

Third Quarter of the Fiscal Year Ending
September 30, 2022

Financial Results Briefing Materials

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

August 12, 2022

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June 30, 2022
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September 30, 2022
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01 Company outline

Corporate profile

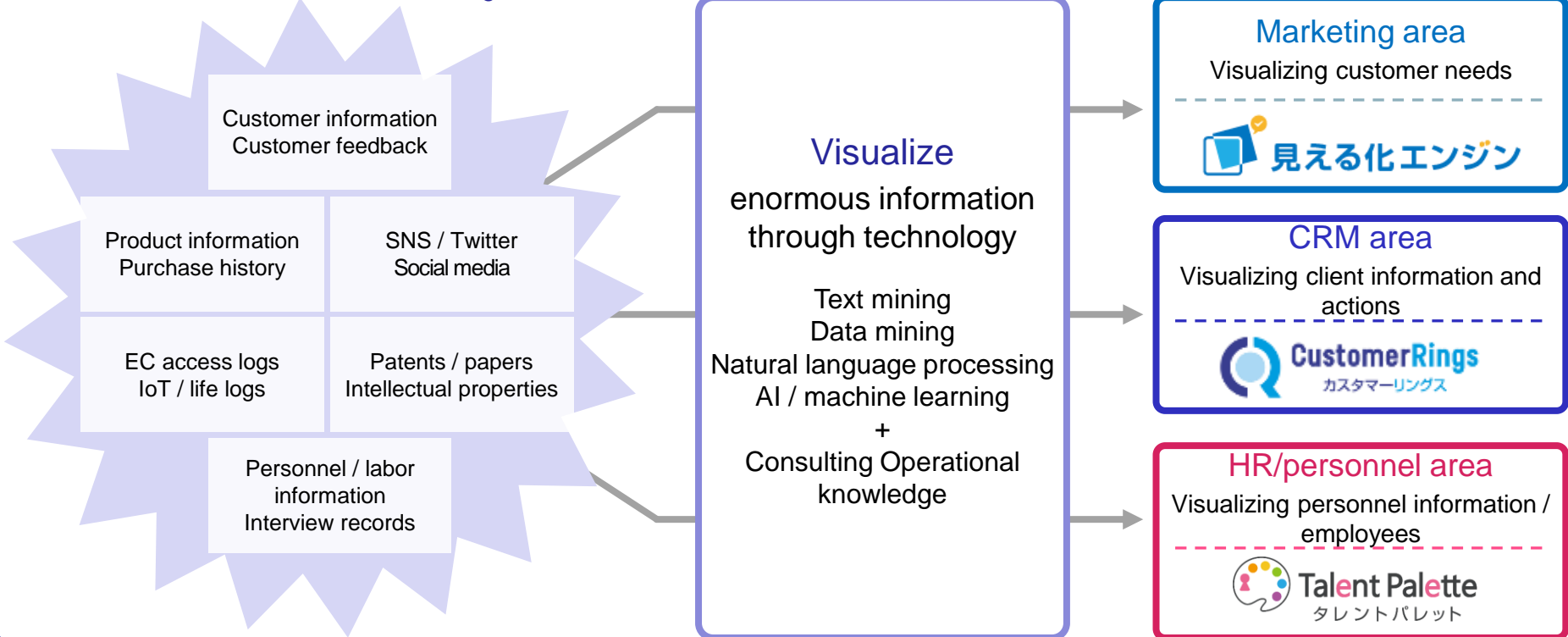
- Company name Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Growth: 4071)
- Representative Katsuya Mimuro, Representative Director and President
- Headquarters location 25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
- Osaka Branch 13F Osaka Nakanoshima Building, 2-2-2 Nakanoshima, Kita-ku, Osaka-shi, Osaka
- Fukuoka Branch 4F Grand Cabin Tenjin-minami, 3-3-33 Yakuin, Chuo-ku, Fukuoka-shi, Fukuoka
- Established December 25, 2006
- Capital 88,081 thousand yen (as of June 30, 2022)
- Business content Providing cloud services for data analysis platforms
- Number of employees 225 (as of June 30, 2022)
- 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

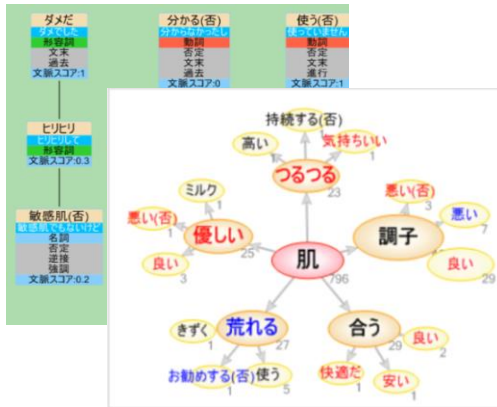
Utilization
support
consulting

Business strengths

Advanced technologies to visualize big data for practical use

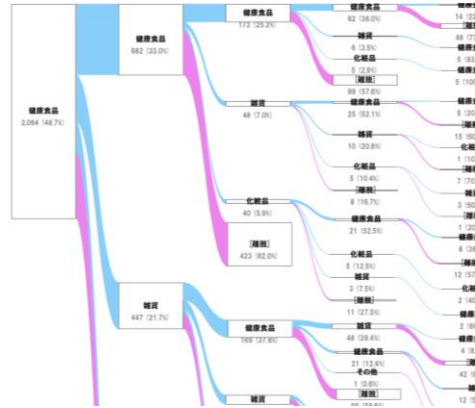


Syntax analysis, word maps



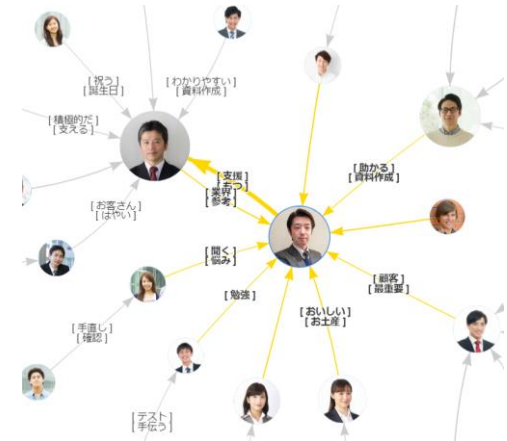
Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

Purchasing pattern analysis



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

Employee network diagram

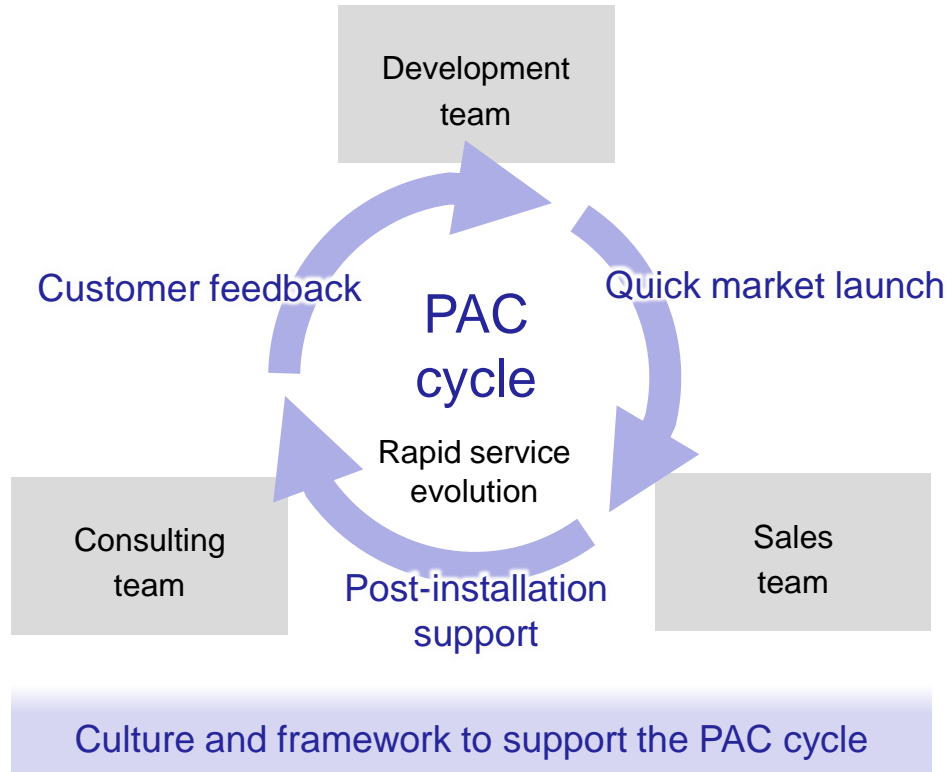


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

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 a concerted effort by the entire team

Partner relationships

on equal footing with clients

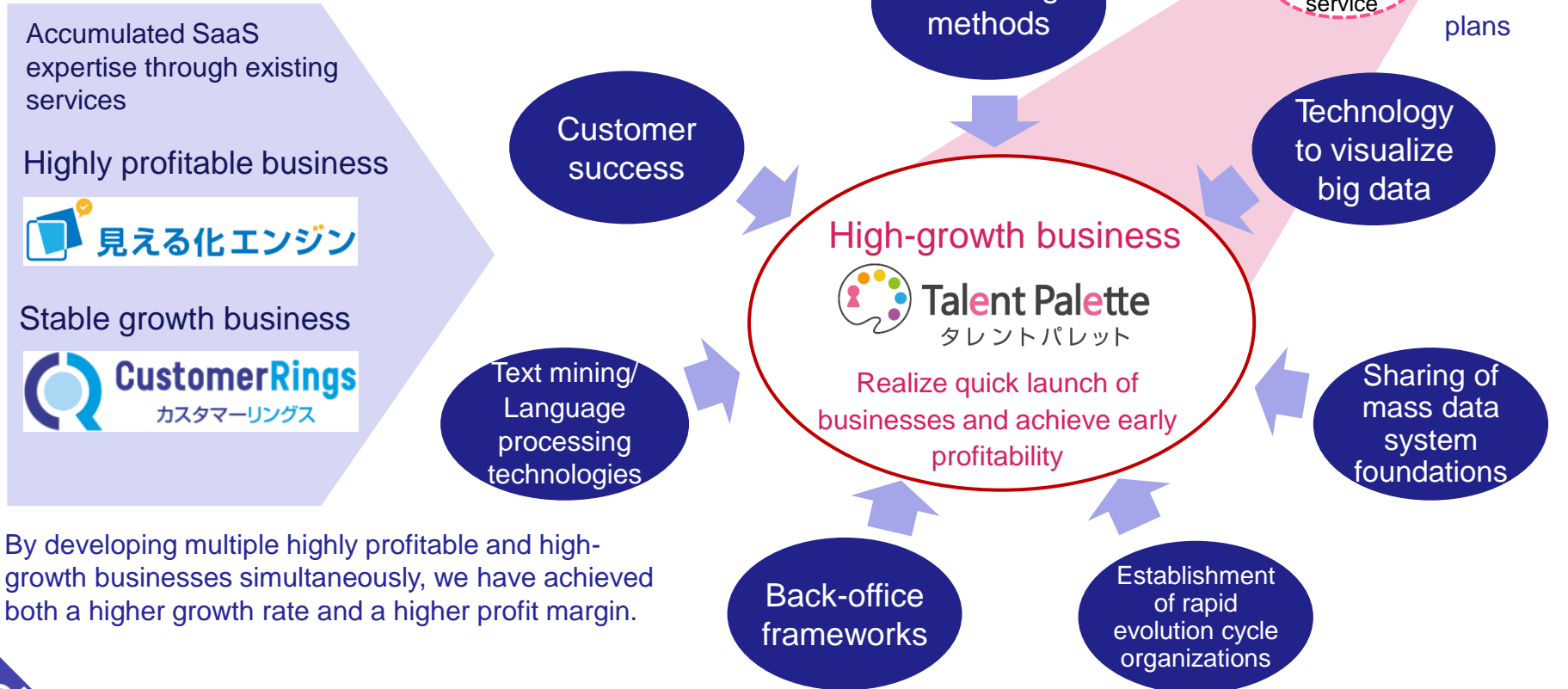
Early market launch

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

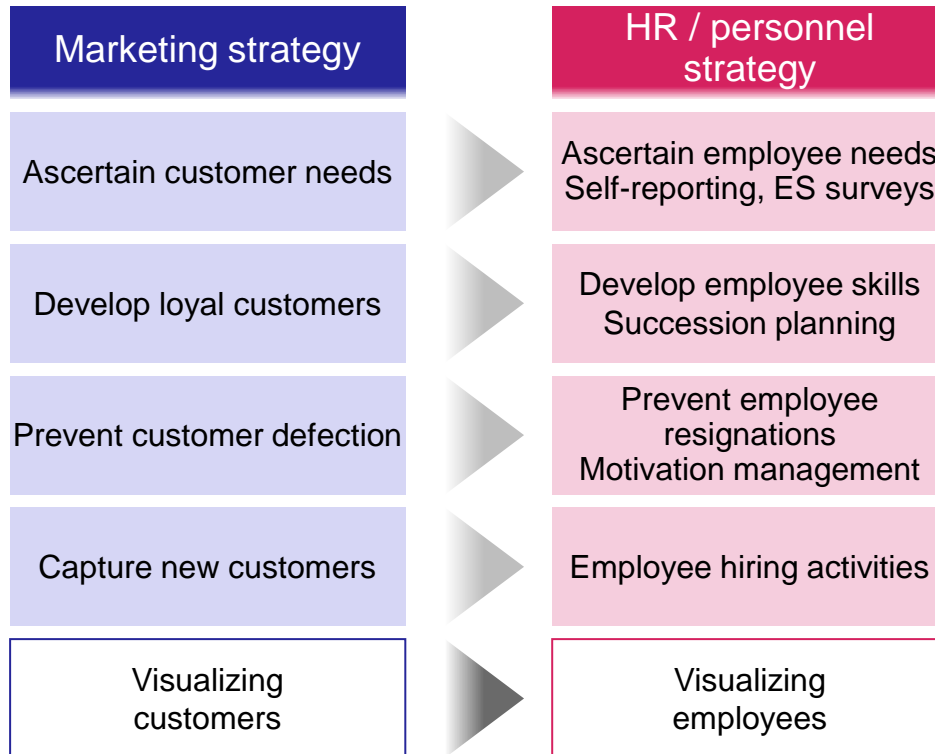


By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.

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.

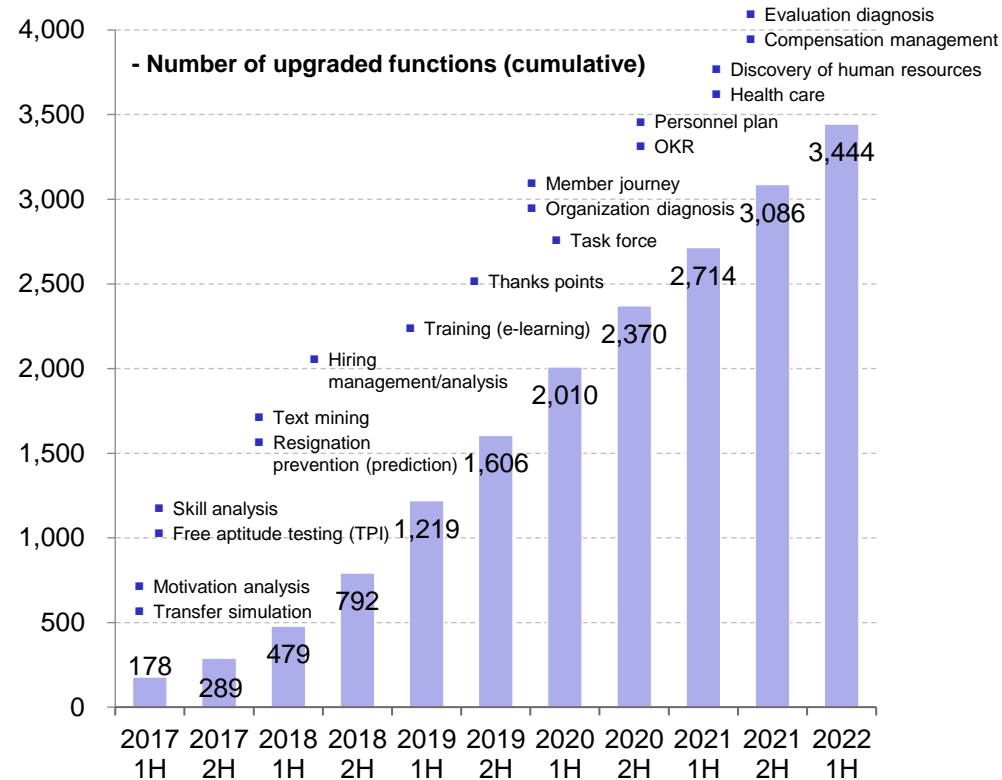
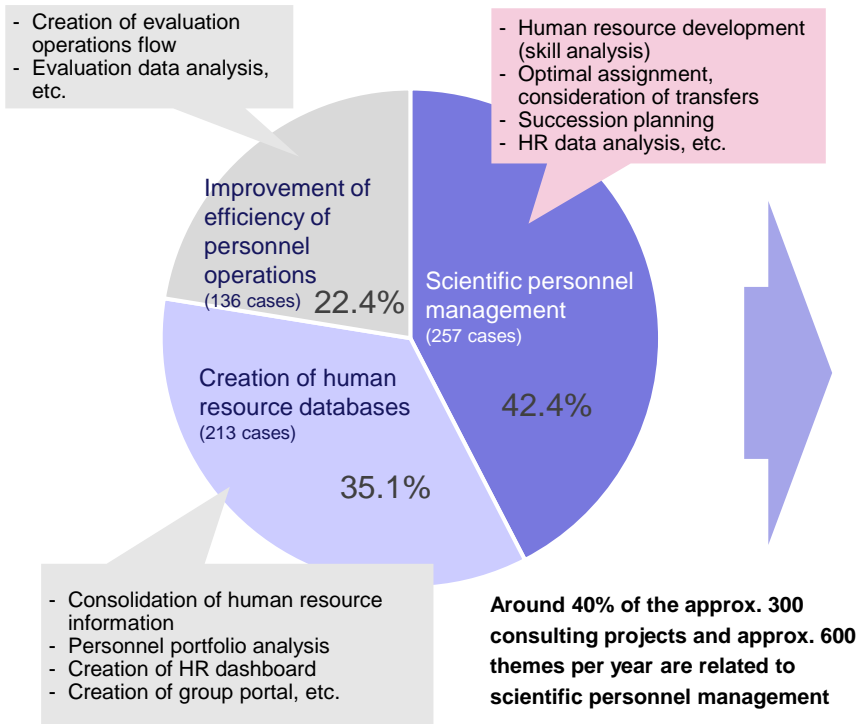


Revolutionized personnel management by thinking of employees as customers and using various analysis methods in personnel strategy

Evolution of Talent Palette

Rapid functional development based on multiple consulting cases

- Provision of high added value services through the combination of SaaS business and consulting
- Over 3,400 functions installed as standard over approximately five and a half years through consulting for a variety of leading companies

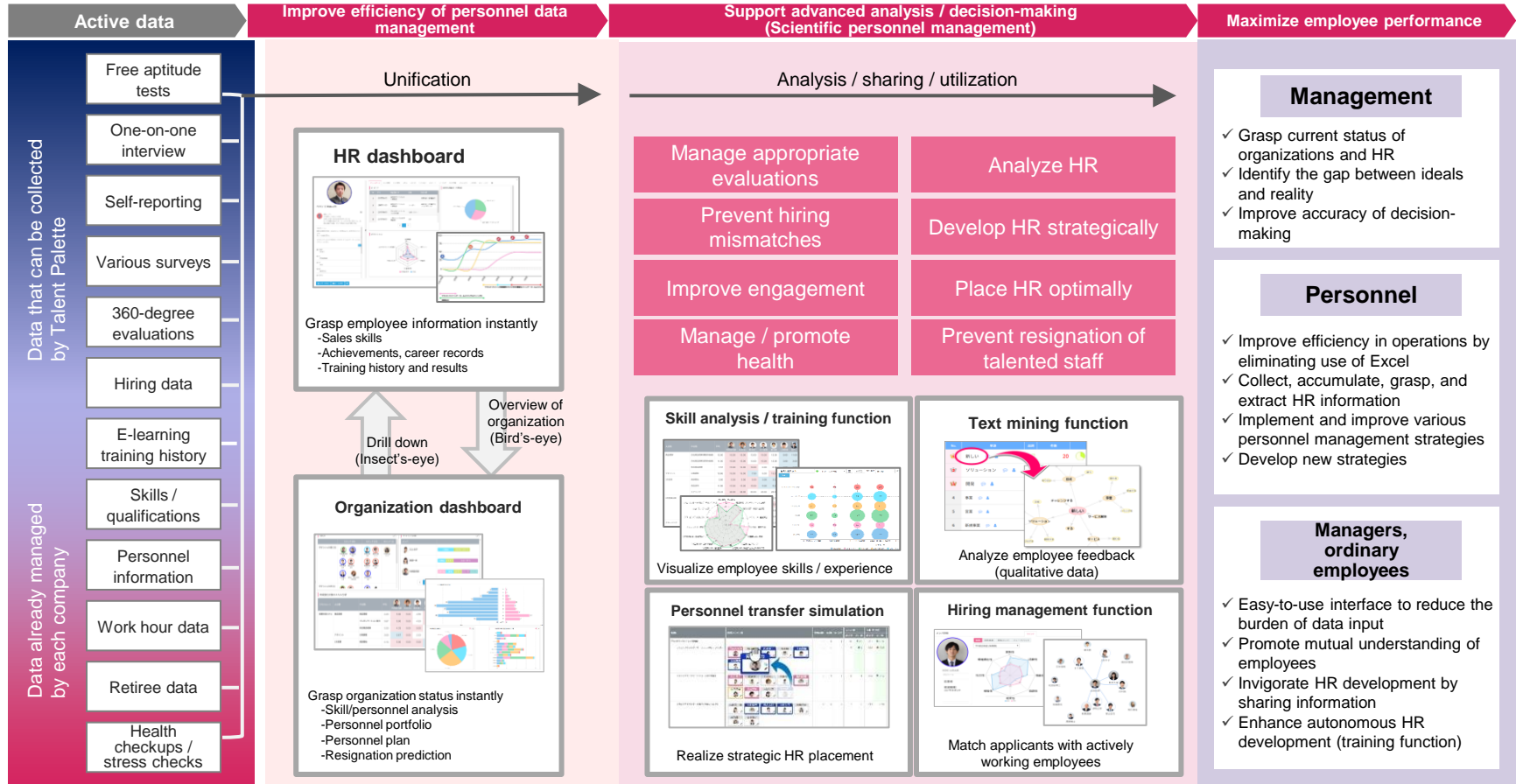


Note) Annual delivery basis. Duplicates counted if a single project includes two or more themes

Evolution 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

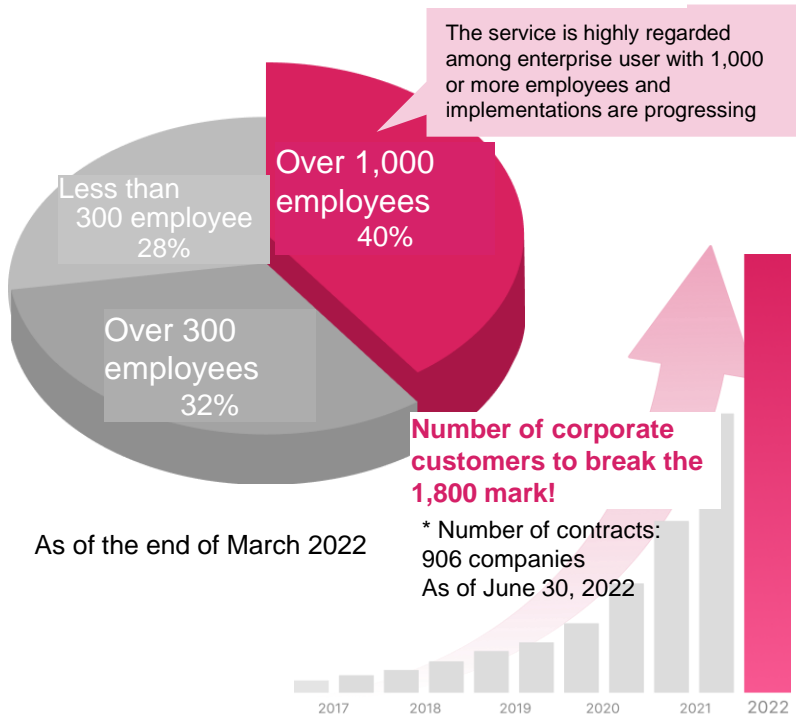


Strengths of Talent Palette

Enterprise penetration and high evaluation

- The percentage of implementation in large enterprises with 1,000 or more employees (on a contract basis) is approximately 40% or more
- Detailed functions and advanced consulting for enterprises are highly regarded

Percentage of contracts by plan



Received the **Leader** award in the talent management segment of the ITreview¹ enterprise review site



Evaluation points

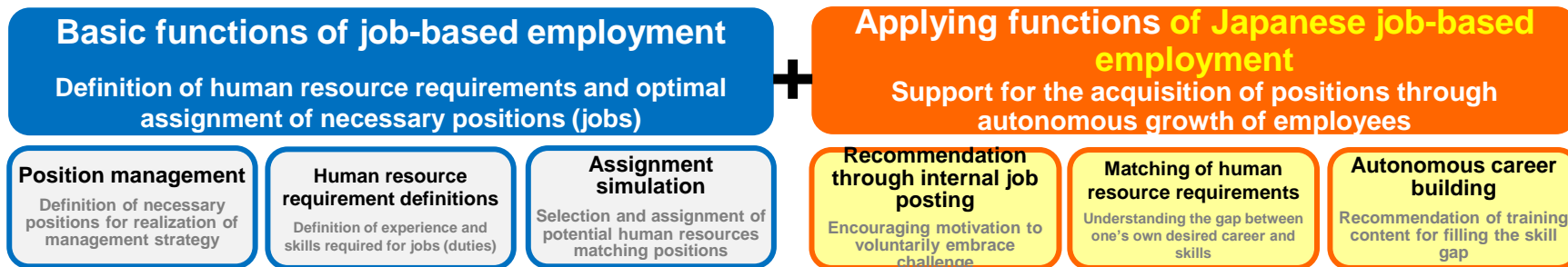
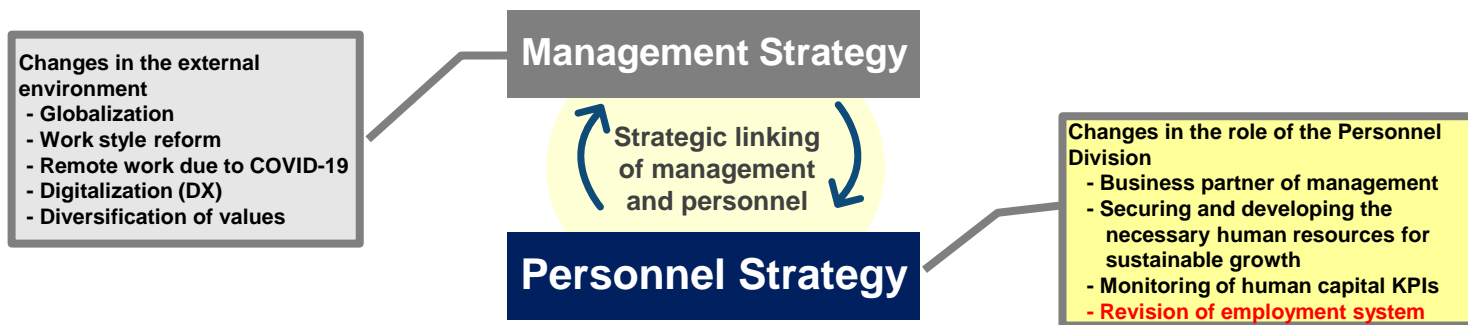
- Analysis functions specializing in diverse HR measures
- Systems for collecting a variety of data such as employee questionnaires
- Setting of detailed authority to refer to various HR data
- Flexible data linking functions with core systems
- Speedy development and frequent updates of required functions
- Advanced consulting and strong support system

Note 1 ITreview Grid Award 2022 Spring Talent Management Segment, HR Evaluation and OKR Segment

Enterprise Measures ①

Response to the Japanese Job-based Employment System

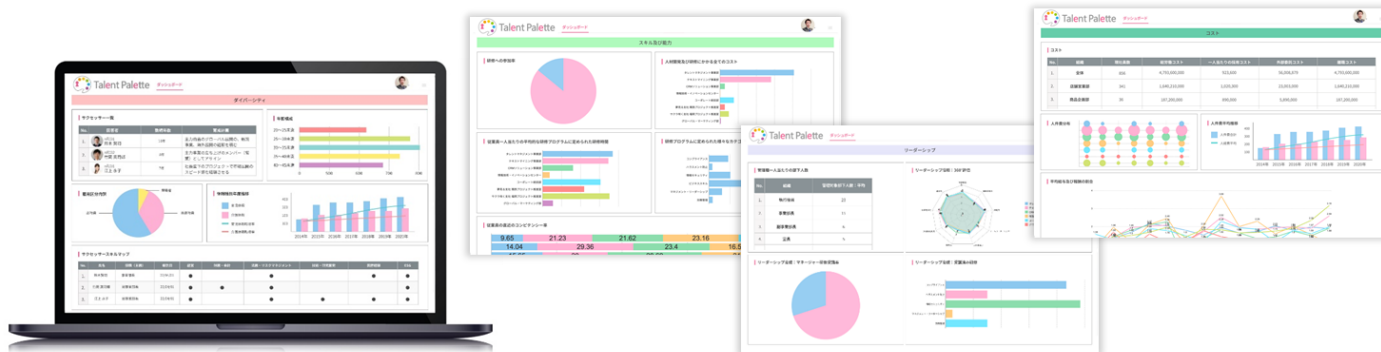
- There has been an increase in the number of companies making the transition to a job-based employment system as a personnel measure for supporting management strategy
- Provision of enterprise functions and consulting supporting the Japanese job-based system



Enterprise Measures ②

Response to disclosure of human resource information

Provision of consulting services supporting initiatives such as the formulation of human resource disclosure indicators and the creation of a dashboard



1. Basic information on human resources

- Diversity
- Total number of employees
- Age, gender, years of service, composition ratio
- Employment type, occupation, position
- Productivity, personnel expenses, personnel planning, etc.

2. Engagement and organizational soundness

- Organizational culture
- Employees' opinions, employee satisfaction
- Engagement indicators
- Communication score
- Wellbeing indicators, etc.

3. Hiring capability, turnover, optimal assignment

- Hiring and turnover rate
- Employees' opinions, employee satisfaction
- List of people requesting transfers and reasons
- Activity after joining and reason for joining
- Turnover exit point, reason, etc.

4. Succession planning and voluntary challenges

- Definition and improvement of personnel requirements in key positions
- Supply of potential personnel and talent pool
- Level of improvement and rate of preparation of successors
- Next-generation personnel development plan
- Challenge indicators
- Rate of internal offering and acceptance of positions, etc.

5. Skills and capabilities

- Definition of skills required for the organization
- Skill map, personnel available, level of skill
- Personnel portfolio
- Learning conditions, development conditions
- Percentage of training received in each organization, etc.

6. Health management

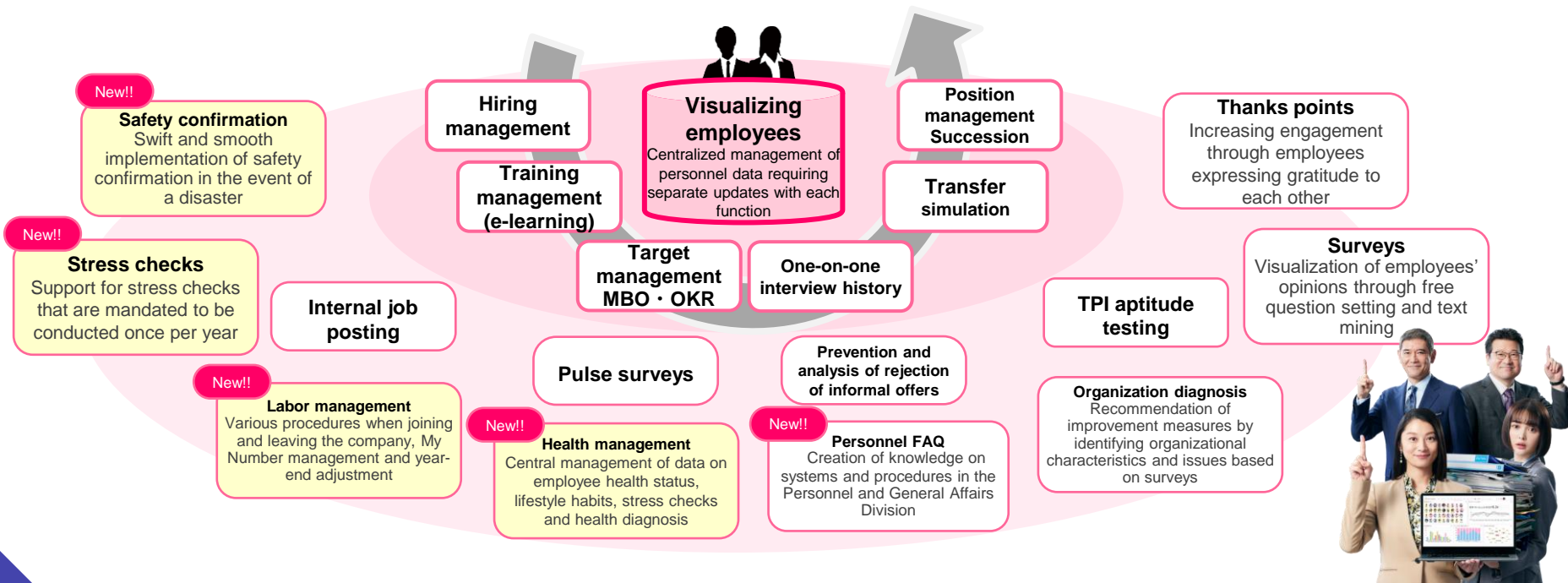
- Health care score (Mental, lifestyle habits, smoking...)
- Percentage of medical examinations taken, number of people with findings
- Number of people on leaves of absence, number of interviews
- Labor conditions and overtime
- State of stress by organization, etc.

SMB Measures

Inclusion of all-in-one functions for HR operations

Inclusion of hiring management, training management, labor management, healthcare, safety confirmation functions, etc. to provide all-in-one services improving the efficiency of HR operations Reduction of burden of redundant registrations of HR information, contribution to the improvement of convenience through unification

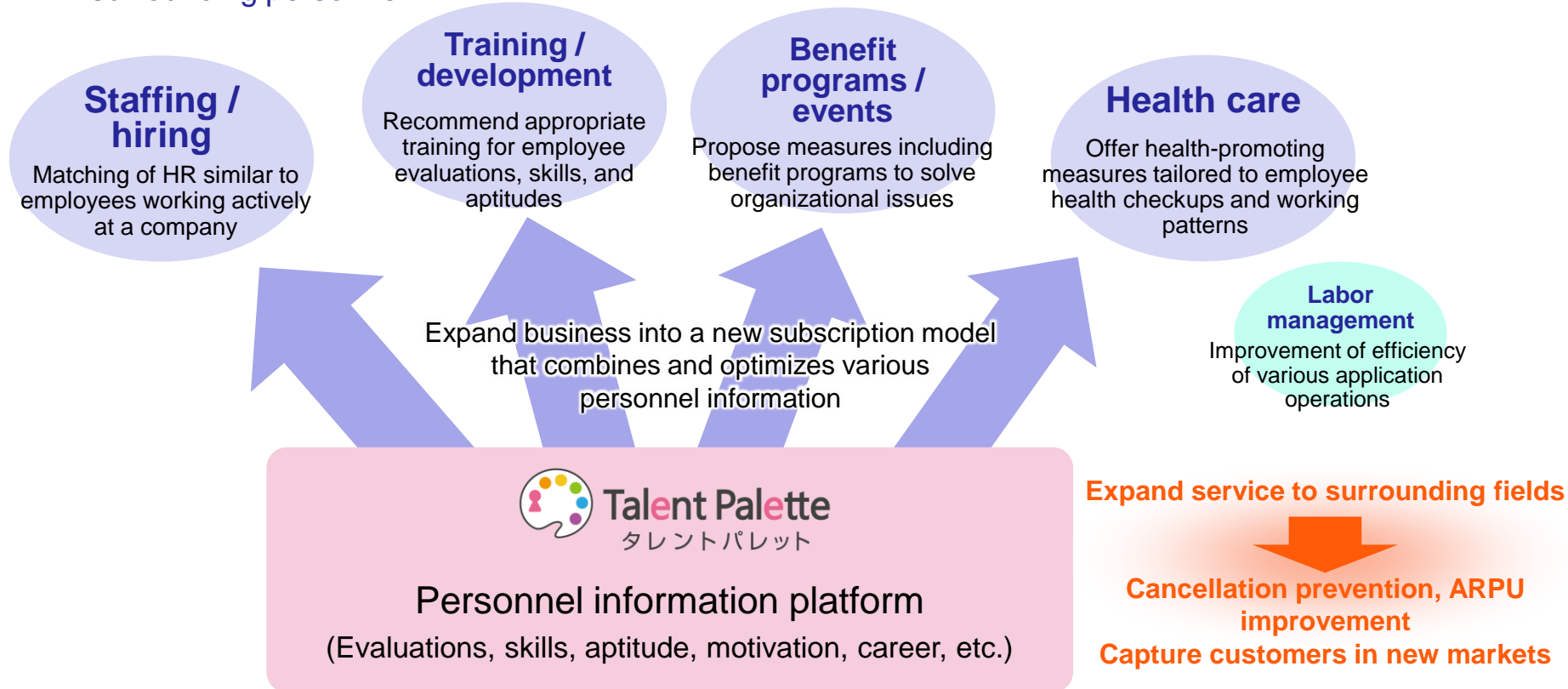
人事の「ほしい」が。
オールインワン! Talent Palette covers all HR operations and measures
タレントパレット



Further development of Talent Palette Business

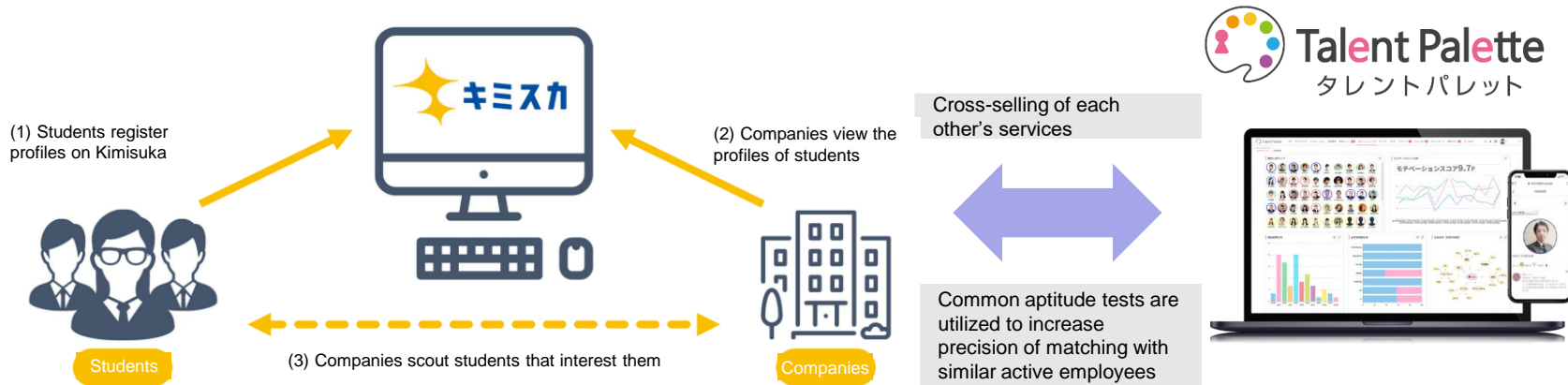
Expand services to sectors surrounding HR

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



Further development of Talent Palette Business: Staffing / hiring

- Making Grow Up Co., Ltd. (GU) a wholly owned subsidiary (acquired all shares of GU on October 3, 2022)
- Acceleration of business promotion by engaging in service development with GU
- Full-scale entry into the hiring business using the new graduate area as a starting point



(1) Increase of added value through the enhancement of hiring operations

Linking of hiring management and analysis functions of Talent Palette with Kimisuka. Recommendation of candidates that match job specs

(2) Promotion of cross selling of each other's services

Expansion of sales through cross selling of each other's services utilizing each other's customer base

(3) Sharing of knowhow on functional development and the hiring business

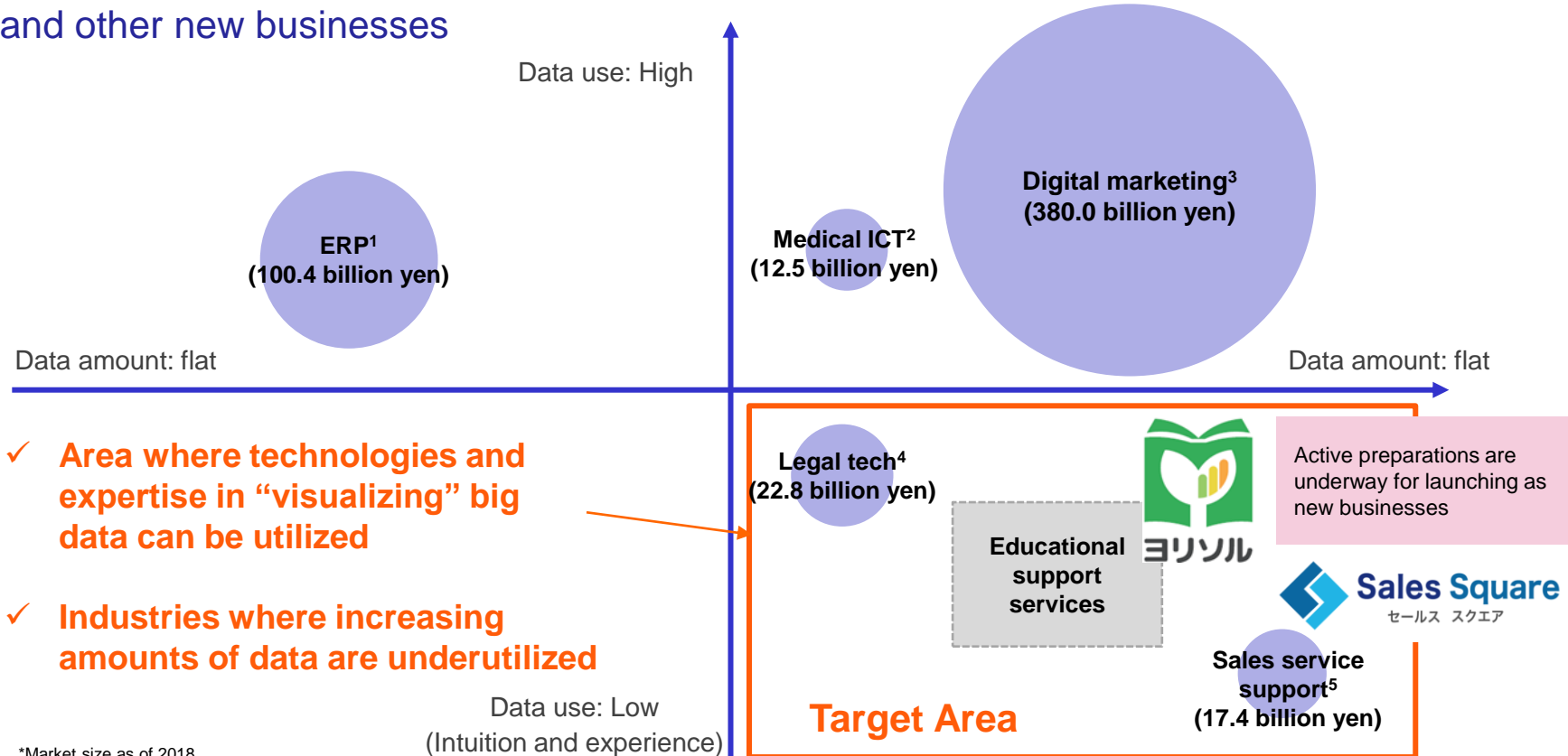
Functional development and sharing of knowhow for accelerating expansion in the hiring area through a high level of coordination of each other's services

With GU becoming a subsidiary, the Company plans to make the transition to consolidated accounting from the fiscal year ending September 30, 2023.

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



*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

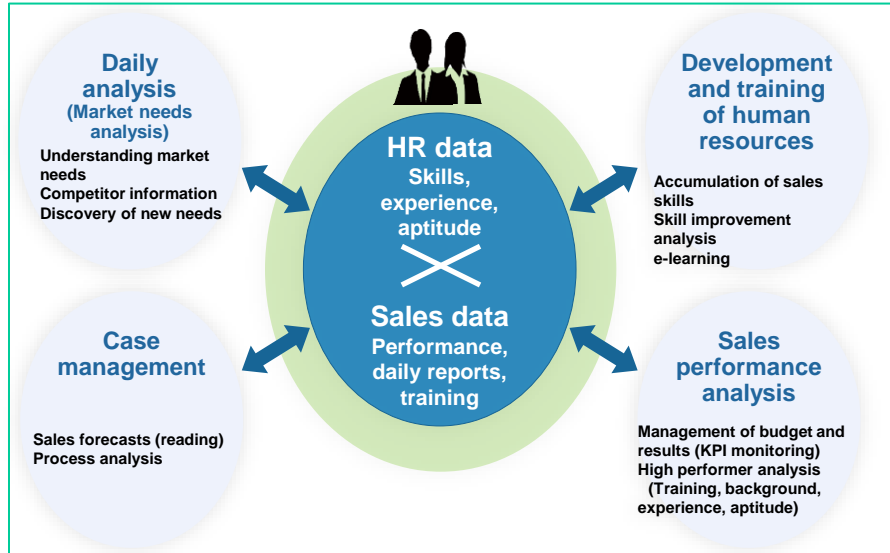
Operation of New Businesses

Start of provision of beta versions of two new businesses

Sales service support area



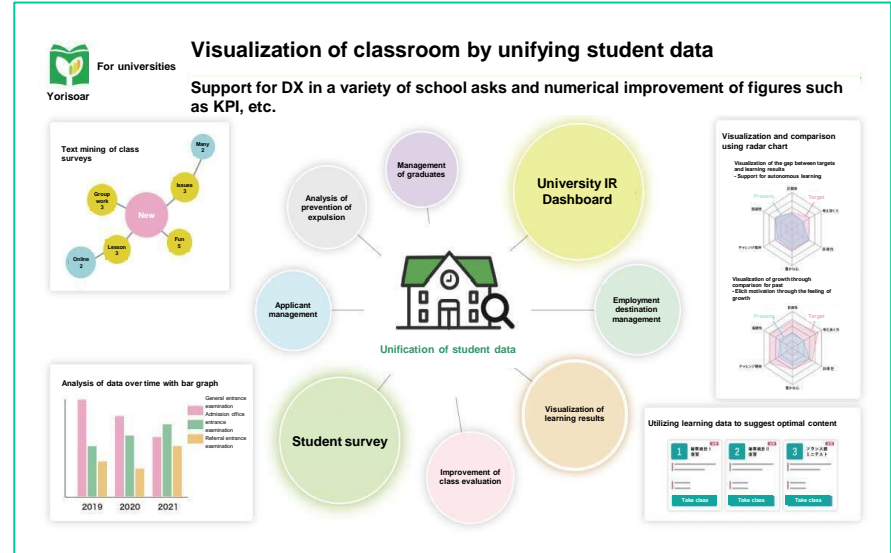
Integrated sales strategy solution for simultaneously realizing maximization of sales results and improvement of organization performance



Educational support services area



School management system supporting visualization of classrooms and university IR



02 Financial results for the nine months ended June 30, 2022

Highlights

■ Overview

- Talent Palette Business continues to perform well. The number of customers continued to grow in 3Q, and performance exceeded targets
- Visualization Engine and Customer Rings made progress generally as planned

■ Financial results for the nine months ended June 30, 2022 (3Q)

- Financial results for the nine months ended June 30, 2022, showed a **29.4%** increase in net sales and a **20.0%** increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **31.8%**.
- Recurring revenue (MRR) for the company as a whole grew steadily to **598** million yen (up **30.2 %** year on year)
- The Talent Palette Business continued to perform well, showing a **54.8%** increase in net sales and a **41.6%** increase in operating profit
- The Talent Palette business continued to expand in terms of the number of customers due to an increase in new customers and the revenue churn rate remaining low, and average revenue per user (ARPU) also continued to rise, with the steady accumulation of recurring revenue contributing to strong performance

■ Earnings forecasts for the fiscal year ending September 30, 2022

- Performance has been strong until the nine months ended June 30, 2022 (3Q), but marketing expenses are increased from the second half of the fiscal year, and there is no change to the initial full-year forecast.
- We forecast net sales of **7,650** million yen (up **25.0 %** year on year) and operating profit of **2,500** million yen (operating profit margin of **32.7%**)

Financial results highlights

- Financial results for the nine months ended June 30, 2022 (3Q) showed a 29.4% increase in net sales and a 20.0% increase in operating profit from the same period of the previous fiscal year.

<Cumulative3Q>

Net sales	5,700	million yen	YoY change	29.4	% up
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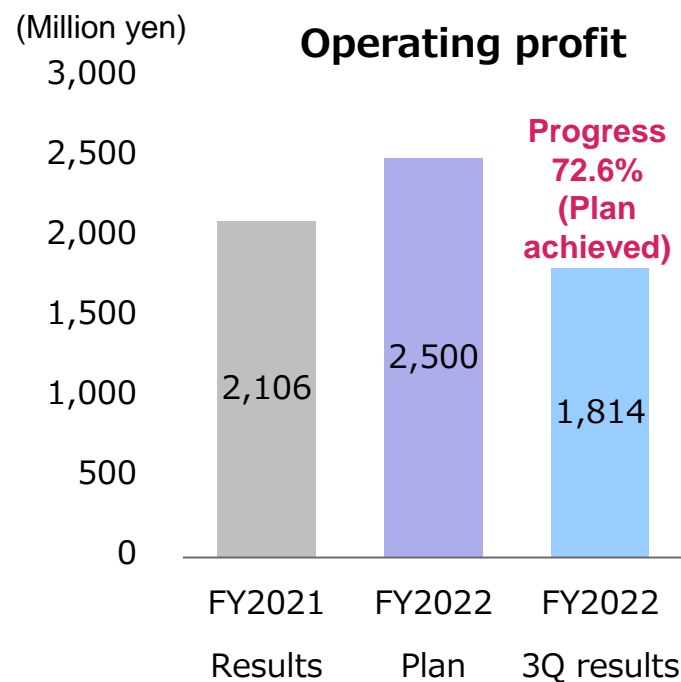
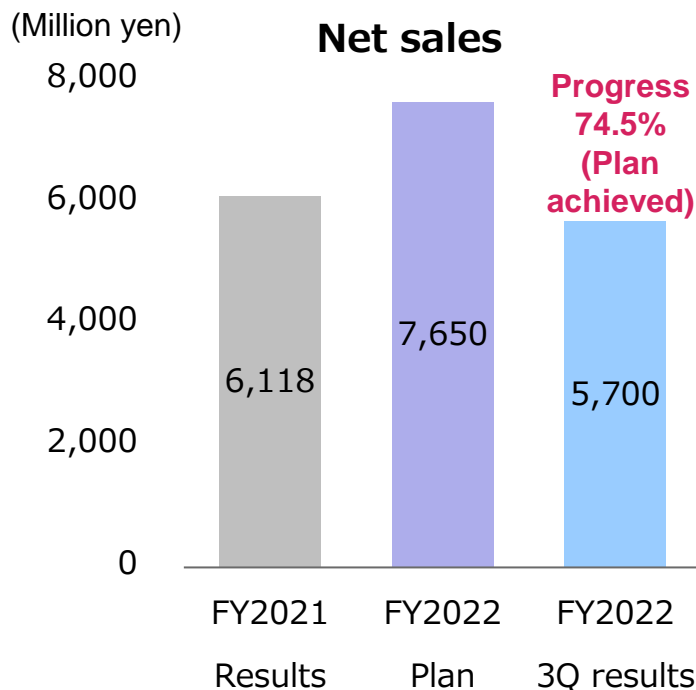
Operating profit	1,814	million yen	YoY change	20.0	% up
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Ordinary profit	1,807	million yen	YoY change	21.1	% up
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Profit	1,190	million yen	YoY change	22.0	% up
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Financial results progress (companywide) for the nine months ended June 30, 2022 (3Q)

- Net sales in cumulative 3Q were 74.5% of the full year plan, proceeding smoothly in excess of the planned level.
- Progress in operating profit was 72.6% of the full-year plan, and the marketing expenses not used in the first half were added.



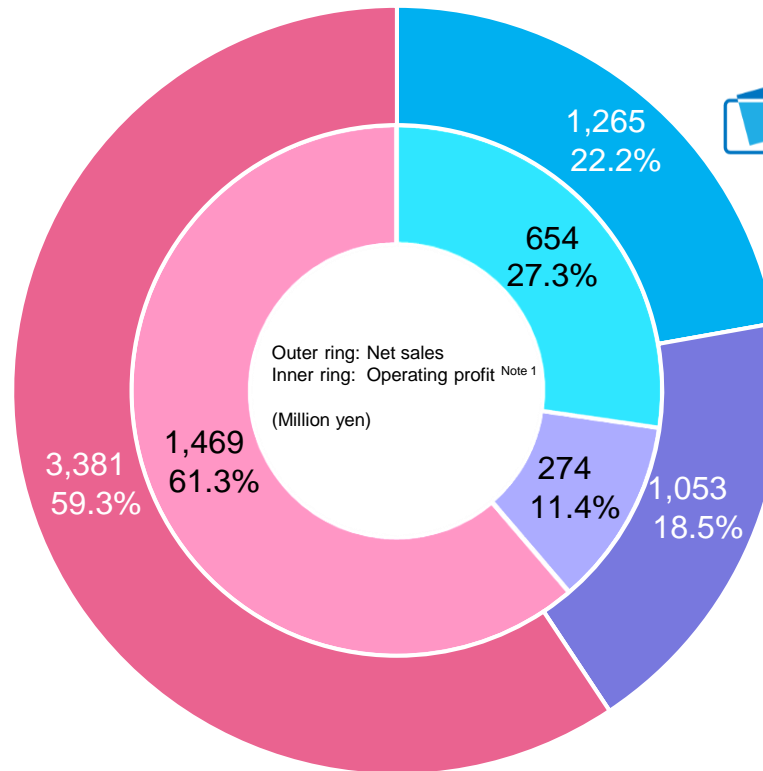
Financial results summary (Companywide)

- Net sales, operating profit both continued to increase in 3Q despite the increase in marketing expenses.
- Performance was steady for the nine months ended June 30, 2022, with a 29.4% increase in net sales, a 20.0% increase in operating profit and an operating profit margin of 31.8%

Million yen	FY2022 (Apr.-Jun.)			FY2022 (Oct.-Jun.)			FY2022 (Oct. -Sep.)	
	3Q			Cumulative 3Q			FY2022 plan	
	FY2021 results	FY2022/9 3Q results	YoY	FY2021 results	FY2022/9 3Q results	YoY	Plan	Progress
Net sales	1,524	1,950	27.9%	4,405	5,700	29.4%	7,650	74.5%
Cost of sales	440	571	29.7%	1,273	1,652	29.7%		
Gross profit	1083	1,378	27.2%	3,131	4,048	29.3%		
Selling, general and	615	866	40.8%	1,619	2,233	37.9%		
Operating profit	468	512	9.4%	1,512	1,814	20.0%	2,500	72.6%
Ordinary profit margin	30.8%	26.3%	-	34.3%	31.8%	-	32.7%	-
Ordinary profit	441	513	16.4%	1,492	1,807	21.1%	2,450	73.8%
Profit	288	335	16.5%	976	1,190	22.0%	1,600	74.4%

Financial results (by segment) for the nine months ended June 30, 2022 (3Q)

- Talent Palette accounted for 59.3% of companywide sales and 61.3% of profit, driving companywide growth
- The highly profitable Talent Palette business contributed to the improvement of companywide profitability



Note 1: Amount of operating profit of the segment in cumulative 3Q of FY2022 (before elimination of shared expenses)

Financial results highlights (Talent Palette Business)

- The Talent Palette Business continued to perform well, showing a 54.8% increase in net sales and a 41.6% increase in operating profit

<Talent Palette Business -cumulative 3Q>

	Cumulative FY2021 3Q	Cumulative FY2022 3Q	YoY change
Net sales ¹	2,183 million yen	3,381 million yen	54.8 % up
Operating profit ²	1,037 million yen	1,469 million yen	41.6 % up
Ordinary profit	47.5 %	43.5 %	4.0 point down
MRR ³	224 million yen	347 million yen	54.8 % up
Number of customers ⁴	623 Cases	906 Cases	45.4 % up
Revenue churn rate ⁵	0.46 %	0.43 %	0.03 point down
ARPU ⁶	356 Thousand yen	380 Thousand yen	6.5 % up

Note 1: Results for 3Q of 2021 and 3Q of 2022 (cumulative)

Note 2: Amount of operating profit of the segment in 3Q of FY2021 and 3Q of FY2022 (before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2021 and in June 2022

Note 4: Number of monthly billed contracts as of June 30, 2021 and June 30, 2022

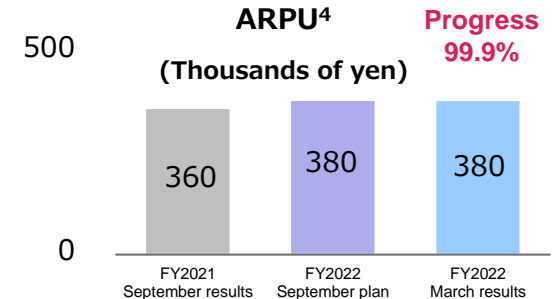
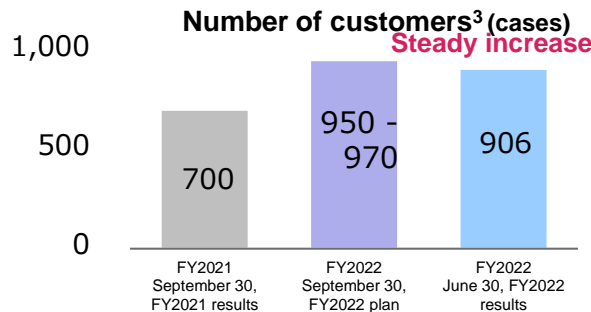
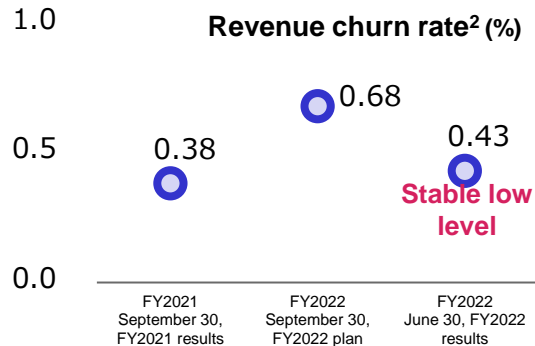
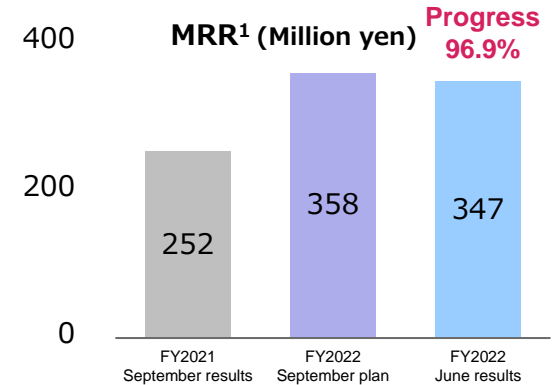
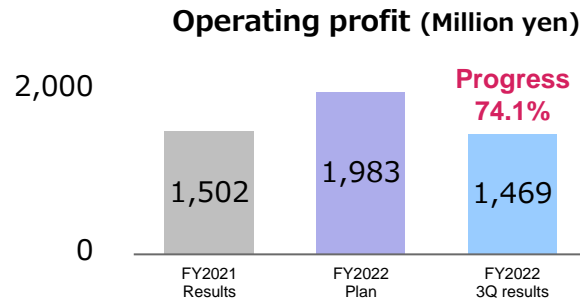
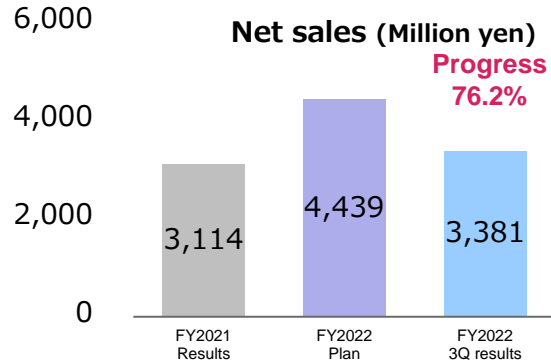
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2021 and June 2022 (average for the past 12 months).

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 FY2021 and 3Q of FY2022 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, all major KPIs exceeded initial plans.
- In addition to strong orders at the end of the previous fiscal year, orders will continue to be strong this fiscal year, and the number of customers is steadily increasing



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)

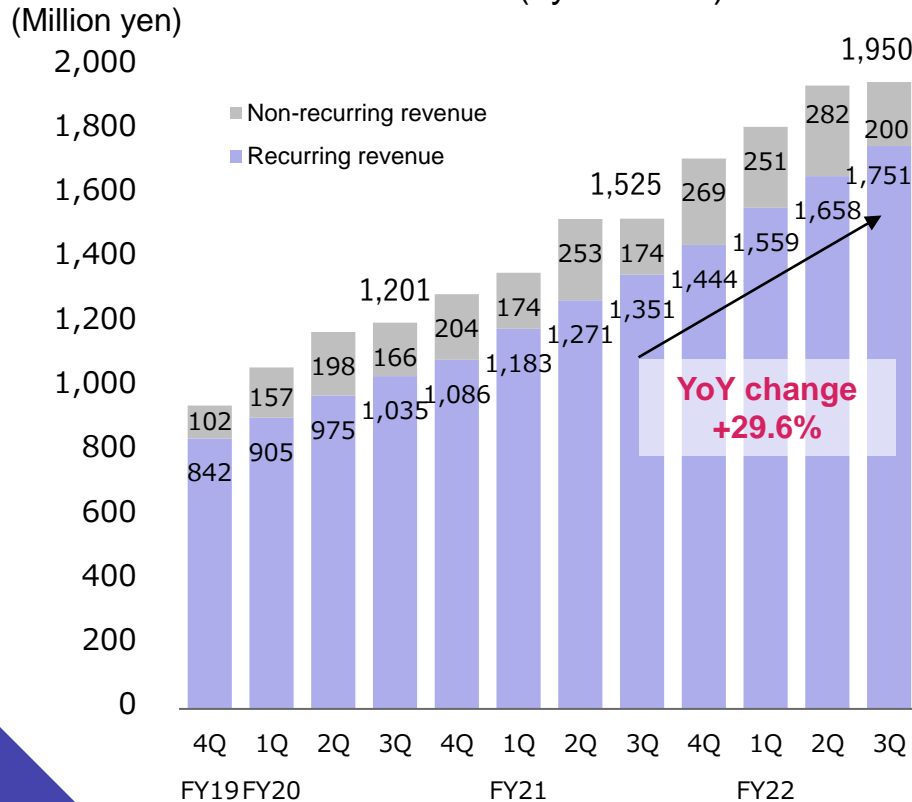
Note 3: Number of monthly billed contracts

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

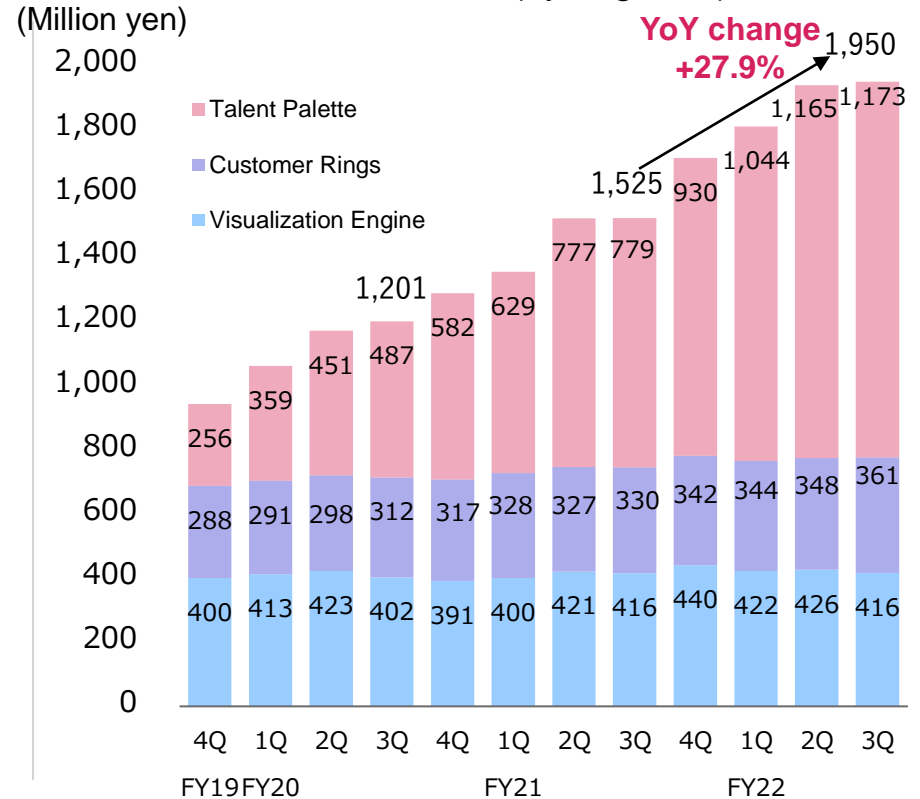
Net sales trends (companywide)

- Recurring revenue steadily increased and expanded to 1,751 million yen (+29.6% year on year) in 3Q
- Sales in each business exceeded those of the previous fiscal year, and expanded to 1,950 million yen in 3Q (up 27.9% year on year)

Net sales (by revenue)



Net sales (by segment)

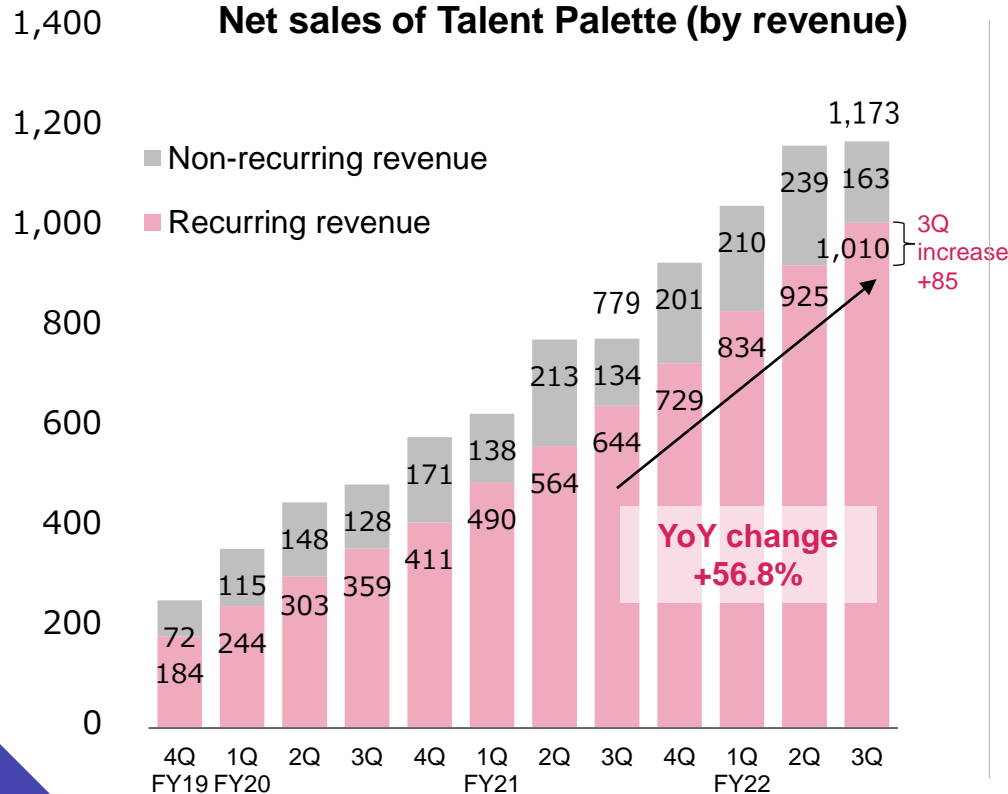


Net sales trends (Talent Palette)

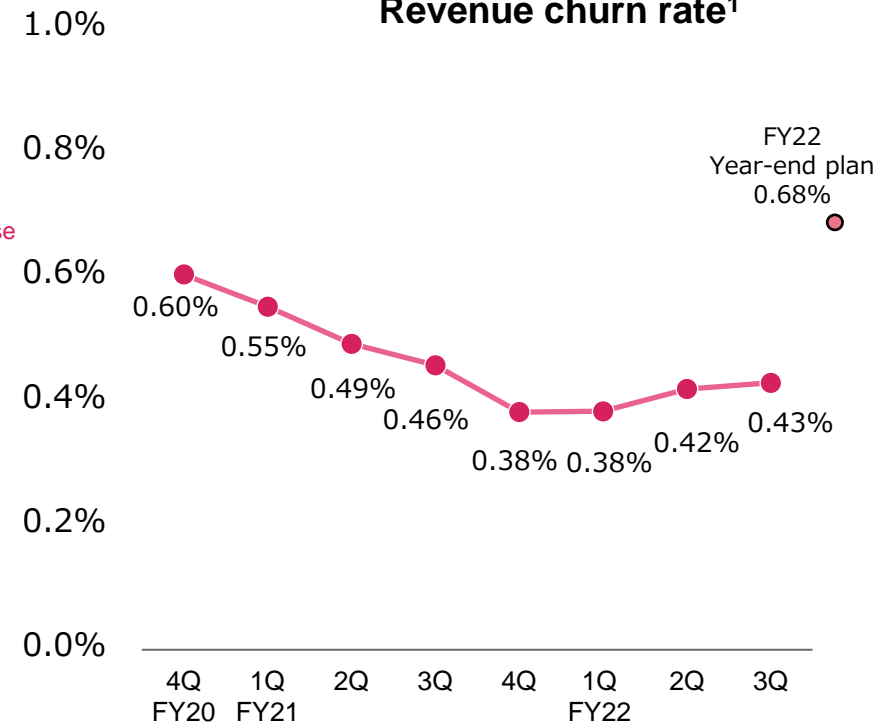
- Recurring revenue steadily increased and expanded to 1,010 million yen (+56.8% year on year) in 3Q
- The cancellation rate was stable at 0.43%, which was lower than the FY2022 year-end plan of 0.68%

(Million yen)

Net sales of Talent Palette (by revenue)



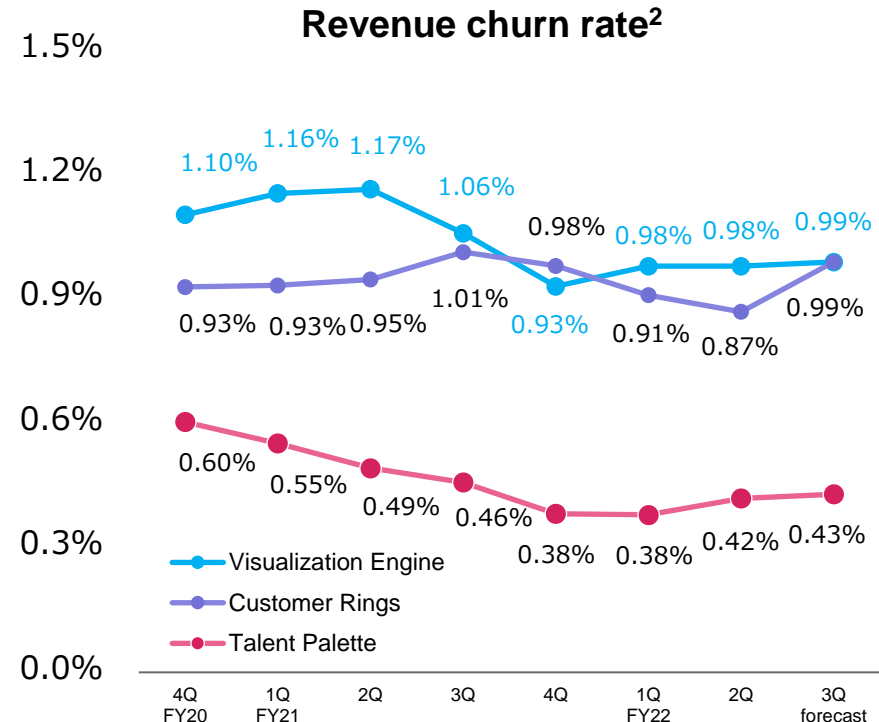
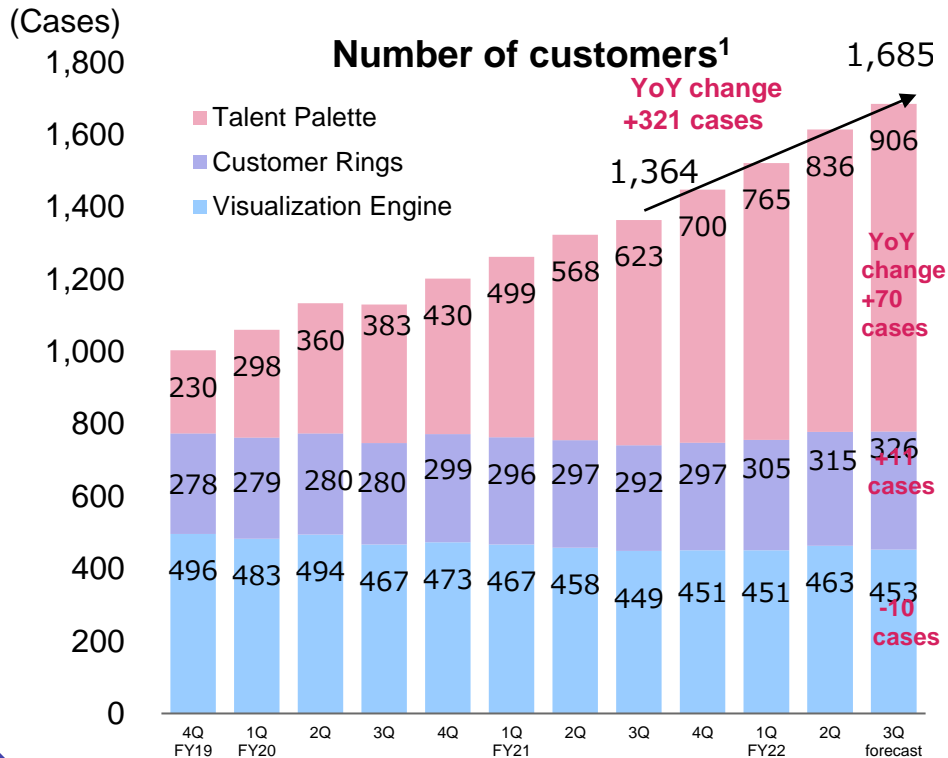
Revenue churn rate¹



Note 1: 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 number of customers and revenue churn rate

- The number of customers has steadily grown due to increased introduction of Talent Palette and a low revenue churn rate
- Customer Rings is increasing due to an increase in the acquisition of customers
- Visualization Engine remained flat due to the impact of COVID-19



Note 1: Number of monthly billed contracts

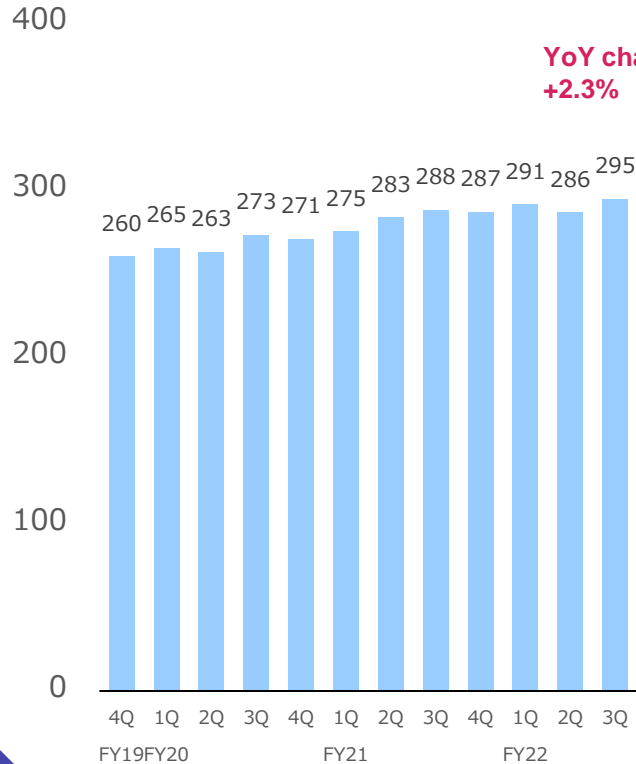
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Trends in average revenue per u ser (APPU)

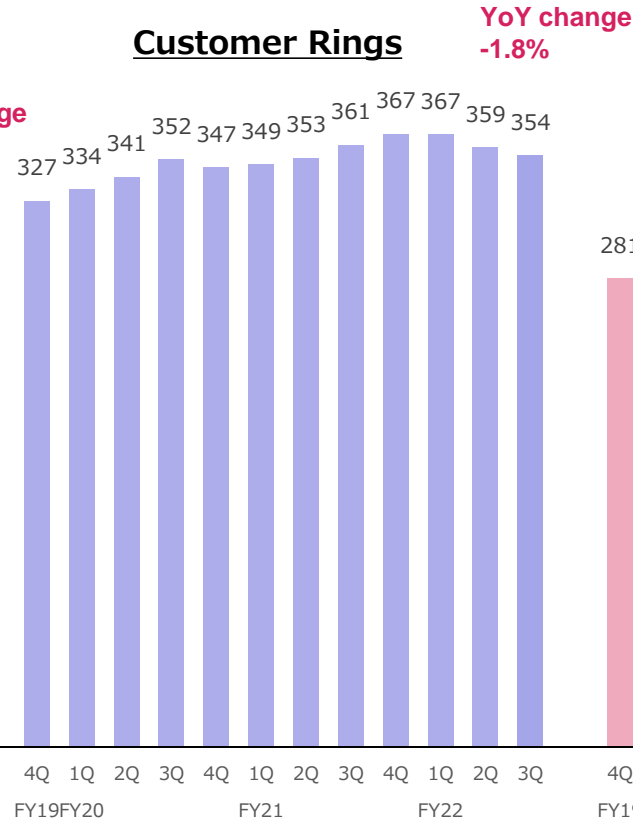
- Talent Palette's ARPU¹ was flat due to upselling and the leveling of the scale of new customers
- Growth of ARPU of Customer Rings slowed due to focus on new acquisitions

(Thousand yen)

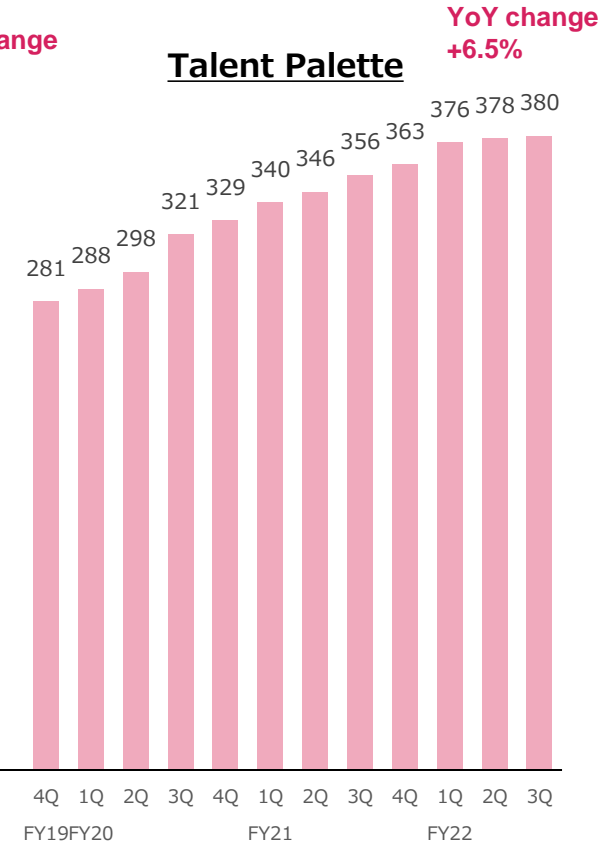
Visualization Engine



Customer Rings



Talent Palette



Note 1: Average Revenue Per User. Average monthly revenue per paid billing enterprise 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.

Major KPIs for 3Q of FY2022

MRR¹

Companywide

598 million yen

■ Visualization Engine	134 million yen
■ Customer Rings	117 million yen
■ Talent Palette	347 million yen

MRR growth rate²

Companywide

30.2%

■ Visualization Engine	3.8%
■ Customer Rings	10.5%
■ Talent Palette	54.8%

Average monthly revenue churn rate³

Companywide

0.69%

■ Visualization Engine	0.99%
■ Customer Rings	0.99%
■ Talent Palette	0.43%

Number of users⁴

Companywide

1,685 companies

■ Visualization Engine	453 companies
■ Customer Rings	326 companies
■ Talent Palette	906 companies

Recurring ratio⁵

Companywide

89.8%

■ Visualization Engine	95.9%
■ Customer Rings	94.6%
■ Talent Palette	86.1%

ARPU⁶

Companywide

352 thousand yen

■ Visualization Engine	295 thousand yen
■ Customer Rings	354 thousand yen
■ Talent Palette	380 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2022 (excluding temporary sales).

Note 2: MRR growth rate from March 2021 to March 2022

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of June 2022 (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, 2022

Note 5: Calculated as dividing total monthly billed amounts for the third quarter of the fiscal year ending September 30, 2022 by net sales for the same period.

Note 6: Average Revenue Per User. Calculated as dividing the average MRR for the third quarter of the fiscal year ending September 30, 2022 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 same period by the average number of total enterprise users for the three businesses of each month for the same period.

Major KPIs: Year-on-year change

<Companywide Cumulative 3Q>	Cumulative FY2021 3Q	Cumulative FY2022 3Q	YoY change
Net sales¹	4,405 million yen	5,700 million yen	29.4 % up
Operating profit²	1,512 million yen	1,814 million yen	20.0 % up
Ordinary profit	34.3 %	31.8 %	2.5 point down
MRR³	459 million yen	598 million yen	30.2 % up
Number of customers⁴	1,364 Cases	1,685 Cases	23.5 % up
Revenue churn rate⁵	0.80 %	0.69 %	0.11 point down
ARPU⁶	334 Thousand yen	352 Thousand yen	5.1 % up

Note 1: Results for 3Q of 2021 and 3Q of 2022 (cumulative)

Note 2: Results for 3Q of 2021 and 3Q of 2022 (cumulative)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2021 and in June 2022

Note 4: Number of monthly billed contracts as of June 30, 2021 and June 30, 2022

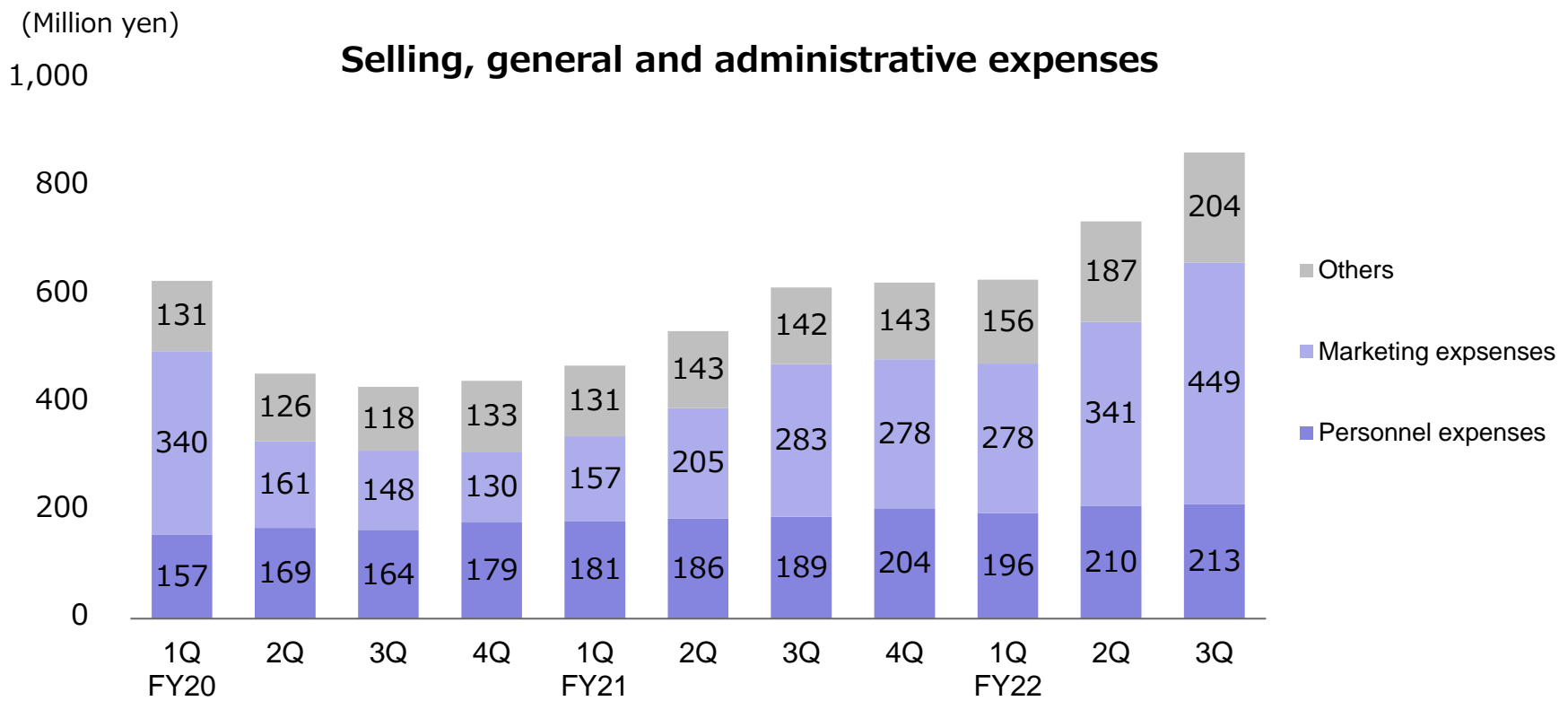
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2021 and June 2022 (average for the past 12 months).

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 FY2021 and 3Q of FY2022 by the average number of paid billing enterprise users of each month for the same period.

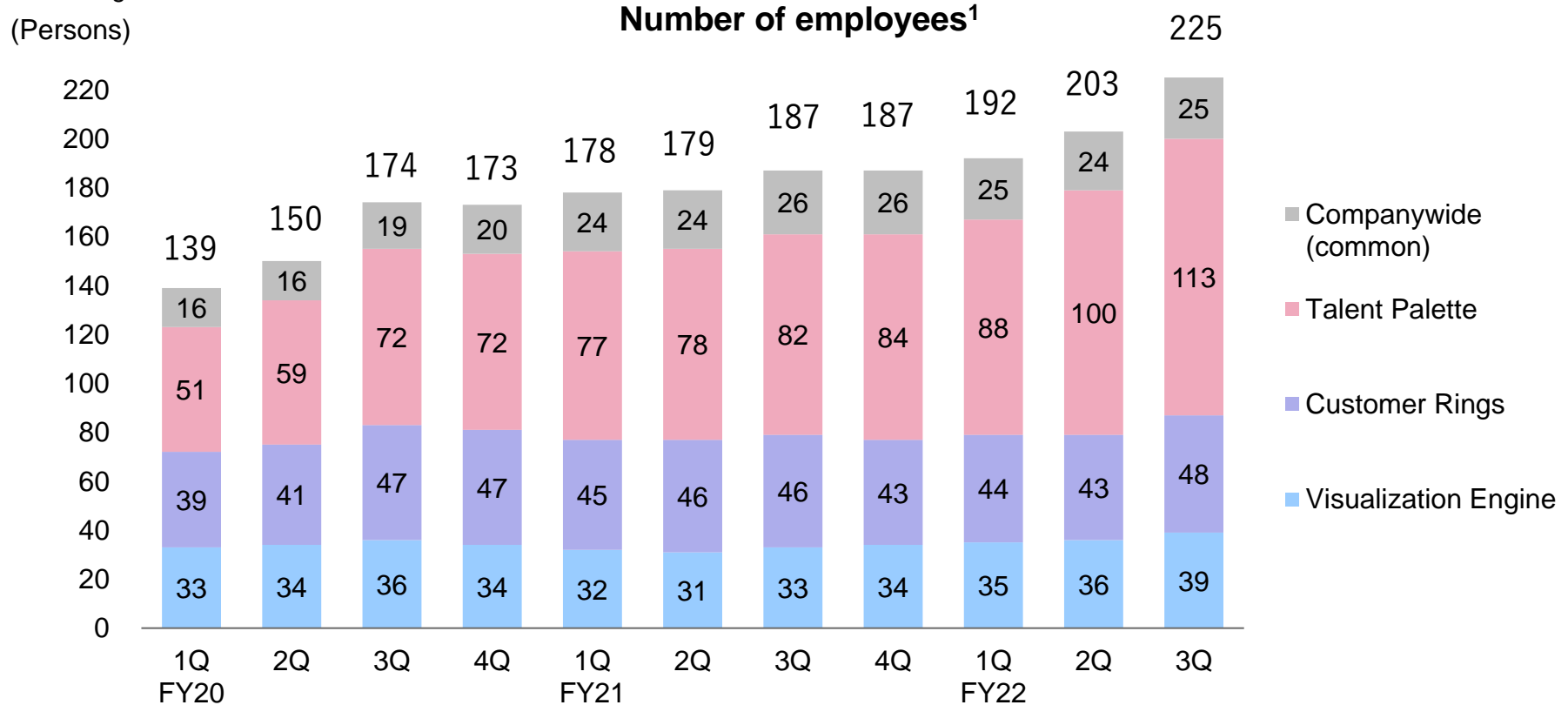
Trends in selling, general and administrative expenses

- Marketing expenses increased on schedule from 2Q due to an increase of the portion not used in the first two quarters, and is expected to land on schedule for the full year
- Others increased due to strengthening of inbound and outbound salesperson from measures to increase leads



Trends in the number of employees

- Increased in the number of personnel, especially in consultant positions, due to the need to respond to the increasing number of Talent Palette customers
- Strengthening of system by continuously hiring engineers for strengthening sales and functions to acquire new business including new graduates



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

Status of Balance Sheets

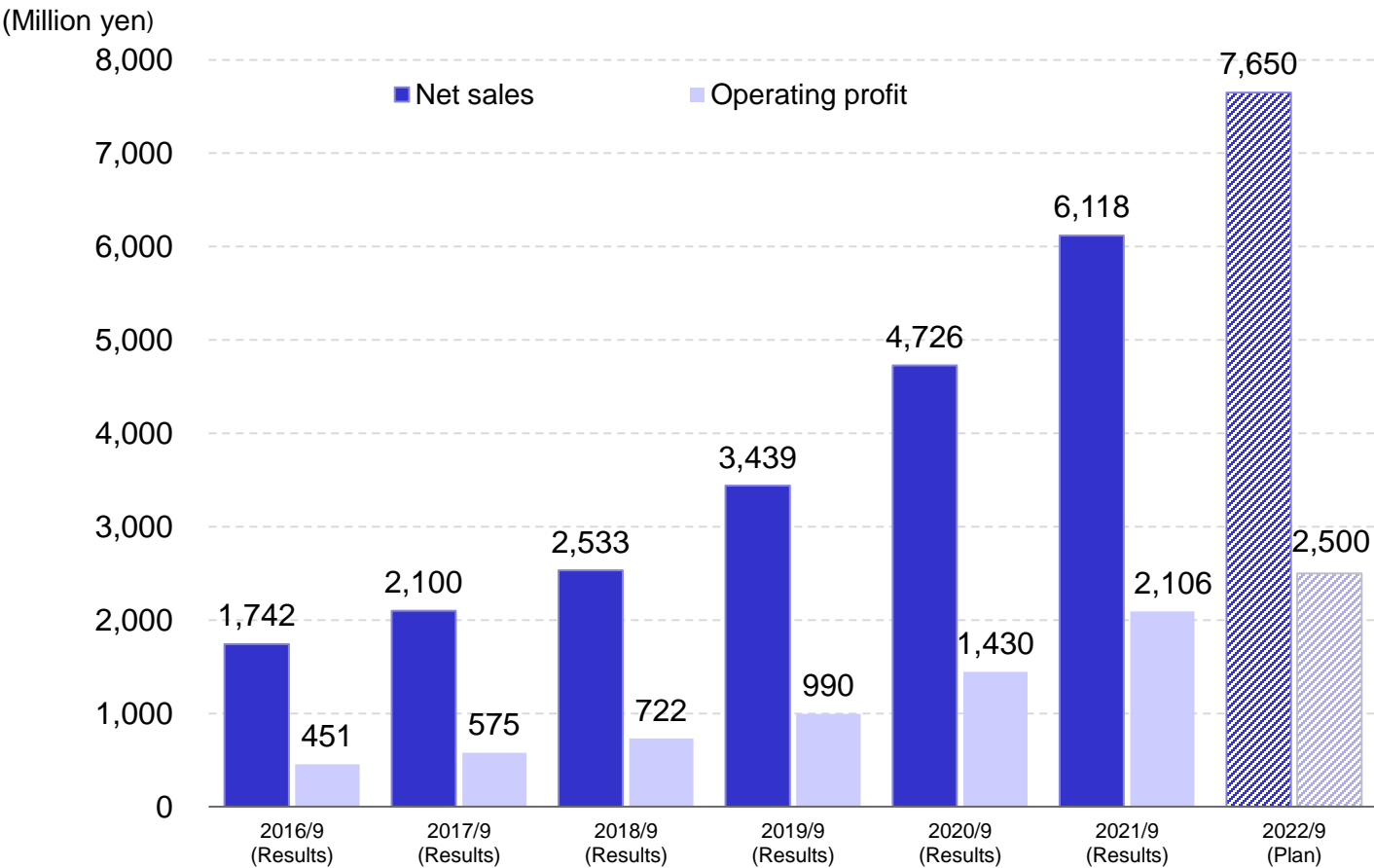
- Net assets increased by 951 million yen from September 30, 2021 due to continuously recording profits
- The slim financial structure was maintained, and the equity ratio rose to 84.3%

(Million yen)	Sep. 30, 2021	Jun. 30, 2022	Changes from Sep. 30, 2021
Current assets	5,498	5,644	up 146
(Cash and deposits)	4,614	4,660	up 46
(Accounts receivable-trade)	751	771	up 20
Non-current assets	636	1,291	up 655
Total assets	6,135	6,936	up 801
Current liabilities	1,227	1,077	down 150
Non-current liabilities	-	-	-
Net assets	4,907	5,858	up 951
Equity ratio	79.8%	84.3%	

03 Earnings forecasts for the fiscal year ending September 30, 2022

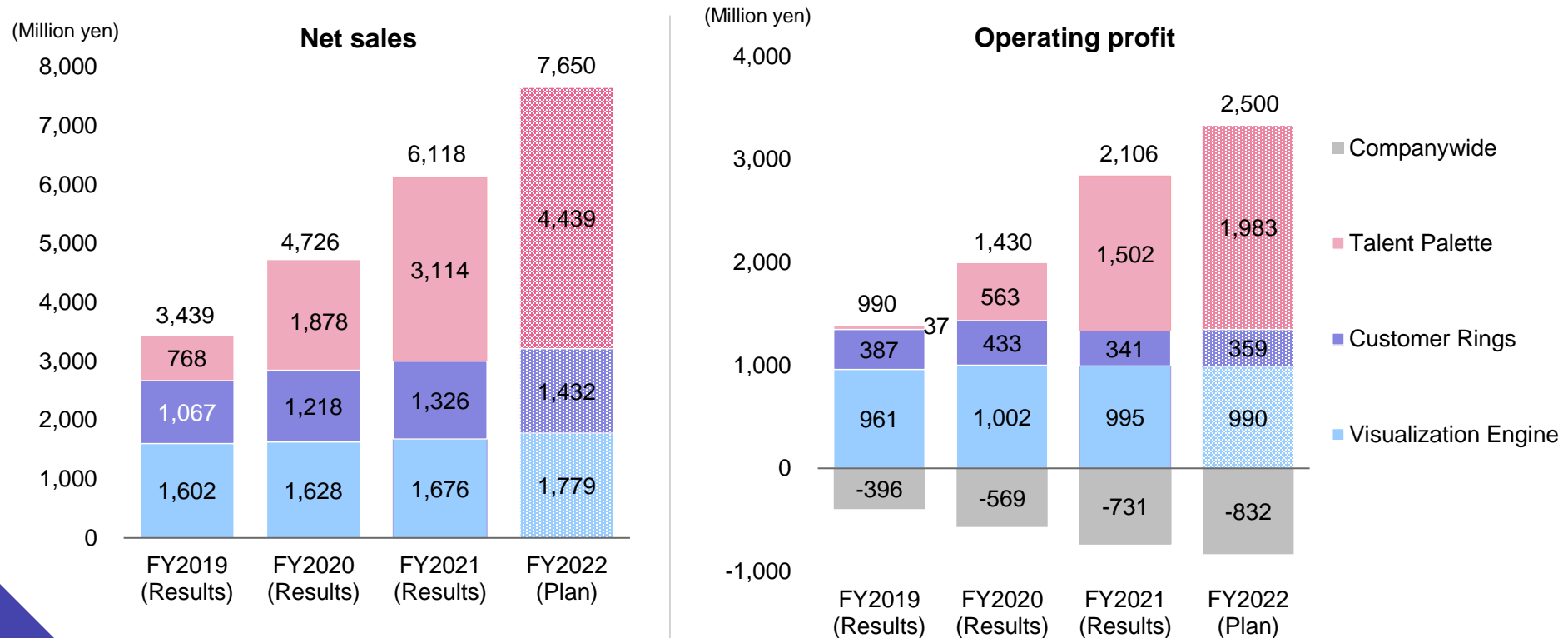
Earnings forecasts for the fiscal year ending September 30, 2022

- Revenues and profits are expected to increase year-on-year in the fiscal year ending September 30, 2022, with sales growth mainly in the Talent Palette Business
- We are aiming for a 25% growth in net sales and an operating profit margin of 32.7%

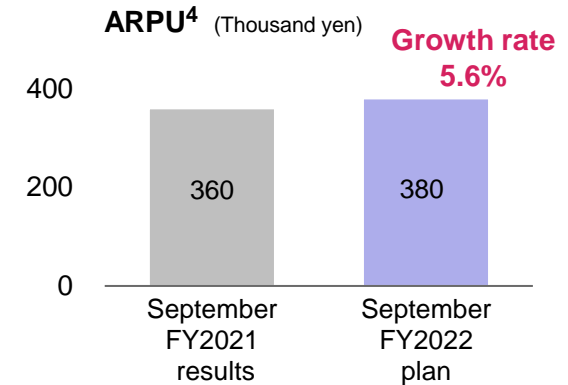
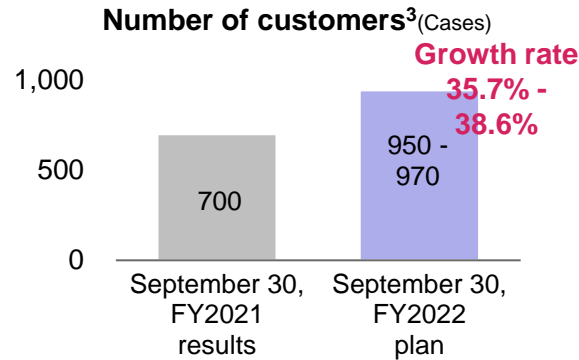
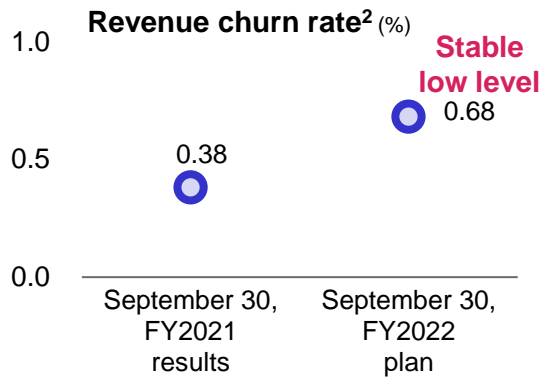
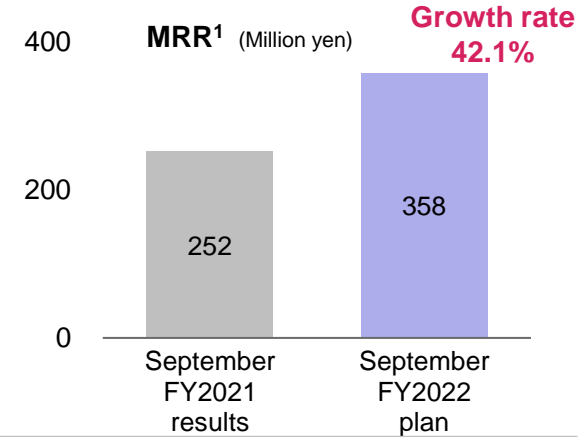
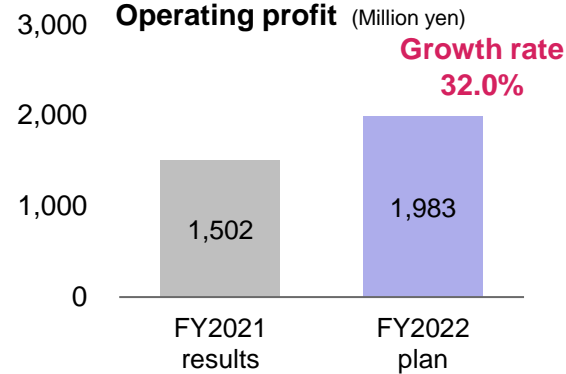
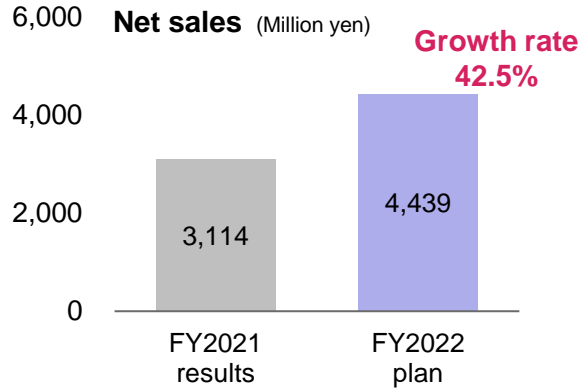


Earnings forecasts for the fiscal year ending September 30, 2022 (By segment)

- Companywide growth in revenues and profits driven by sales and profit growth in Talent Palette
- Net sales increased for Visualization Engine and Customer Rings, but profit is expected to remain the same due to increases in marketing expenses and system expenses



Earnings forecast assumptions (Talent Palette Business)



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

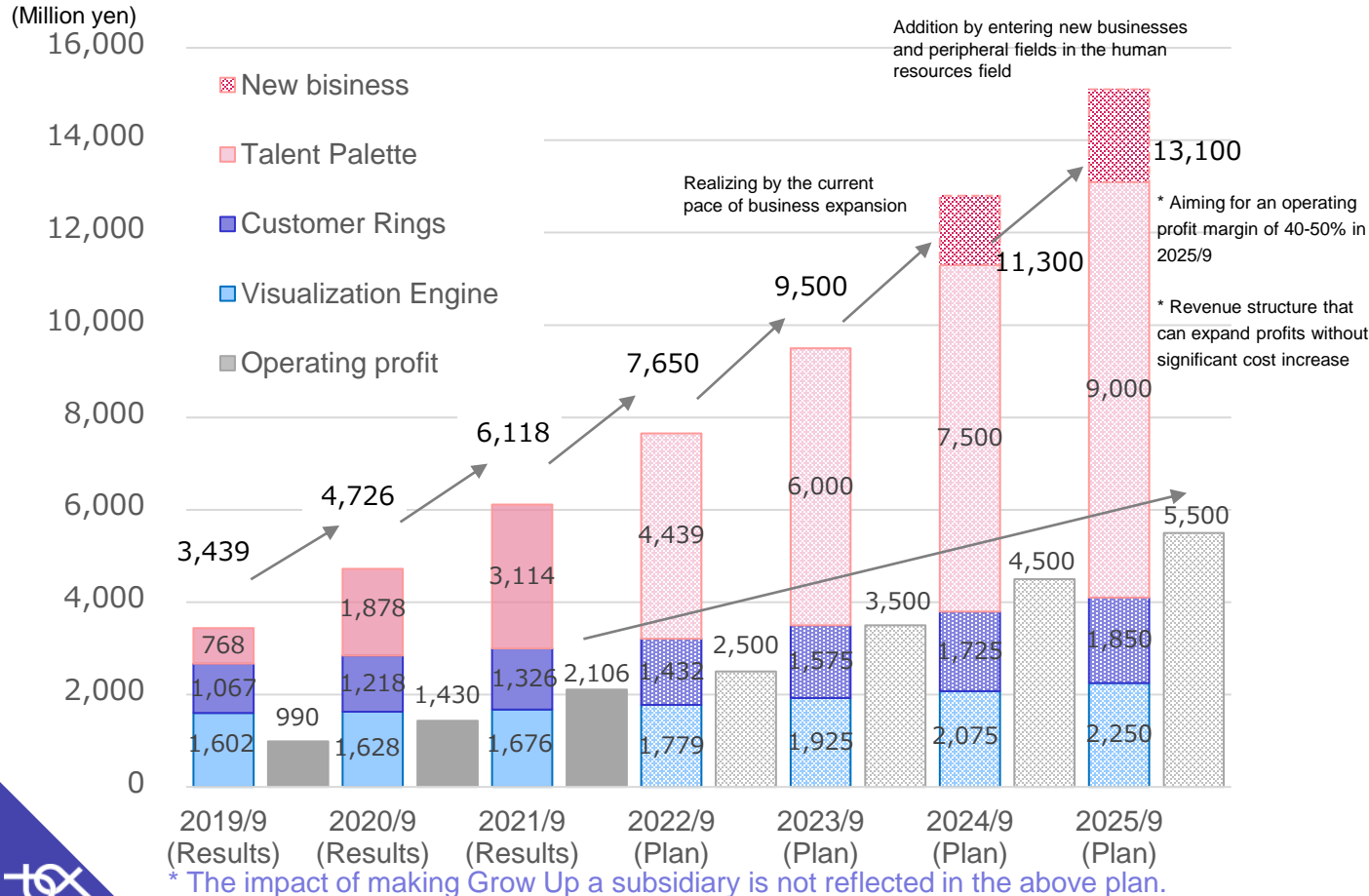
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)

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.

Medium term growth image

- Sales of 13 billion yen or more, operating profit of 5.5 billion yen or more and ROE of 30% or more expected as an extension of existing business in 2025/9
- Aim to further increase sales by making a full-scale entry into new businesses and peripheral fields in the human resources field



Major performance indicators

• Number of customers (cases)




	2022/9 (Plan)	2025/9 (increase)
Visualization Engine	467	+100
Customer Rings	319	+100
Talent Palette	950 - 970	+900

• ARPU (thousand yen)

	2022/9 (Plan)	2025/9 (forecast)
Visualization Engine	305	330
Customer Rings	370	370
Talent Palette	380	395

04 Reference materials

Service characteristics

	Visualization platform	Marketing automation tool	HR utilization platform
			
Service overview	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
Users and usage	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
Major Characteristics	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
Fee system	Monthly fee: Monthly subscription plan according to data amount, 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 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, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.
Number of users ¹ Rate of recurring revenue ²	Number of contracts (453 companies) Rate of recurring revenue (95.9%)	Number of contracts (326 companies) Rate of recurring revenue (94.6%)	Number of contracts (906 companies) Rate of recurring revenue (86.1%)

Note 1: Number of contracts as of June 30, 2022

Note 2: Ratio of total monthly billed amounts to net sales (average of the third quarter of the fiscal year ending September 30, 2022)

Characteristics of Visualization Engine

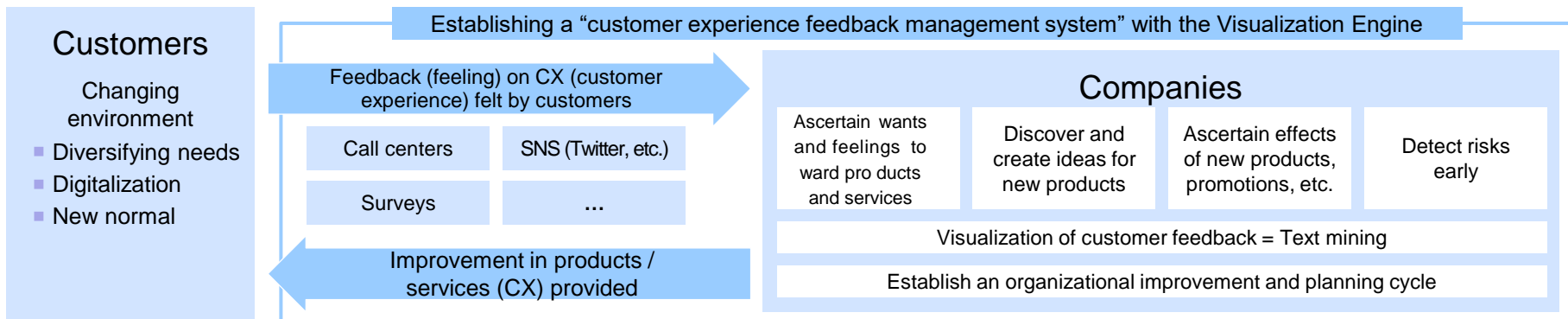
Service characteristics

- 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

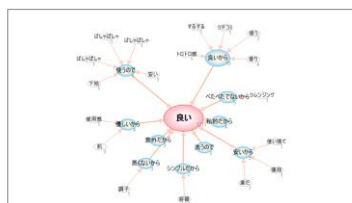


- Text mining analysis of massive amounts of customer feedback from social media such as Twitter, call logs, and even surveys
- Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support for customer feedback-oriented improvement activities on a companywide basis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

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



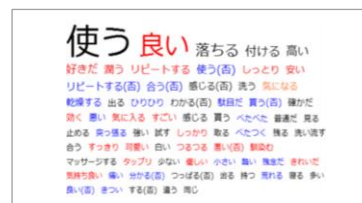
Visualized output of customer thoughts and wants (proprietary text mining technology)



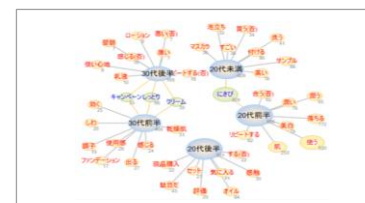
Reason map
(Ascertain elements linked to central word)



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 10 consecutive years¹

Manufacturing



Retail distribution business

Food/Service

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Pharmaceutical

Infrastructure/IT

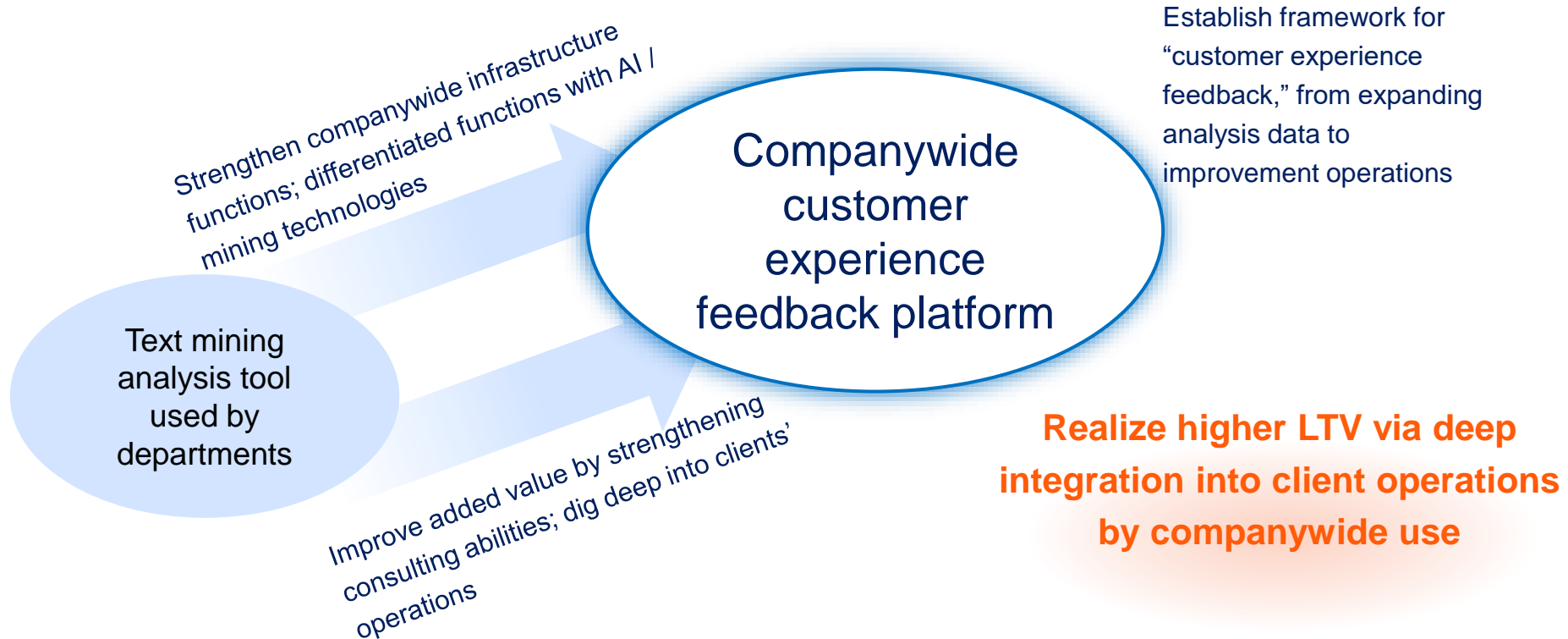
BtoB/BPO

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*Some of the companies' logos are shown here with permission. (In no particular order)

Note 1: Fuji Chimera Research Institute, Inc. "New Markets in the Software 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

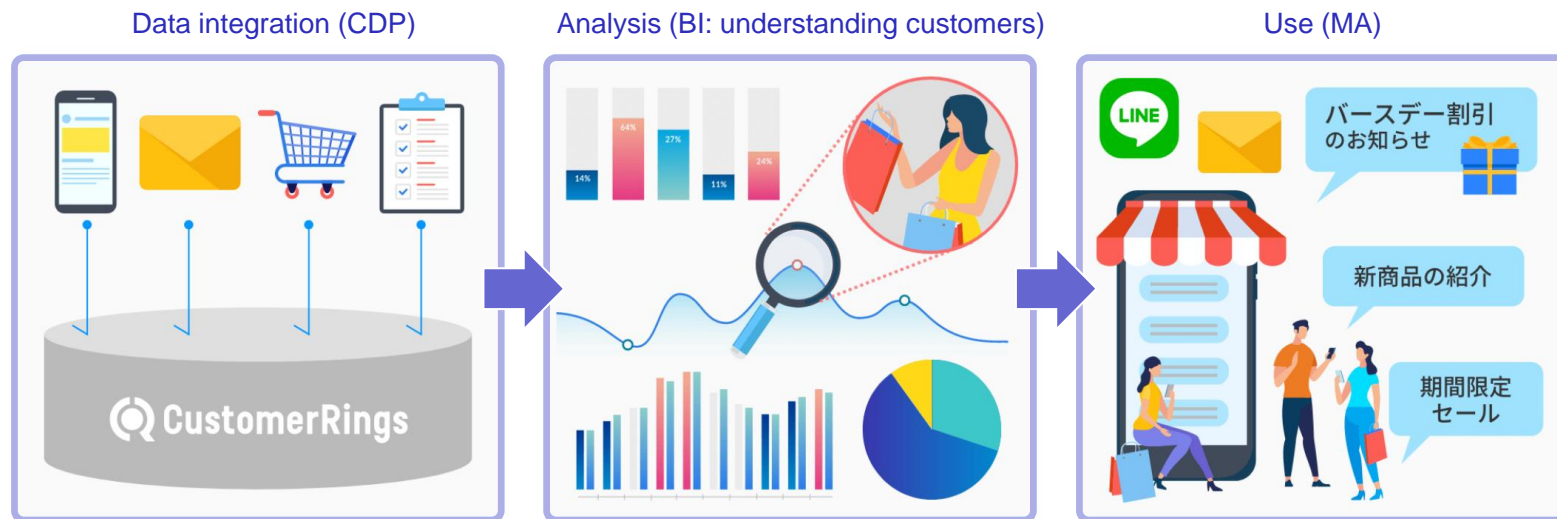
- A CRM/MA tool that realizes optimal communication with customers by integrating and analyzing massive amounts of customer information and purchase histories
- An intuitive interface that does not hamper users' thinking
- Enables timely approaches to customers through optimal channels, ranging from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



ここがポイント！

- 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



Automation (allows users to focus on more creative work)

Companies that have introduced Customer Rings



Supporting digital marketing / CRM enhancement of more than 650 growing companies in total

健康食品業界



コスメ業界



コンタクト業界



雑貨業界

ヘアケア業界



食品業界



アパレル業界



保険/金融業界



新聞業界



会員サービス業界



総合通販業界



BtoB通販業界



人材業界



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Growth strategy for Customer Rings Business

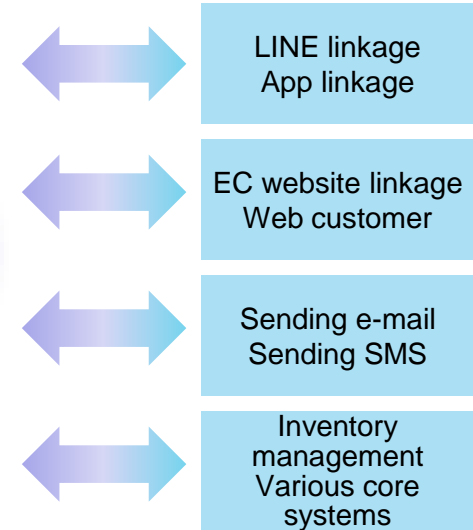
Expand differentiated “customer feeling” functions, create high added value for analysis consulting, and evolve into a marketing platform that can be linked with various marketing actions.

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

A digital marketing
platform highly
sensitive to
customer needs



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

Characteristics of Talent Palette

Service characteristics

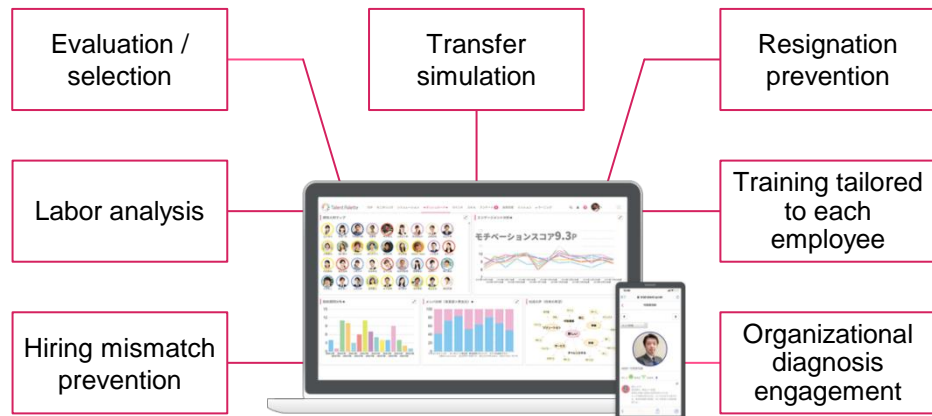
- Realizes data-based scientific personnel management strategy to enable users to succeed in an age of labor shortage
- Employee visualization functions that can be used for optimal employee placement or human resource selection
- Hiring functions including increasing efficiency of hiring operations, 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



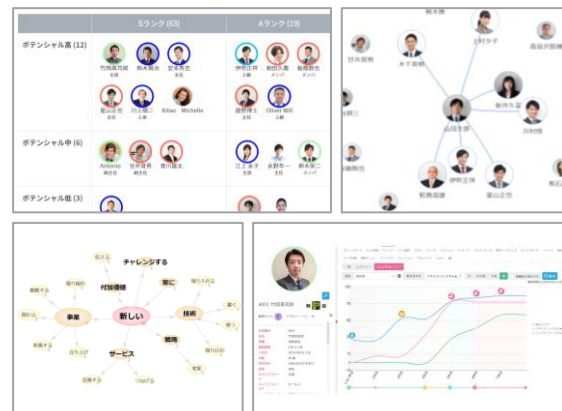
ここがポイント！

- 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

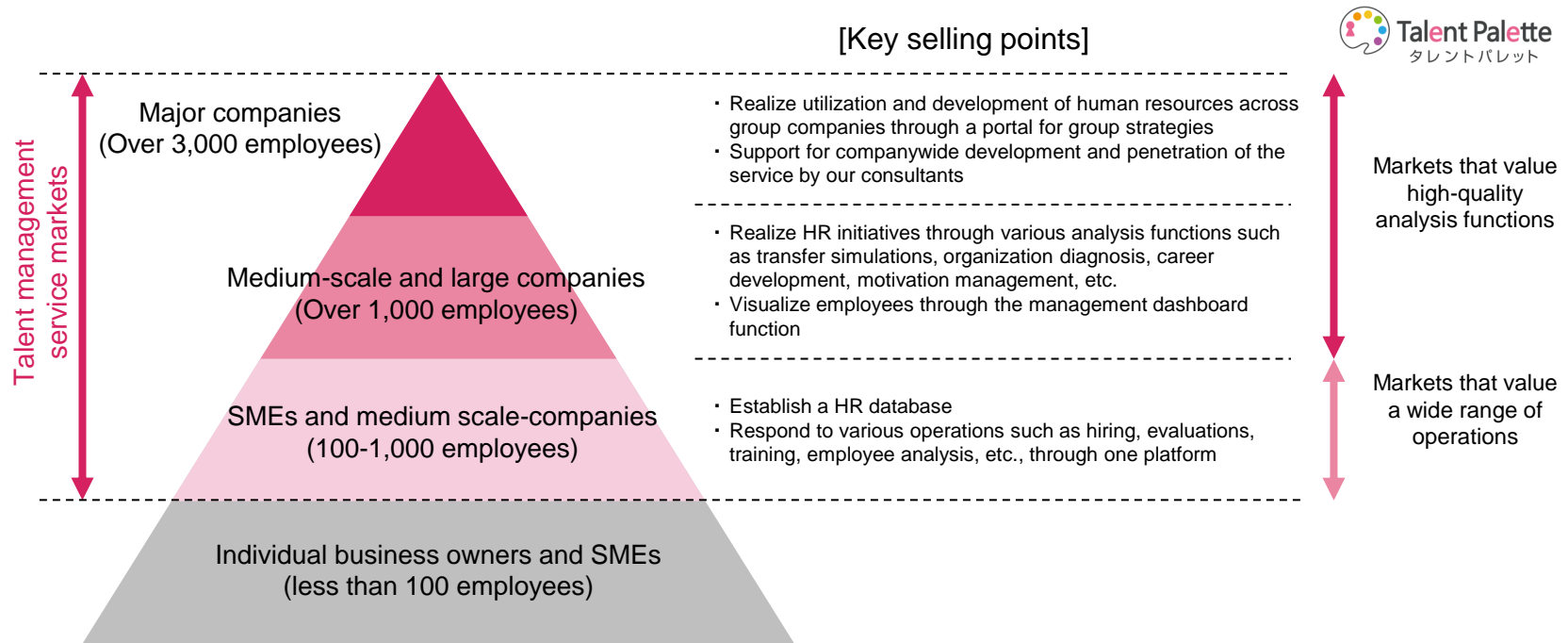
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**Realize scientific personnel
management strategy**
(Data-driven creative personnel strategy)

Talent Palette's target market

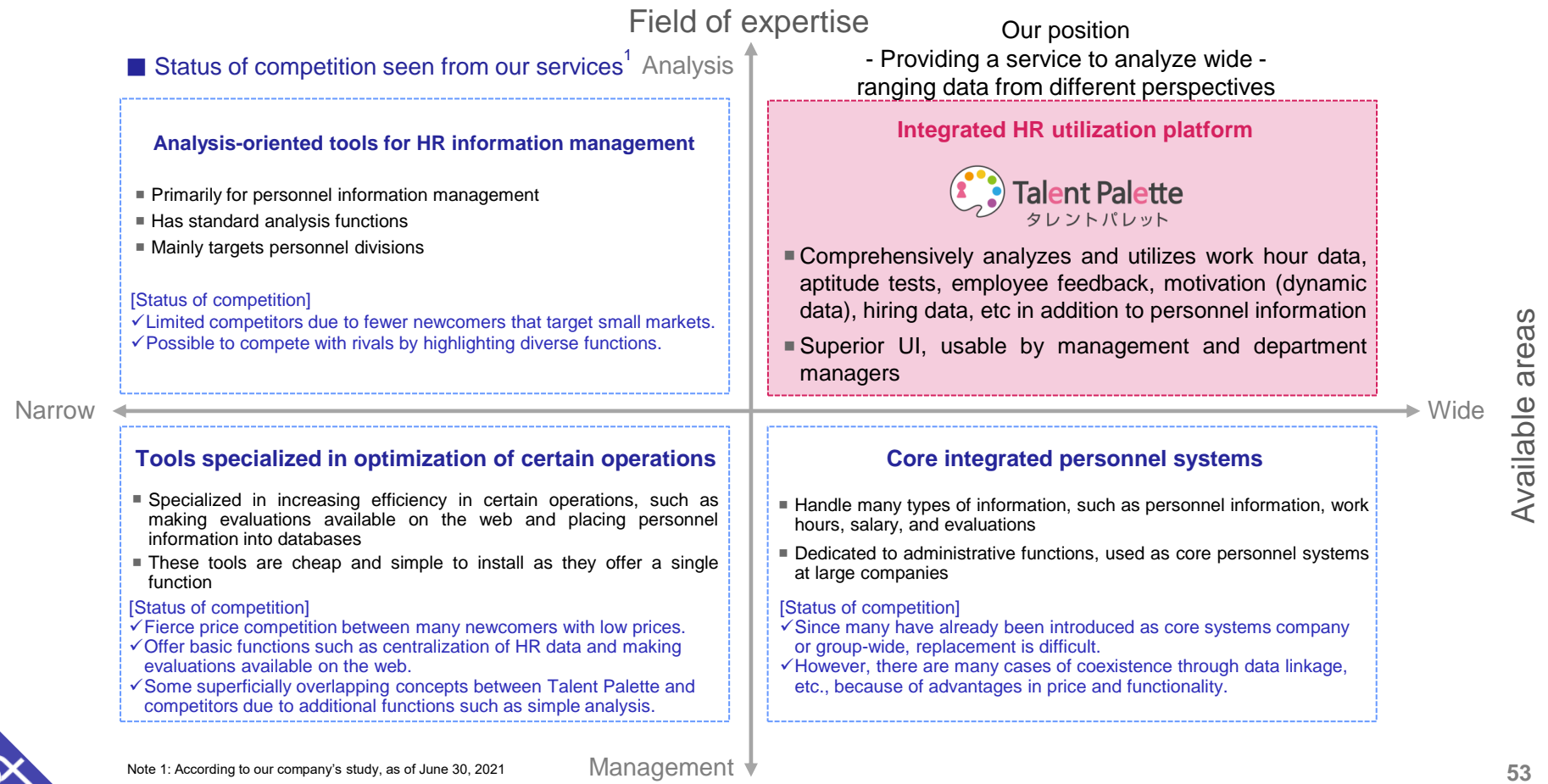
The talent management service is targeted for companies with 100 or more employees. Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

Target markets and selling points of the talent management service



Unique position as an integrated human resource platform

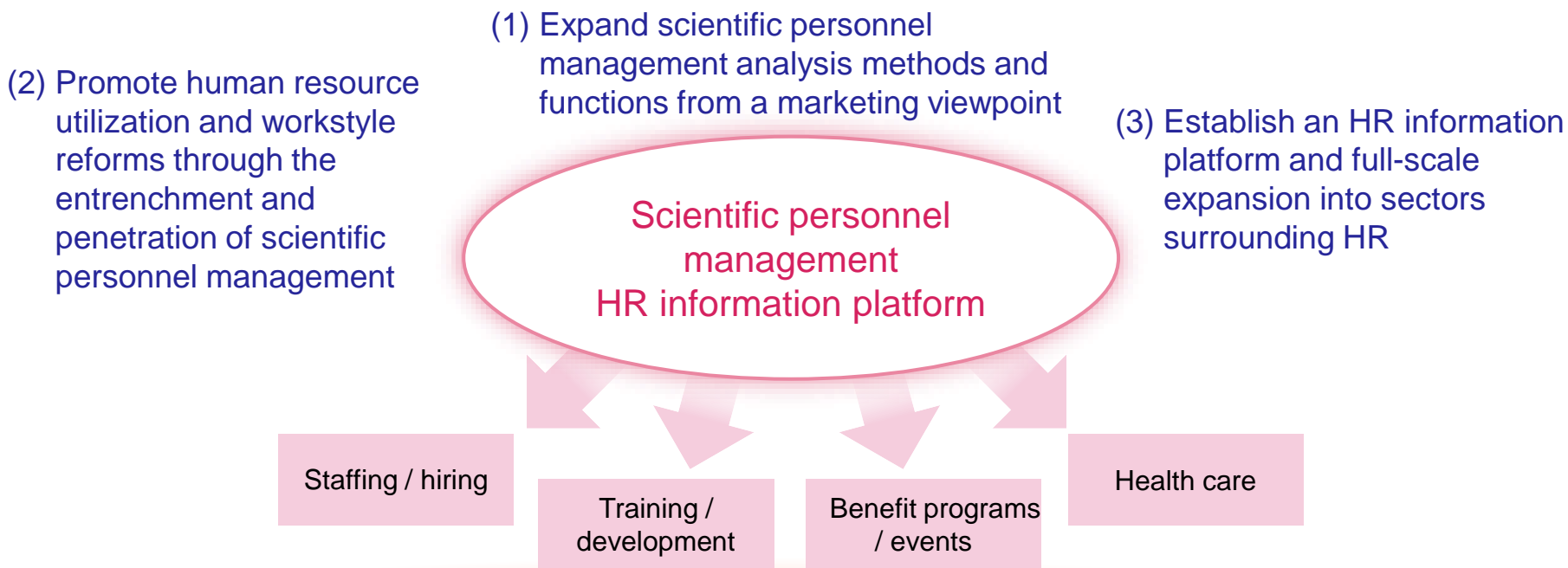
Differentiate Talent Palette from competing services by supporting a wide range of operations with integrated and accumulated personnel data, and enriching analysis functions



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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