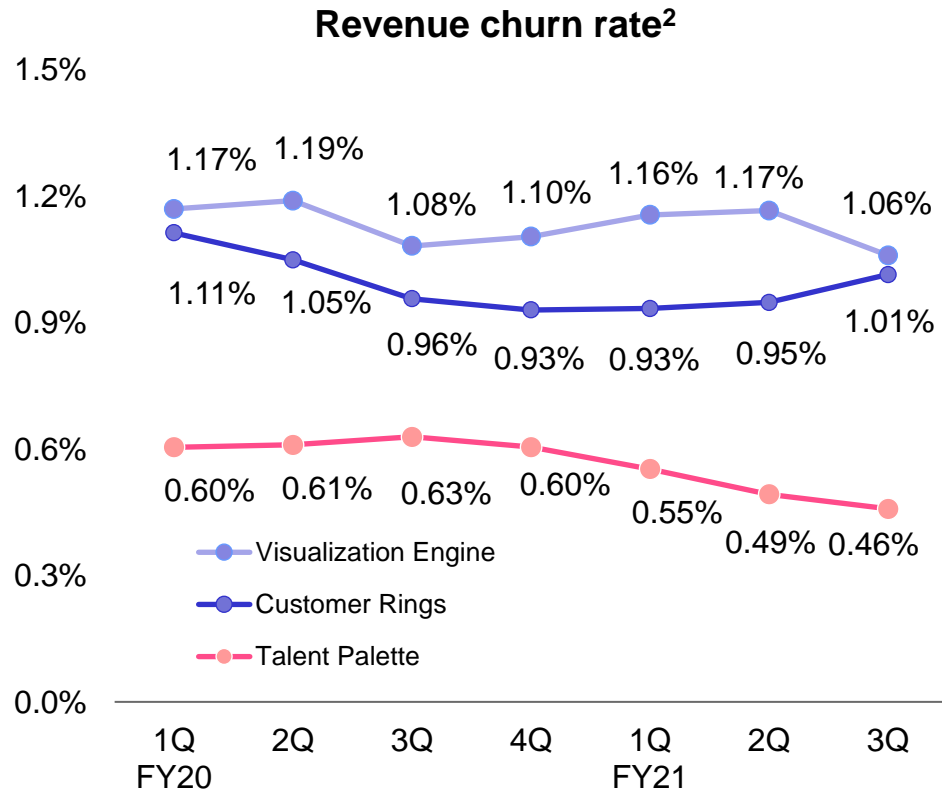


# Trends in number of customers and revenue churn rate

- The number of customers has continued to grow due to increased introduction of Talent Palette and a lower revenue churn rate
- Visualization Engine and Customer Rings faced difficulty in gaining new customers due to the impact of COVID-19



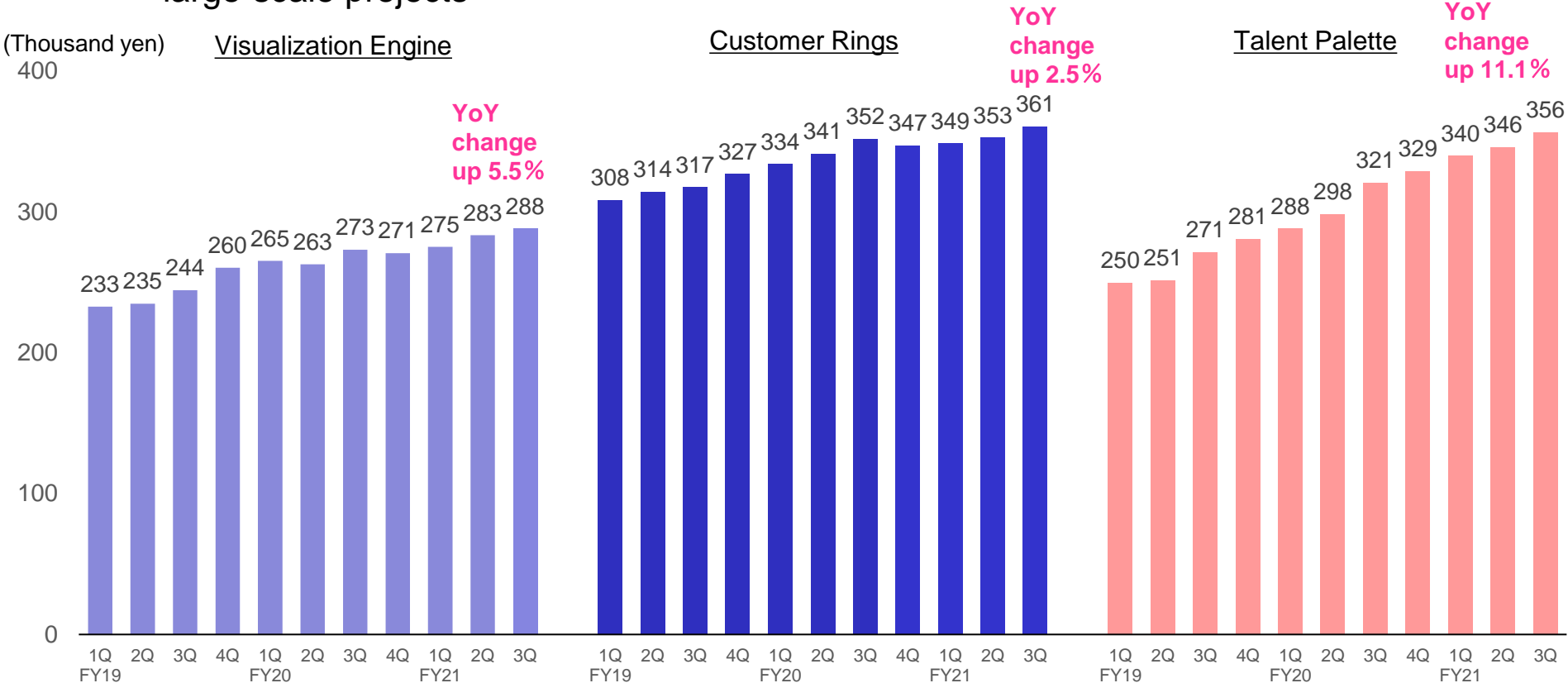
Note 1: Number of monthly billed contracts



Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

# Trends in average revenue per user (APPU)

- All of solutions continued to be on an upward trend in APPU<sup>1</sup>
- Visualization Engine started to show improvement in APPU due to measures to promote large-scale projects



Note 1: Average Revenue Per User. Calculated as dividing the average MRR for each quarter by the average number of paid billing enterprise users of each month for the same period.

# Key KPIs for 3Q of FY2021

## Net sales growth rate<sup>1</sup>

### Companywide

**28.2%**

- Visualization Engine 0.0%
- Customer Rings 9.2%
- Talent Palette 68.3%

## MRR<sup>2</sup>

### Companywide

**459 million yen**

- Visualization Engine 129 million yen
- Customer Rings 106 million yen
- Talent Palette 224 million yen

## Average monthly revenue churn rate<sup>3</sup>

### Companywide

**0.8%**

- Visualization Engine 1.1%
- Customer Rings 1.0%
- Talent Palette 0.5%

## Number of users<sup>4</sup>

### Companywide

**1,364 companies**

- Visualization Engine 449 companies
- Customer Rings 292 companies
- Talent Palette 623 companies

## Recurring ratio<sup>5</sup>

### Companywide

**88.6%**

- Visualization Engine 93.4%
- Customer Rings 96.3%
- Talent Palette 82.7%

## ARPU<sup>6</sup>

### Companywide

**334 thousand yen**

- Visualization Engine 288 thousand yen
- Customer Rings 361 thousand yen
- Talent Palette 356 thousand yen

Note 1: Sales growth rate from cumulative 3Q of FY2020 from cumulative 3Q of FY2021

Note 2: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2021 (excluding temporary sales).

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of June 2021 (average for the past 12 months). This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.

Note 4: Number of monthly billed contracts as of June 30, 2021

Note 5: Calculated as dividing total monthly billed amounts for the third quarter of the fiscal year ending September 30, 2021 by net sales for the same period.

Note 6: Average Revenue Per User. Results for three business segments are calculated as dividing the average MRR for the third quarter of the fiscal year ending September 30, 2021 by the average number of paid billing enterprise users of each month for the same period. Companywide result is calculated by dividing total amounts of the average MRRs of the three businesses for the third quarter of the fiscal year ending September 30, 2021 by the average number of total enterprise users for the three businesses of each month for the same period.



# Key KPIs: Year-on-year change

<Companywide 3Q>	3Q of FY2020	3Q of FY2021	YoY change
Net sales <sup>1</sup>	3,436 million yen	4,405 million yen	28.2 % up
Operating profit <sup>2</sup>	951 million yen	1,512 million yen	58.9 % up
Operating profit margin	27.7 %	34.3 %	6.6 points up
MRR <sup>3</sup>	350 million yen	459 million yen	31.2 % up
Number of customers <sup>4</sup>	1,130 cases	1,364 cases	234 cases up
Revenue churn rate <sup>5</sup>	0.92 %	0.80 %	0.12 point down
ARPU <sup>6</sup>	310 thousand yen	337 thousand yen	8.7 % up

Note 1: Results for 3Q of 2021 and 3Q of 2021 (cumulative)

Note 2: Results for 3Q of 2021 and 3Q of 2021 (cumulative)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2020 and in June 2021

Note 4: Number of monthly billed contracts as of June 30, 2020 and June 30, 2021

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2020 and June 2021 (average for the past 12 months).

This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.

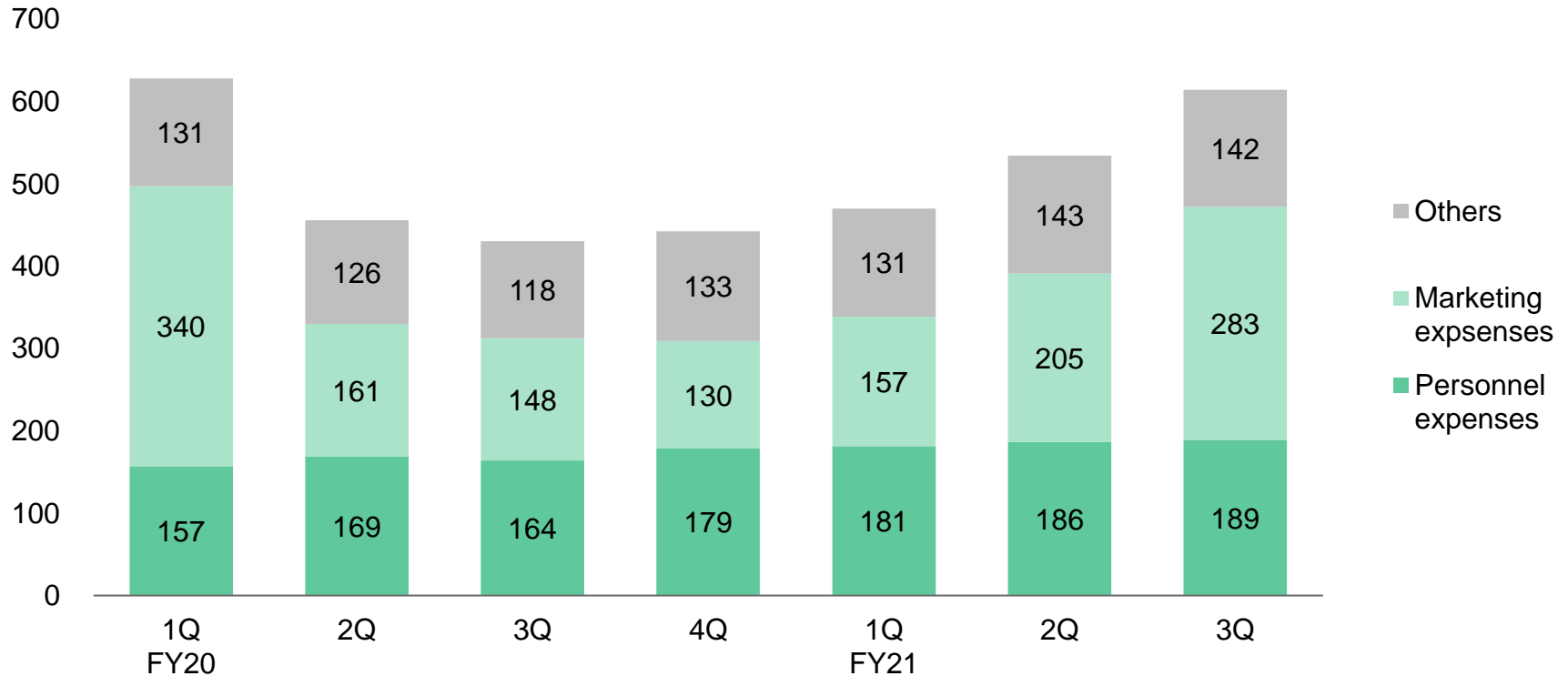
Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 3Q of FY2020 and 3Q of FY2021 by the average number of paid billing enterprise users of each month for the same period.

# Trends in selling, general and administrative expenses

- Marketing expenses increased after adding promotion expenses unused in the first half of the fiscal year to investments in mass advertising, web advertising, etc., in 3Q

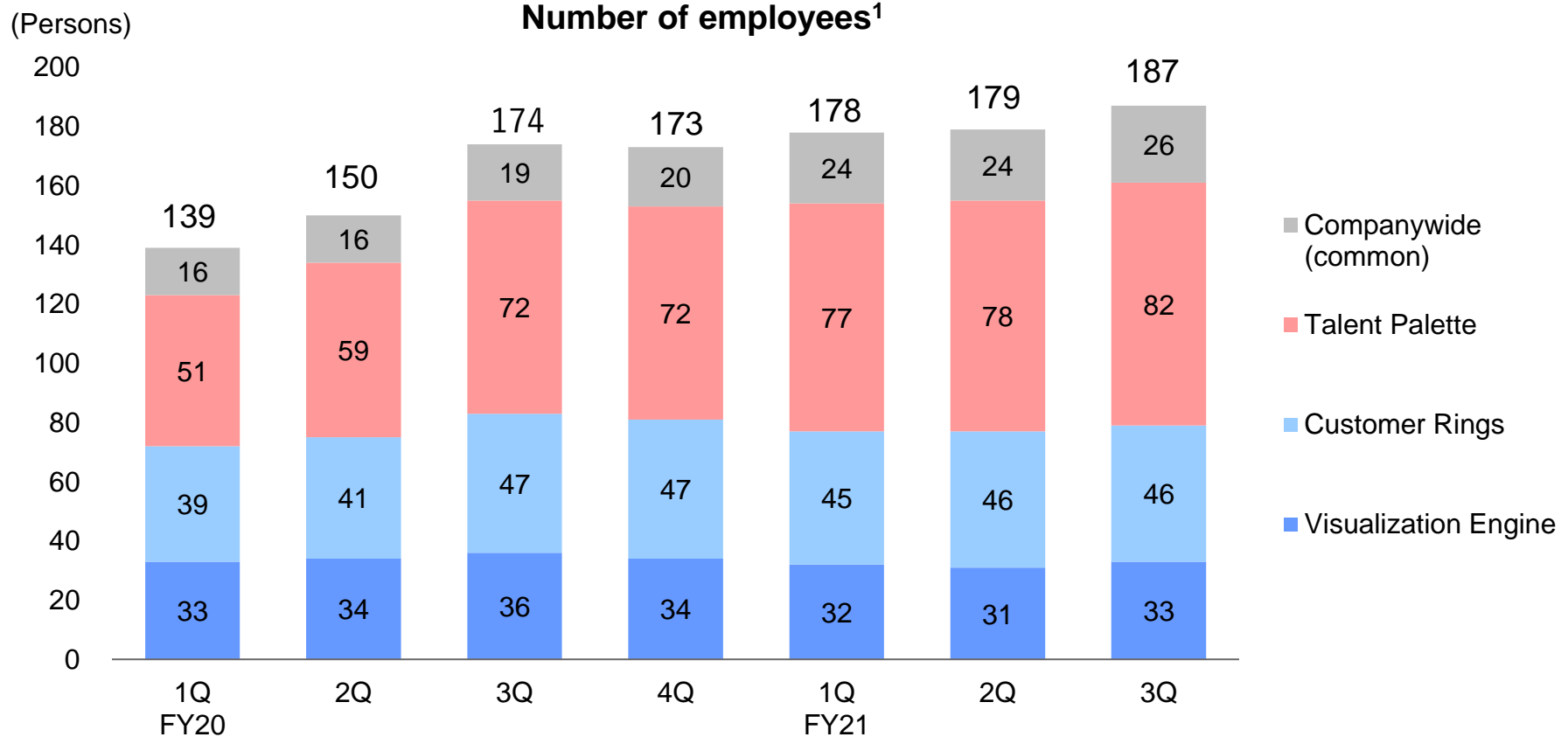
(Million yen)

## Selling, general and administrative expenses



# Trends in the number of employees

- We are reinforcing the workforce, especially in consultant positions, due to the need to respond to the increasing number of Talent Palette customers



Note 1: The number of permanent employees as of the end of each quarter

# Status of Balance Sheets

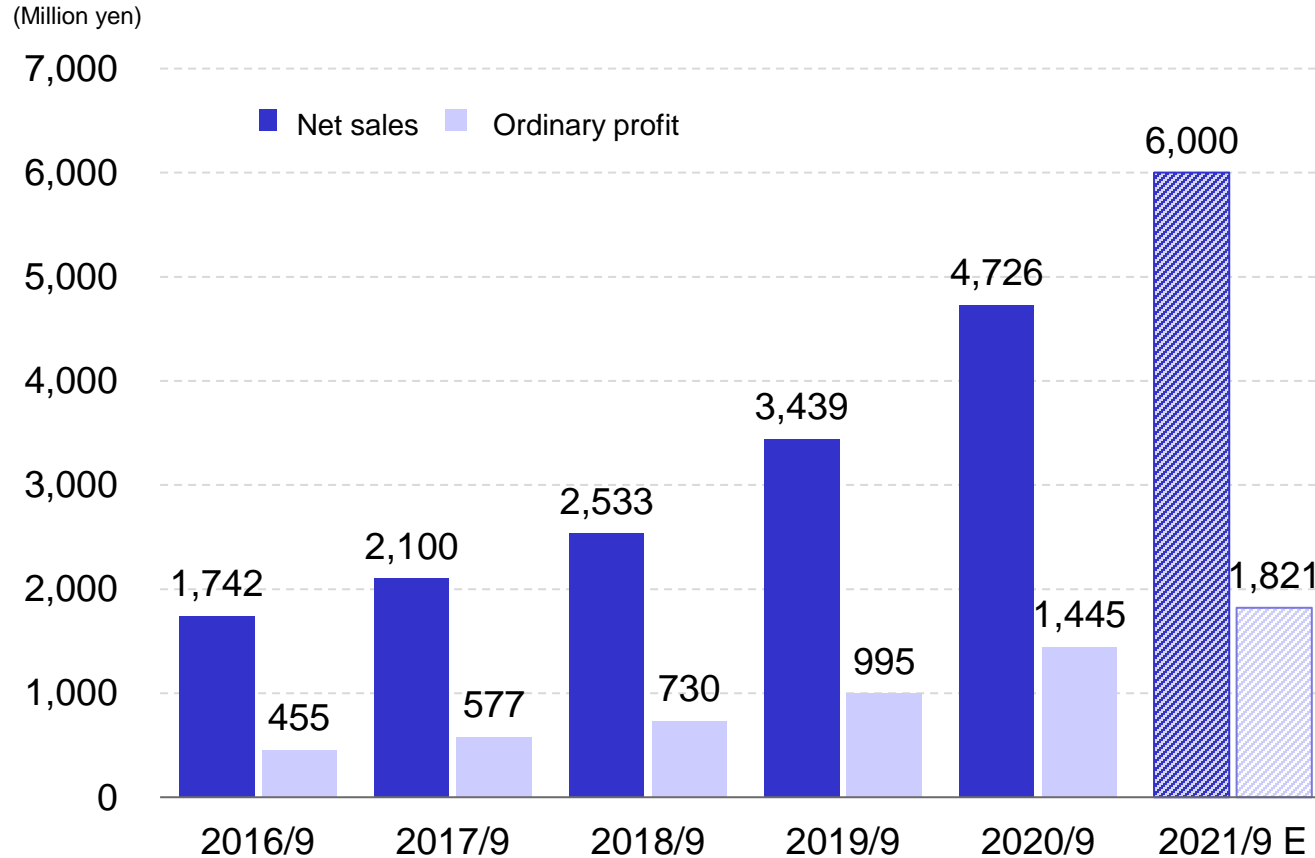
- Both net assets and cash and deposits exceeded 4,000 million yen as of June 30, 2021
- Maintained a financial standing streamlined by minimizing non-current assets and non-current liabilities

(Million yen)	Sep. 30, 2020	Jun. 30, 2021	Changes from Sep. 30, 2020
Current assets	3,897	4,857	up 960
(Cash and deposits)	3,251	4,059	up 808
(Accounts receivable - trade)	549	625	up 76
Non-current assets	576	585	up 9
Total assets	4,473	5,442	up 969
Current liabilities	897	987	up 90
Non-current liabilities	-	-	-
Net assets	3,576	4,455	up 879
Equity ratio	79.7%	81.6%	

### **3. Earnings forecasts for the fiscal year ending September 30, 2021**

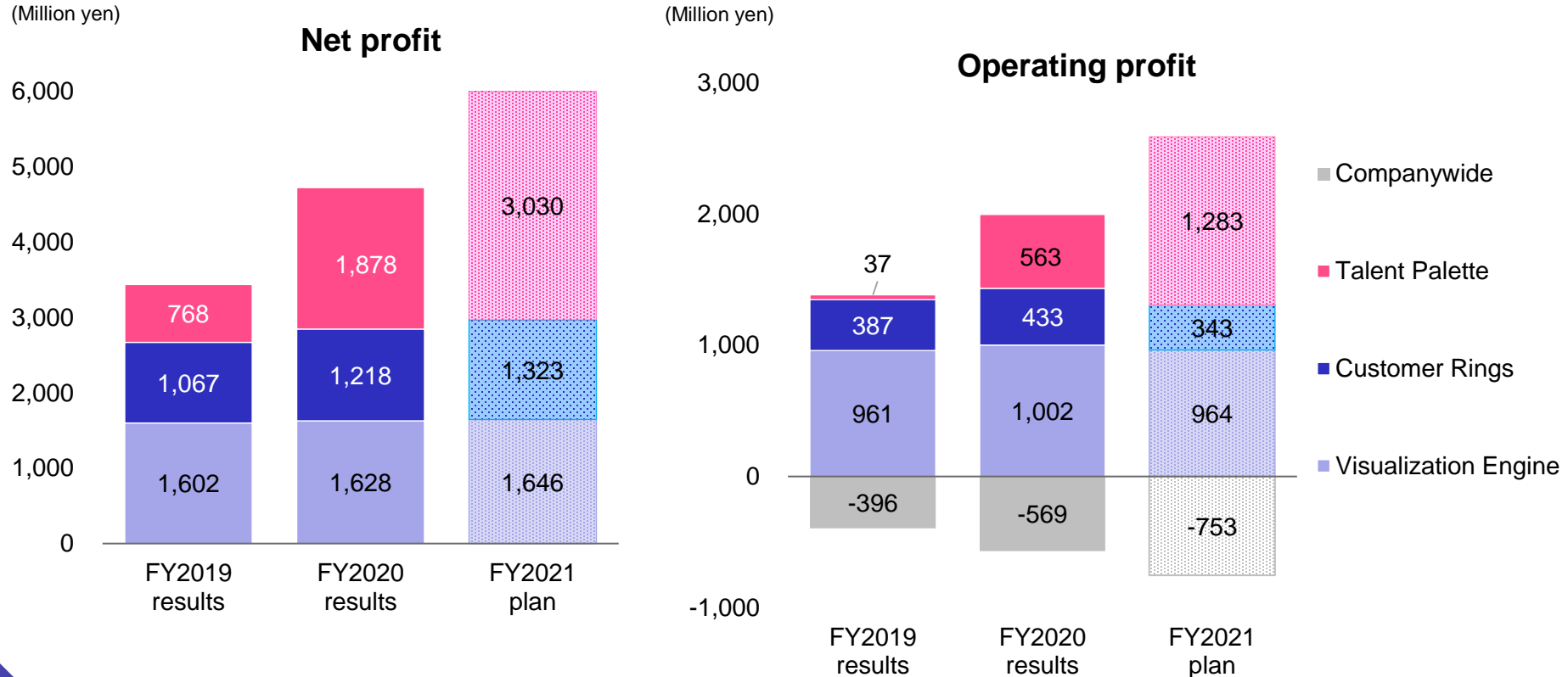
# Earnings forecasts for the fiscal year ending September 30, 2021

- Revenues and profits are expected to increase year-on-year in the fiscal year ending September 30, 2021, with sales growth mainly in the Talent Palette Business



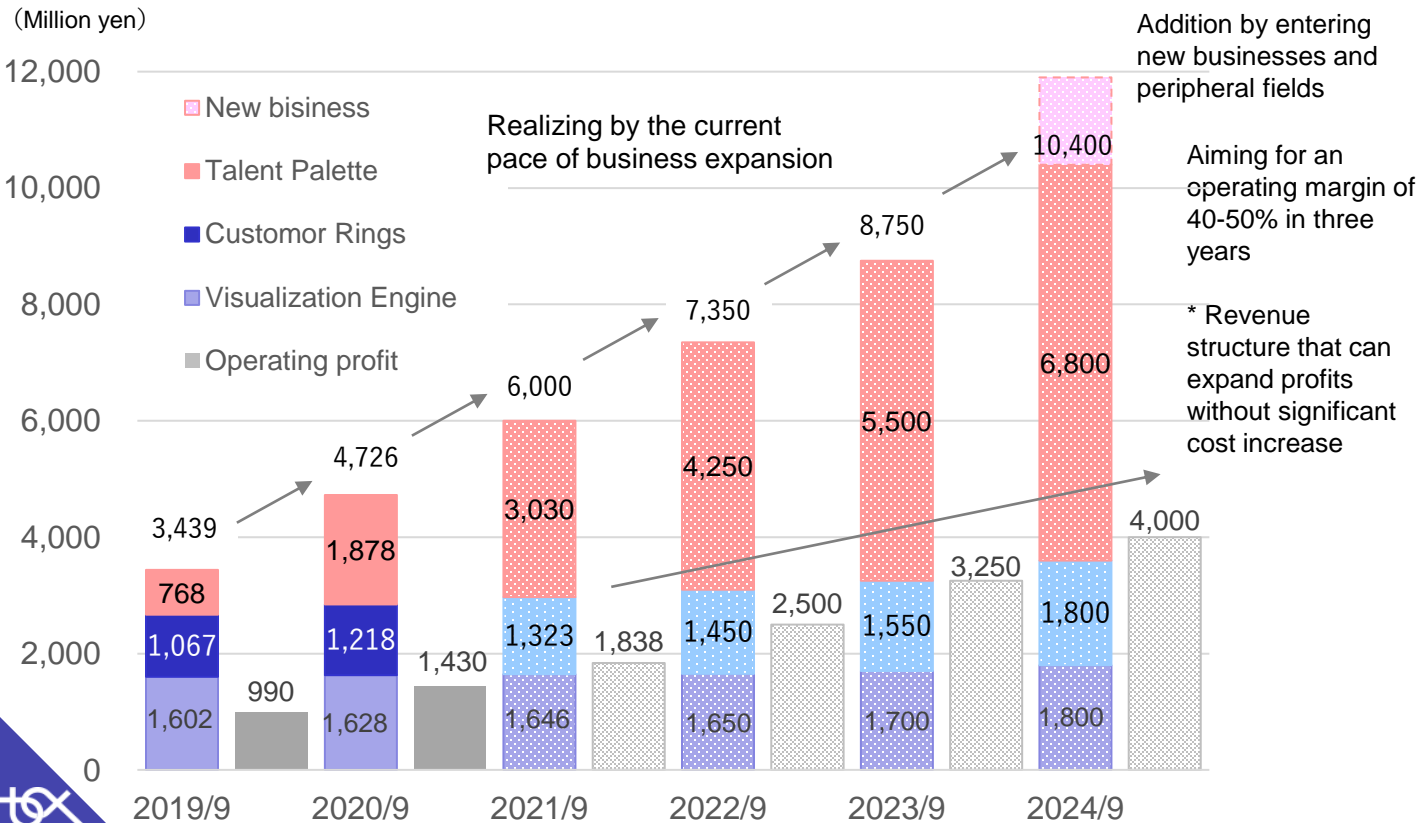
## Earnings forecasts for the fiscal year ending September 30, 2021 (By segment)

- Companywide growth in revenues and profits driven by sales and profit growth in Talent Palette
- Profits are expected to temporarily decline due to increased costs of developing infrastructure such as server migration for Customer Rings



# Medium-term growth image

- Expansion of existing business to sales of 10 billion yen or more and operating profit of 4 billion yen or more in 2024/9
- Aim to further increase sales by making a full-scale entry into new businesses and peripheral fields in the human resources field



## Key performance indicators

### Number of customers

	2021/9 (plan)	2024/9 (increase)
Visualization Engine	454	+0
Customer Rings	303	+100
Talent Palette	616	+600

### ARPU (thousand yen)

	2021/9 (plan)	2024/9 (plan)
Visualization Engine	277	310
Customer Rings	353	385
Talent Palette	348	400



## 4. Reference materials

# Service characteristics

## Visualization platform



## Marketing automation tool



## HR utilization platform



<b>Service overview</b>	Text mining analysis of massive amounts of customer feedback from surveys, call logs, social media, etc.	Support for optimal communication with customers based on analysis results gained from integrated data for customer attributes and action histories	Utilized for talent management by visualizing personnel information such as employee skills, aptitude, evaluations, and survey results and hiring-related data
<b>Users and usage</b>	Introduced mainly into companies' contact centers and marketing divisions Used for improving clients' services and developing new products	Introduced mainly into companies in EC (apparel, health foods, cosmetics, general goods, etc.) and retail industries Used for planning and implementing measures for online marketing	Introduced mainly into personnel divisions Used for personnel planning and strategies to improve employee performance by utilizing human resources
<b>Major Characteristics</b>	No. 1 market share in the text mining tool area with functions of supporting a wide range of data sources, highly accurate natural language processing, an intuitive user interface, etc.	Intuitive interface, various functions to analyze and visualize customer actions, and support for multiple channels such as e-mail, social media, chat, and apps	Personnel database on employee information, evaluations, and skills Support for optimal placement, HR selection, resignation analysis/prediction, and improvement in matching efficiency
<b>Fee system</b>	Monthly fee: Monthly subscription plan according to data amount Initial cost: For establishing system at service introduction, etc. Fee for on-demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of members and distribution, etc. Initial cost: For establishing system at service introduction, etc. Fee for on-demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of employees Initial cost: For establishing system at service introduction Fee for on-demand services: Paid consulting, etc.
<b>Number of users<sup>1</sup></b> <b>Rate of recurring revenue<sup>2</sup></b>	Number of contracts (449 companies) Rate of recurring revenue (93.4%)	Number of contracts (292 companies) Rate of recurring revenue (96.3%)	Number of contracts (623 companies) Rate of recurring revenue (82.7%)

Note 1: Number of contracts as of June 30, 2021

Note 2: Ratio of total monthly billed amounts to net sales (average of the third quarter of the fiscal year ending September 30, 2021)

# Characteristics of Visualization Engine

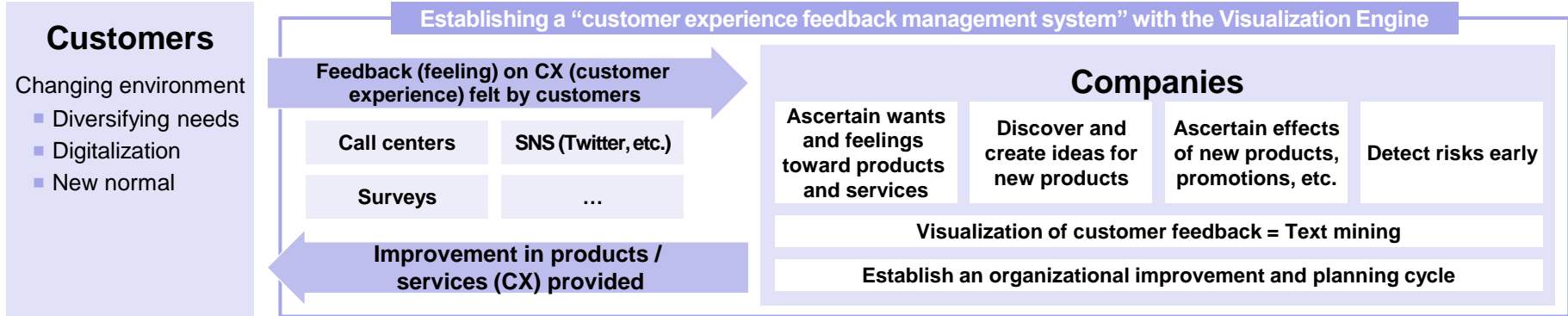


- Text mining analysis of massive amounts of customer feedback from social media such as Twitter, call logs, and even surveys
- Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support for customer feedback-oriented improvement activities on a companywide basis using the dashboard function

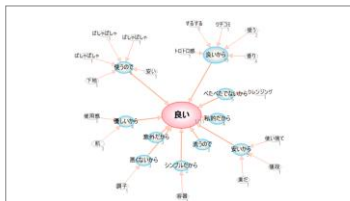
## Service characteristics

- Instantly visualize big data (customer feedback and actions) in the digital age
- Tool with No. 1 installation share, used by over 1,500 companies
- Intuitive user interface and high usability
- Highly accurate natural language processing that can handle free-form remarks and comments

A “customer experience feedback management system” to maximize a company’s customer experience (CX) by understanding consumer voices



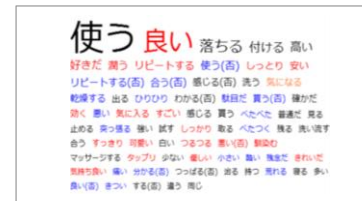
## Visualized output of customer thoughts and wants (proprietary text mining technology)



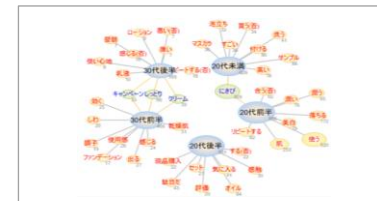
Reason map (Ascertain elements linked to central word)



Extract needs (Understand feelings at a glance)



Word cloud (Ascertain frequency of word occurrence)



Characteristic map (Compare characteristics by age group)

# Companies that have introduced visualization engine



Introduced to many companies as a tool that can visualize the voices of a large number of customers.  
No. 1 share for 9 consecutive years



## Manufacturing


## Retail distribution business


## Pharmaceutical


## Corporate support


## Infrastructure (aviation, railroad, communication)

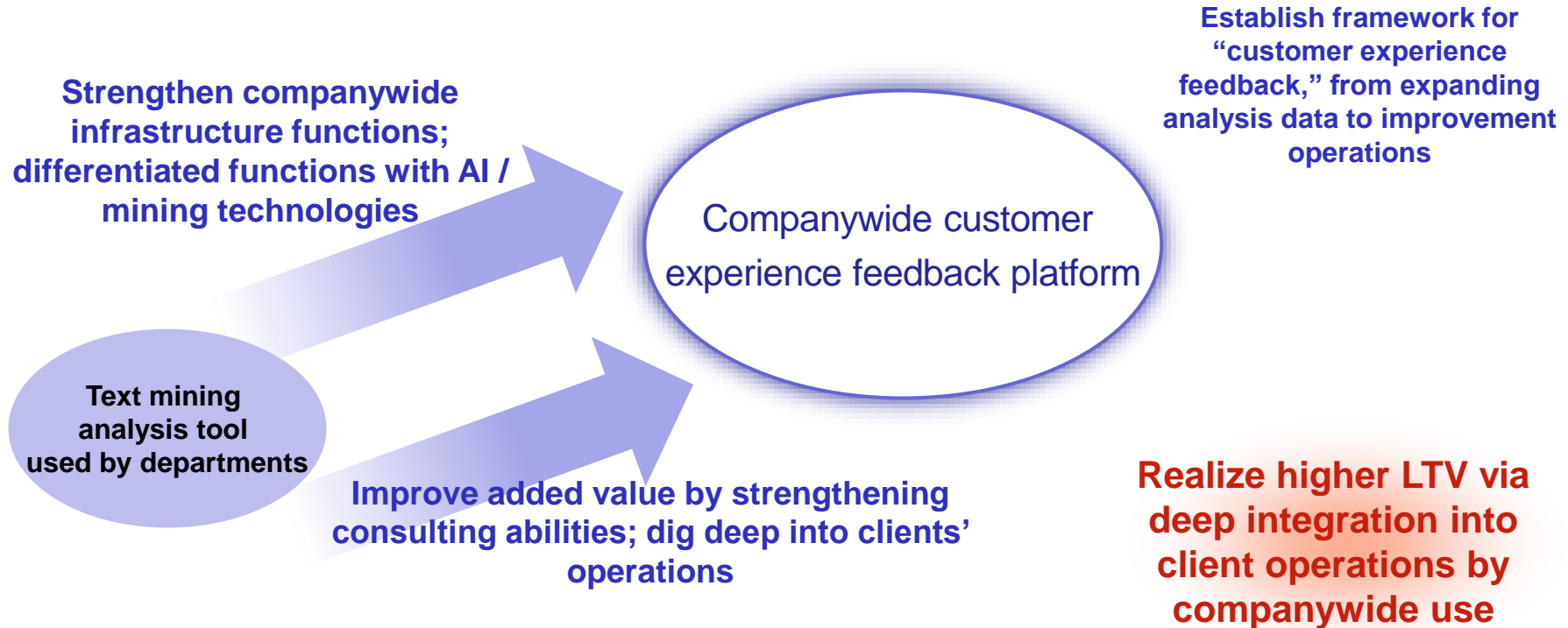
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\* Introducing some of the companies that have received permission to introduce and publish

注1：富士キメラ総研「ソフトウェアビジネス新市場」

## Growth strategy for Visualization Engine Business

Strengthen infrastructure functions that facilitate customer experience feedback, expand the scope of applicable data, build intimate relationships with customers through high value-added consulting services, and raise LTV.



# Characteristics of Customer Rings



## Service characteristics

- A CRM/MA tool that realizes optimal communication with customers by integrating and analyzing massive amounts of customer information and purchase histories
- An intuitive interface that does not hamper users' thinking
- Enables timely approaches to customers through optimal channels, ranging from e-mail, LINE, SMS, web customer support, app notifications, direct mails, etc.



- Supports the planning and execution of marketing initiatives via diverse analysis functions and a wealth of visualized output that allow users to gain a firsthand understanding of each customer's behaviors and preferences.
- Supports digital marketing strategies in any industry or business type, including EC, finance, and retail businesses.
- Consultants provide comprehensive support by aiding in strategy and analysis

**Automates the optimal communication with customers by directly understanding customers with big data**  
**An essential marketing automation system for the digital marketing age**

### Data integration (CDP)



### Analysis (BI: understanding customers)



### Use (MA)



**Automation (allows users to focus on more creative work)**

# Companies that have introduced Customer Rings



Supporting digital marketing / CRM enhancement of more than 600 growing companies

## Health food



## Cosmetics



## Contact lens



## General merchandise



## health care



## Food



## Apparel



## Insurance/finance



## Media



## Membership service



## General mail order



## BtoB Service



## Human resources



# Growth strategy for Customer Rings Business

Expand differentiated “customer feeling” functions, create high added value for analysis consulting, and evolve into a marketing platform that can be linked with various marketing actions.

**Differentiation via analysis functions from AI / mining technologies and “customer feeling” functions**

**Expand industries by expanding services through high value-added consulting**

**Create a platform that also enables various marketing actions**



**Shift from EC-centric to expand the scope of industries and realize higher MRR and ARPU**



# Characteristics of Talent Palette



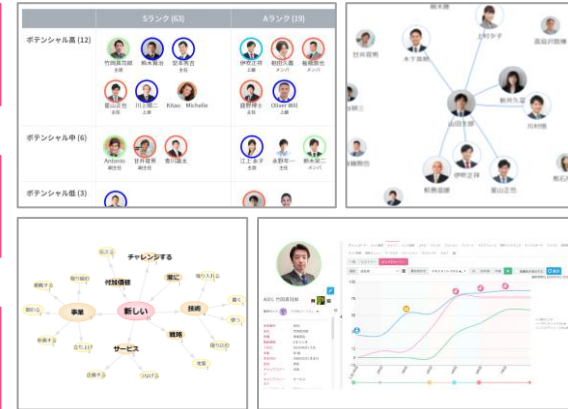
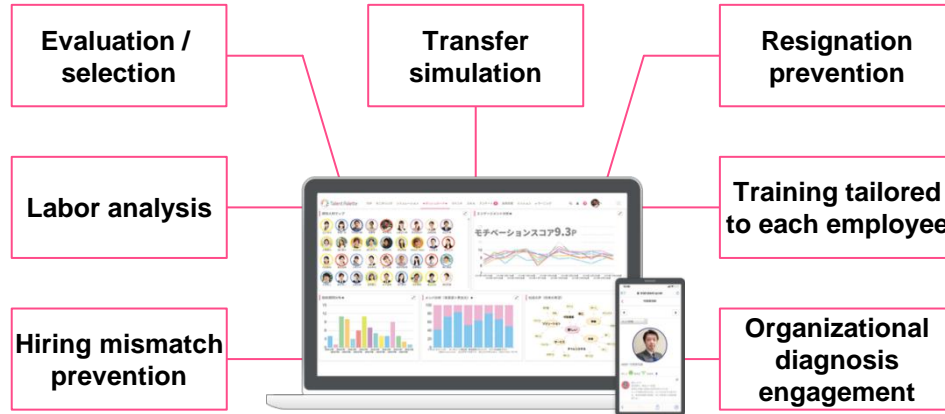
## Service characteristics

- Realizes data-based scientific personnel management strategy to enable users to succeed in an age of labor shortage
- Employee visualization functions that can be used for optimal employee placement or human resource selection
- Hiring functions including increasing efficiency of hiring operations, mismatch prevention, and performance forecasting
- Employee performance analysis and learning facilitation functions such as e-learning
- Resignation prevention functions such as resignation analysis and prediction and motivation measurement

- A first in the industry, we took our approach to analyzing massive amounts of data in marketing, an area in which we excel, and applied it to the HR field.
- A human resource platform that realizes “scientific personnel management,” including data-driven optimal placement, appropriate evaluations, discovering and hiring more talents, and resignation prevention
- Analyzes employees’ aspirations and requests to the company using text mining technology. Enables management to reflect previously untapped “employee voices.”

## Realizes proprietary scientific personnel management that incorporates marketing thinking

## Intuitive visualization of human resources and organization status



Experience  
and  
intuition

×

Visualization of  
employee information

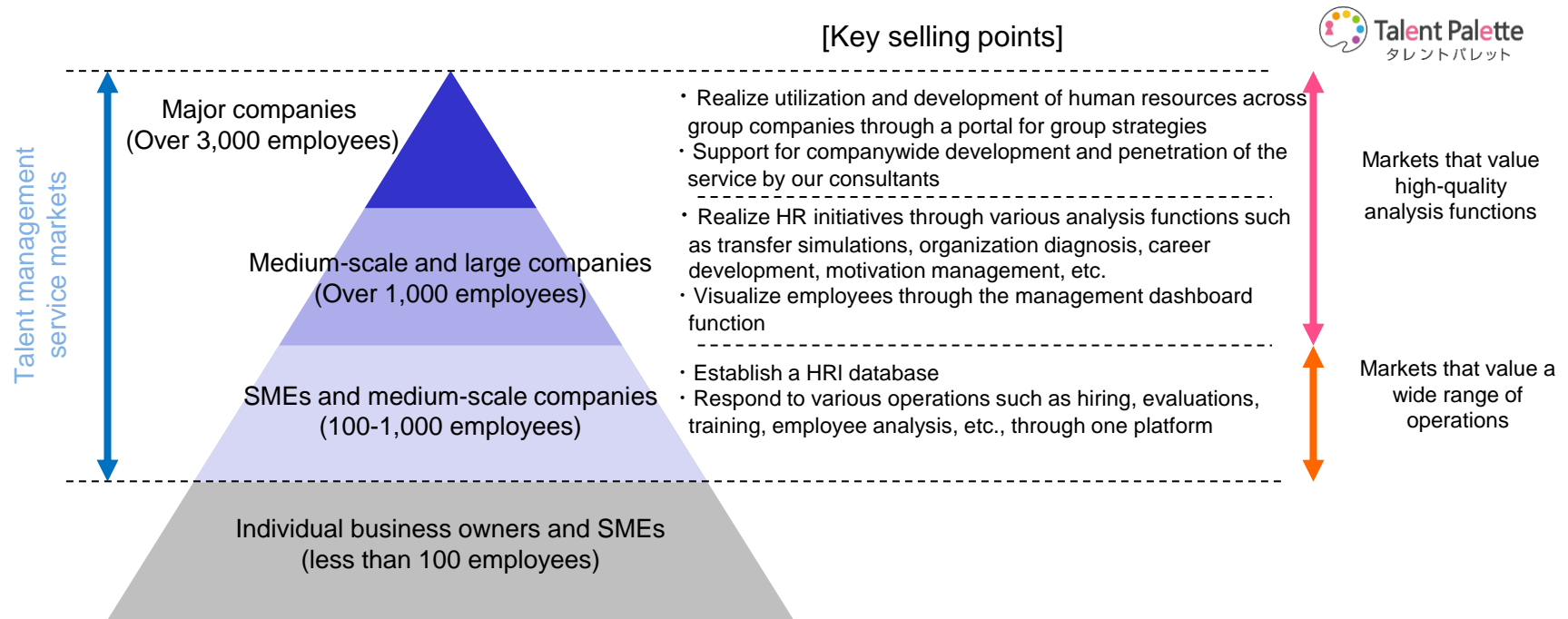
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Realize scientific personnel  
management strategy  
(Data-driven creative personnel strategy)

# Talent Palette's target market

The talent management service is targeted for companies with 100 or more employees. Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

## Target markets and selling points of the talent management service



# Unique position as an integrated human resource platform

Differentiate Talent Palette from competing services by supporting a wide range of operations with integrated and accumulated personnel data, and enriching analysis functions

## ■ Status of competition seen from our services<sup>1</sup>

### Analysis-oriented tools for HR information management

- Primarily for personnel information management
- Has standard analysis functions
- Mainly targets personnel divisions

#### [Status of competition]

- ✓ Limited competitors due to fewer newcomers that target small markets.
- ✓ Possible to compete with rivals by highlighting diverse functions.

Field of expertise

Analysis

Our position

- Providing a service to analyze wide-ranging data from different perspectives

### Integrated HR utilization platform



- Comprehensively analyzes and utilizes work hour data, aptitude tests, employee feedback, motivation (dynamic data), hiring data, etc. in addition to personnel information
- Superior UI, usable by management and department managers

Narrow

Wide

Available areas

### Tools specialized in optimization of certain operations

- Specialized in increasing efficiency in certain operations, such as making evaluations available on the web and placing personnel information into databases
- These tools are cheap and simple to install as they offer a single function

#### [Status of competition]

- ✓ Fierce price competition between many newcomers with low prices.
- ✓ Offer basic functions such as centralization of HR data and making evaluations available on the web.
- ✓ Some superficially overlapping concepts between Talent Palette and competitors due to additional functions such as simple analysis.

### Core integrated personnel systems

- Handle many types of information, such as personnel information, work hours, salary, and evaluations
- Dedicated to administrative functions, used as core personnel systems at large companies

#### [Status of competition]

- ✓ Since many have already been introduced as core systems company- or group-wide, replacement is difficult.
- ✓ However, there are many cases of coexistence through data linkage, etc., because of advantages in price and functionality.

Management

# Accelerating use of Talent Palette at leading companies

## Manufacturers (Home goods, parts, chemicals, medical, homebuilding, others)



## Financial



## Services (Transport, logistics, medical, welfare, others)



## Distribution, retail, restaurant, real estate, services



## System development, IT, telecommunications industry

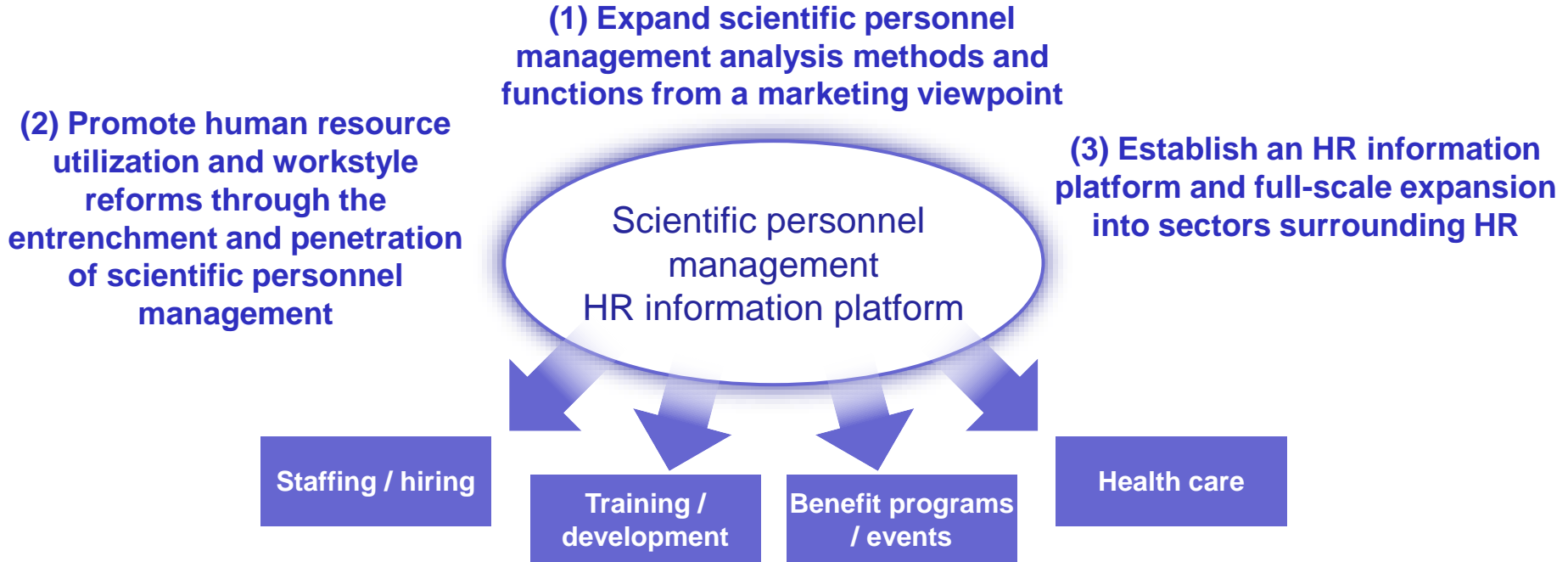


## Advertising, mass media, survey, human resources, education



# Growth strategy for Talent Palette Business

Expand the methodology and functions of “scientific personnel management,” advance expansion in services for sectors surrounding HR, and realize an HR information platform that promotes use of new human resources and workstyle reforms.



**Acquire a dominant market share in the HR space by acquiring core personnel data**

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