

# Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2021 [Japanese GAAP]



November 12, 2021

Company name: Plus Alpha Consulting Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4071

URL: <https://www.pa-consul.co.jp>

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Scheduled date of annual general meeting of shareholders: December 17, 2021

Scheduled date of commencing dividend payments: December 20, 2021

Scheduled date of filing annual securities report: December 17, 2021

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Financial Results for the Fiscal Year Ended September 30, 2021 (October 1, 2020 - September 30, 2021)

### (1) Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2021	6,118	29.4	2,106	47.3	2,091	44.7	1,428	39.2
September 30, 2020	4,726	37.4	1,430	44.4	1,445	45.1	1,026	60.8

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2021	35.71	33.49	33.8	39.4	34.4
September 30, 2020	25.66	—	32.9	36.6	30.3

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended September 30, 2021: - million yen

Fiscal year ended September 30, 2020: - million yen

(Notes) 1. On February 10, 2021, the Company conducted a 40-for-1 share split of its common shares. Basic earnings per share and diluted earnings per share were calculated assuming that the share split was conducted at the beginning of the fiscal year ended September 30, 2020.

2. Diluted earnings per share for the fiscal year ended September 30, 2020 are not indicated as the Company was not listed and it is thus impossible to grasp its average share price during the period, although potential shares exist.

3. As the Company was listed on the Tokyo Stock Exchange Mothers Market on June 30, 2021, diluted earnings per share for the fiscal year ended September 30, 2021 were calculated by using the average share price for the period from the date of listing to the end of the current fiscal year, as the average share price during the period.

### (2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	yen
As of September 30, 2021	6,135	4,907	79.8	122.25
As of September 30, 2020	4,473	3,576	79.7	89.13

(Reference) Equity: As of September 30, 2021: 4,896 million yen

As of September 30, 2020: 3,565 million yen

(Note) On February 10, 2021, the Company conducted a 40-for-1 share split of its common shares. Net assets per share were calculated assuming that the share split was conducted at the beginning of the fiscal year ended September 30, 2020.

**(3) Cash Flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended September 30, 2021	Million yen 1,548	Million yen (59)	Million yen (125)	Million yen 4,614
September 30, 2020	1,017	143	(123)	3,251

**2. Dividends**

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended September 30, 2020	—	0.00	—	205.00	205.00	205	20.0	6.6
Fiscal year ended September 30, 2021	—	0.00	—	7.20	7.20	288	20.2	6.8
Fiscal year ending September 30, 2022 (Forecast)	—	0.00	—	8.00	8.00		20.0	

(Note) On February 10, 2021, the Company conducted a 40-for-1 share split of its common shares. The actual amount of dividends before the share split is shown for the fiscal year ended September 30, 2020. When taking the share split into account, the amount of dividends was 5.13 yen.

**3. Financial Results Forecast for the Fiscal Year Ending September 30, 2022 (October 1, 2021 - September 30, 2022)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,650	25.0	2,500	18.7	2,450	17.1	1,600	12.0	39.95

**\* Notes:**

(1) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: None
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatement: None

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2021:	40,050,000 shares
September 30, 2020:	40,000,000 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021:	– shares
September 30, 2020:	– shares

3) Average number of shares during the period:

Fiscal year ended September 30, 2021:	40,012,877 shares
Fiscal year ended September 30, 2020:	40,000,000 shares

(Note) On February 10, 2021, the Company conducted a 40-for-1 share split of its common shares. The total number of issued shares at the end of the period and the average number of shares during the period were calculated assuming that the share split was conducted at the beginning of the fiscal year ended September 30, 2020.

\* These financial results are outside the scope of audit by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of the release of these materials and certain assumptions deemed reasonable, and actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial forecasts, please see “1. Overview of Business Results, etc.

(4) Future Outlook” on page 4 of the Japanese version of the supplementary material.

## 2. Financial Statements and Principal Notes

### (1) Balance Sheets

(Thousand yen)

	As of September 30, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,251,129	4,614,738
Notes receivable - trade	11,394	8,989
Accounts receivable - trade	549,205	751,959
Work in process	1,355	1,279
Supplies	6,197	5,544
Prepaid expenses	73,246	116,028
Other	5,425	192
Allowance for doubtful accounts	(756)	(190)
Total current assets	3,897,196	5,498,543
Non-current assets		
Property, plant and equipment		
Buildings, net	57,684	89,394
Tools, furniture and fixtures, net	30,548	24,826
Total property, plant and equipment	88,232	114,221
Intangible assets		
Software	3,164	1,834
Total intangible assets	3,164	1,834
Investments and other assets		
Investment securities	200,000	200,000
Long-term prepaid expenses	17	—
Distressed receivables	385	—
Deferred tax assets	82,400	118,062
Other	202,680	202,566
Allowance for doubtful accounts	(385)	—
Total investments and other assets	485,098	520,629
Total non-current assets	576,495	636,685
Total assets	4,473,692	6,135,228

	As of September 30, 2020	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	61,753	84,350
Accounts payable - other	79,311	148,549
Accrued expenses	133,413	138,380
Income taxes payable	255,701	481,353
Accrued consumption taxes	148,982	135,217
Unearned revenue	95,067	104,089
Provision for bonuses	101,491	115,996
Other	21,323	19,870
Total current liabilities	897,044	1,227,806
Total liabilities	897,044	1,227,806
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,000	63,475
Capital surplus		
Legal capital surplus	—	53,475
Total capital surplus	—	53,475
Retained earnings		
Legal retained earnings	2,500	2,500
Other retained earnings	3,552,852	4,776,675
Retained earnings brought forward	3,552,852	4,776,675
Total retained earnings	3,555,352	4,779,175
Total shareholders' equity	3,565,352	4,896,125
Share acquisition rights	11,295	11,295
Total net assets	3,576,648	4,907,421
Total liabilities and net assets	4,473,692	6,135,228

## (2) Statements of Income

(Thousand yen)

	For the fiscal year ended September 30, 2020	For the fiscal year ended September 30, 2021
Net sales	4,726,527	6,118,210
Cost of sales	1,341,114	1,767,803
Gross profit	3,385,412	4,350,407
Selling, general and administrative expenses	1,954,839	2,243,429
Operating profit	1,430,573	2,106,977
Non-operating income		
Interest income	22	35
Interest on securities	3,140	3,140
Dividend income	196	—
Gain on sale of investment securities	5,872	—
Subsidy income	6,743	10,236
Other	383	253
Total non-operating income	16,358	13,665
Non-operating expenses		
Share issuance costs	—	16,835
Commission expenses	1,443	—
Listing expenses	—	10,500
Other	252	1,950
Total non-operating expenses	1,695	29,286
Ordinary profit	1,445,235	2,091,357
Profit before income taxes	1,445,235	2,091,357
Income taxes - current	433,230	698,196
Income taxes - deferred	(14,381)	(35,662)
Total income taxes	418,849	662,534
Profit	1,026,386	1,428,822

(3) Statements of Changes in Equity  
For the fiscal year ended September 30, 2020

(Thousand yen)

	Shareholders' equity					Valuation and translation adjustments	
	Share capital	Retained earnings			Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments
		Legal retained earnings	Other retained earnings	Total retained earnings			
			Retained earnings brought forward				
Balance at beginning of period	10,000	2,500	2,656,466	2,658,966	2,668,966	2,698	2,698
Changes during period							
Issuance of new shares							
Dividends of surplus			(130,000)	(130,000)	(130,000)		
Profit			1,026,386	1,026,386	1,026,386		
Net changes in items other than shareholders' equity						(2,698)	(2,698)
Total changes during period	—	—	896,386	896,386	896,386	(2,698)	(2,698)
Balance at end of period	10,000	2,500	3,552,852	3,555,352	3,565,352	—	—

	Share acquisition rights	Total net assets
Balance at beginning of period	4,431	2,676,095
Changes during period		
Issuance of new shares		—
Dividends of surplus		(130,000)
Profit		1,026,386
Net changes in items other than shareholders' equity	6,864	4,166
Total changes during period	6,864	900,553
Balance at end of period	11,295	3,576,648

For the fiscal year ended September 30, 2021

(Thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	10,000	—	—	2,500	3,552,852	3,555,352	3,565,352
Changes during period							
Issuance of new shares	53,475	53,475	53,475				106,950
Dividends of surplus					(205,000)	(205,000)	(205,000)
Profit					1,428,822	1,428,822	1,428,822
Net changes in items other than shareholders' equity							
Total changes during period	53,475	53,475	53,475	—	1,223,822	1,223,822	1,330,772
Balance at end of period	63,475	53,475	53,475	2,500	4,776,675	4,779,175	4,896,125

	Share acquisition rights	Total net assets
Balance at beginning of period	11,295	3,576,648
Changes during period		
Issuance of new shares		106,950
Dividends of surplus		(205,000)
Profit		1,428,822
Net changes in items other than shareholders' equity	—	—
Total changes during period	—	1,330,772
Balance at end of period	11,295	4,907,421



## (4) Statement of Cash Flows

(Thousand yen)

	For the fiscal year ended September 30, 2020	For the fiscal year ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,445,235	2,091,357
Depreciation	17,696	24,653
Increase (decrease) in allowance for doubtful accounts	1,141	(951)
Increase (decrease) in provision for bonuses	27,234	14,505
Amortization of long-term prepaid expenses	1,910	17
Interest and dividend income	(3,358)	(3,175)
Share issuance costs	—	16,835
Listing expenses	—	10,500
Subsidy income	(6,743)	(10,236)
Loss on retirement of non-current assets	—	1,804
Loss (gain) on sale of investment securities	(5,872)	—
Decrease (increase) in trade receivables	(171,042)	(199,964)
Decrease (increase) in inventories	(3,092)	728
Increase (decrease) in trade payables	15,759	22,597
Decrease (increase) in prepaid expenses	9,540	(42,782)
Increase (decrease) in accounts payable - other	(13,533)	67,075
Increase (decrease) in accrued expenses	17,203	4,967
Increase (decrease) in accrued consumption taxes	99,821	(12,998)
Increase (decrease) in unearned revenue	5,671	9,021
Other, net	9,496	8,733
Subtotal	1,447,065	2,002,690
Interest and dividends received	3,358	3,175
Subsidies received	6,743	10,236
Income taxes paid	(439,207)	(467,936)
Net cash provided by (used in) operating activities	1,017,960	1,548,165
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,221)	(48,953)
Proceeds from sale of investment securities	203,165	—
Purchase of investment securities	(166)	—
Purchase of insurance funds	(1,735)	(1,735)
Payments of leasehold and guarantee deposits	(33,040)	(8,480)
Net cash provided by (used in) investing activities	143,001	(59,170)
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	6,864	—
Proceeds from issuance of shares	—	90,114
Payments of listing expenses	—	(10,500)
Dividends paid	(130,000)	(205,000)
Net cash provided by (used in) financing activities	(123,135)	(125,385)
Net increase (decrease) in cash and cash equivalents	1,037,826	1,363,609
Cash and cash equivalents at beginning of period	2,213,303	3,251,129
Cash and cash equivalents at end of period	3,251,129	4,614,738

(Segment information)

1. Summary of reportable segments

The Company's reportable segments are components of the Company for which separate financial information is available and that are subject to periodic review by the Board of Directors to make decisions on the distribution of management resources and evaluate business performance.

The reportable segments of the Company consist of the Visualizing Engine Business, the Customer Rings Business, and the Talent Palette Business.

The Visualizing Engine Business offers the Visualizing Engine, which supports customer marketing with text mining analysis of massive amounts of consumer feedback, such as surveys, call logs, and social media. The Customer Rings Business offers a marketing automation system that automates the analysis and segmentation based on customer information and purchase histories and a tool for customer relationship management (CRM).

The Talent Palette Business offers a scientific personnel management platform that applies marketing approach to the HR field; collects, analyzes, and visualizes personnel information; and realizes optimal placement, resignation prevention, and efficient hiring.

2. Calculation method of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting method for reportable segments complies with the accounting policy adopted for the preparation of the financial statements. Segment profit is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended September 30, 2020

(Thousand yen)

	Reportable segment				Adjustment (Notes 1 and 2)	Amount recorded in financial statements (Note 3)
	Visualizing Engine Business	Customer Rings Business	Talent Palette Business	Total		
Net sales						
Net sales to outside customers	1,628,811	1,218,946	1,878,769	4,726,527	—	4,726,527
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	1,628,811	1,218,946	1,878,769	4,726,527	—	4,726,527
Segment profit	1,002,599	433,209	563,920	1,999,729	(569,156)	1,430,573
Segment assets	167,728	137,394	328,665	633,788	3,839,904	4,473,692
Other items						
Depreciation	3,817	4,175	7,001	14,994	2,702	17,696
Increase in property, plant and equipment and intangible assets	2,070	3,524	8,956	14,550	7,985	22,536

(Notes) 1. The adjustments to segment profit and other items are corporate expenses that have not been allocated to reportable segments, and are mainly general and administrative expenses that do not belong to any reportable segment.

2. The adjustment to segment assets is cash and deposits, etc. that do not belong to any reportable segment.

3. Segment profit is adjusted with operating profit in the financial statements.

For the fiscal year ended September 30, 2021

(Thousand yen)

	Reportable segment				Adjustment (Notes 1 and 2)	Amount recorded in financial statements (Note 3)
	Visualizing Engine Business	Customer Rings Business	Talent Palette Business	Total		
Net sales						
Net sales to outside customers	1,676,822	1,326,939	3,114,449	6,118,210	—	6,118,210
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	1,676,822	1,326,939	3,114,449	6,118,210	—	6,118,210
Segment profit	995,291	340,743	1,502,265	2,838,299	(731,321)	2,106,977
Segment assets	215,482	168,779	472,005	856,267	5,278,960	6,135,228
Other items						
Depreciation	3,918	5,909	10,467	20,295	4,358	24,653
Increase in property, plant and equipment and intangible assets	758	1,277	1,815	3,852	47,263	51,115

- (Notes) 1. The adjustments to segment profit and other items are corporate expenses that have not been allocated to reportable segments, and are mainly general and administrative expenses that do not belong to any reportable segment.
2. The adjustment to segment assets is cash and deposits, etc. that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the financial statements.