

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (Under Japanese GAAP)

November 14, 2022

Company name: Plus Alpha Consulting Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4071
 URL: <https://www.pa-consul.co.jp>
 Representative: Katsuya Mimuro, Representative Director and President
 Inquiries: Shogo Noguchi, Director, Corporate Division
 Telephone: +81-3-6432-0427
 Scheduled date of annual general meeting of shareholders: December 16, 2022
 Scheduled date to commence dividend payments: December 19, 2022
 Scheduled date to file annual securities report: December 16, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended September 30, 2022 (from October 1, 2021, to September 30, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	7,910	29.3	2,663	26.4	2,671	27.7	1,796	25.7
September 30, 2021	6,118	29.4	2,106	47.3	2,091	44.7	1,428	39.2

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2022	44.73	42.09	31.7	37.9	33.7
September 30, 2021	35.71	33.49	33.8	39.4	34.4

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended September 30, 2022: ¥— million
 For the fiscal year ended September 30, 2021: ¥— million

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2022	7,944	6,464	81.2	160.57
September 30, 2021	6,135	4,907	79.8	122.25

Reference: Equity
 As of September 30, 2022: ¥6,453 million
 As of September 30, 2021: ¥4,896 million

(3) Non-consolidated 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2022	1,810	(707)	(238)	5,478
September 30, 2021	1,548	(59)	(125)	4,614

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2021	—	0.00	—	7.20	7.20	288	20.2	6.8
Fiscal year ended September 30, 2022	—	0.00	—	9.00	9.00	361	20.1	6.4
Fiscal year ending September 30, 2023 (Forecast)	—	0.00	—	13.00	13.00		20.1	

3. Non-consolidated earnings forecasts for the fiscal year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2023	10,600	34.0	3,400	27.6	3,350	25.4	2,600	44.7	64.69

*** Notes**

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of September 30, 2022	40,190,000 shares
As of September 30, 2021	40,050,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2022	93 shares
As of September 30, 2021	– shares

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2022	40,155,400 shares
Fiscal year ended September 30, 2021	40,012,877 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 outstanding during the period were calculated assuming that the share split was conducted at the beginning of the fiscal year ended September 30, 2021.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial results forecasts, and other special matters

The financial results 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 results 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

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	4,614,738	5,478,619
Notes receivable - trade	8,989	13,532
Accounts receivable - trade	751,959	941,505
Work in process	1,279	1,087
Supplies	5,544	2,253
Prepaid expenses	116,028	156,018
Other	192	6,066
Allowance for doubtful accounts	(190)	(284)
Total current assets	5,498,543	6,598,799
Non-current assets		
Property, plant and equipment		
Buildings, net	89,394	108,770
Tools, furniture and fixtures, net	24,826	65,373
Total property, plant and equipment	114,221	174,144
Intangible assets		
Software	1,834	15,731
Total intangible assets	1,834	15,731
Investments and other assets		
Investment securities	200,000	200,000
Shares of subsidiaries and associates	—	538,093
Deferred tax assets	118,062	132,653
Other	202,566	285,348
Total investments and other assets	520,629	1,156,094
Total non-current assets	636,685	1,345,971
Total assets	6,135,228	7,944,770

(Thousands of yen)

	As of September 30, 2021	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	84,350	104,540
Accounts payable - other	148,549	167,337
Accrued expenses	138,380	195,602
Income taxes payable	481,353	554,787
Accrued consumption taxes	135,217	138,063
Contract liabilities	—	146,421
Unearned revenue	104,089	—
Provision for bonuses	115,996	146,350
Other	19,870	27,602
Total current liabilities	1,227,806	1,480,705
Total liabilities	1,227,806	1,480,705
Net assets		
Shareholders' equity		
Share capital	63,475	88,221
Capital surplus		
Legal capital surplus	53,475	78,221
Total capital surplus	53,475	78,221
Retained earnings		
Legal retained earnings	2,500	2,500
Other retained earnings	4,776,675	6,284,545
Retained earnings brought forward	4,776,675	6,284,545
Total retained earnings	4,779,175	6,287,045
Total shareholders' equity	4,896,125	6,453,261
Treasury shares	—	(226)
Share acquisition rights	11,295	10,803
Total net assets	4,907,421	6,464,065
Total liabilities and net assets	6,135,228	7,944,770

(2) Statements of Income

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Net sales	6,118,210	7,910,662
Cost of sales	1,767,803	2,226,845
Gross profit	4,350,407	5,683,817
Selling, general and administrative expenses	2,243,429	3,020,112
Operating profit	2,106,977	2,663,704
Non-operating income		
Interest income	35	45
Interest on securities	3,140	3,140
Subsidy income	10,236	—
Surrender value of insurance policies	—	15,415
Other	253	75
Total non-operating income	13,665	18,676
Non-operating expenses		
Share issuance costs	16,835	—
Loss on retirement of non-current assets	—	2,606
Head office relocation expenses	—	7,643
Listing expenses	10,500	—
Other	1,950	471
Total non-operating expenses	29,286	10,721
Ordinary profit	2,091,357	2,671,659
Extraordinary income		
Gain on reversal of asset retirement obligations	—	13,623
Total extraordinary income	—	13,623
Profit before income taxes	2,091,357	2,685,282
Income taxes - current	698,196	903,642
Income taxes - deferred	(35,662)	(14,590)
Total income taxes	662,534	889,052
Profit	1,428,822	1,796,230

(3) Statements of Changes in Equity
For the fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			Treasury shares
		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	—
Changes during period							
Issuance of new shares	53,475	53,475	53,475				
Dividends of surplus					(205,000)	(205,000)	
Profit					1,428,822	1,428,822	
Purchase of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	53,475	53,475	53,475	—	1,223,822	1,223,822	—
Balance at end of period	63,475	53,475	53,475	2,500	4,776,675	4,779,175	—

	Shareholders' equity Total shareholders' equity	Share acquisition rights	Total net assets
Balance at beginning of period	3,565,352	11,295	3,576,648
Changes during period			
Issuance of new shares	106,950		106,950
Dividends of surplus	(205,000)		(205,000)
Profit	1,428,822		1,428,822
Purchase of treasury shares			
Net changes in items other than shareholders' equity		—	—
Total changes during period	1,330,772	—	1,330,772
Balance at end of period	4,896,125	11,295	4,907,421

For the fiscal year ended September 30, 2022

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			Treasury shares
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	63,475	53,475	53,475	2,500	4,776,675	4,779,175	—
Changes during period							
Issuance of new shares	24,746	24,746	24,746				
Dividends of surplus					(288,360)	(288,360)	
Profit					1,796,230	1,796,230	
Purchase of treasury shares							(226)
Net changes in items other than shareholders' equity							
Total changes during period	24,746	24,746	24,746	—	1,507,870	1,507,870	(226)
Balance at end of period	88,221	78,221	78,221	2,500	6,284,545	6,287,045	(226)

	Shareholders' equity	Share acquisition rights	Total net assets
	Total shareholders' equity		
Balance at beginning of period	4,896,125	11,295	4,907,421
Changes during period			
Issuance of new shares	49,492		49,492
Dividends of surplus	(288,360)		(288,360)
Profit	1,796,230		1,796,230
Purchase of treasury shares	(226)		(226)
Net changes in items other than shareholders' equity		(492)	(492)
Total changes during period	1,557,136	(492)	1,556,643
Balance at end of period	6,453,261	10,803	6,464,065

(4) Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	2,091,357	2,685,282
Depreciation	24,653	29,598
Increase (decrease) in allowance for doubtful accounts	(951)	94
Increase (decrease) in provision for bonuses	14,505	30,354
Amortization of long-term prepaid expenses	17	—
Gain on reversal of asset retirement obligations	—	(13,623)
Interest and dividend income	(3,175)	(3,185)
Share issuance costs	16,835	—
Listing expenses	10,500	—
Subsidy income	(10,236)	—
Loss on retirement of non-current assets	1,804	2,606
Loss (gain) on sale of investment securities	—	—
Decrease (increase) in trade receivables	(199,964)	(194,089)
Decrease (increase) in inventories	728	3,483
Increase (decrease) in trade payables	22,597	20,189
Decrease (increase) in prepaid expenses	(42,782)	(39,989)
Increase (decrease) in accounts payable - other	67,075	13,845
Increase (decrease) in accrued expenses	4,967	57,221
Increase (decrease) in accrued consumption taxes	(12,998)	(4,911)
Increase (decrease) in contract liabilities	—	42,331
Increase (decrease) in unearned revenue	9,021	—
Other, net	8,733	7,988
Subtotal	2,002,690	2,637,196
Interest and dividends received	3,175	3,185
Subsidies received	10,236	—
Income taxes paid	(467,936)	(830,158)
Net cash provided by (used in) operating activities	1,548,165	1,810,223
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	—	85,337
Purchase of property, plant and equipment	(48,953)	(163,967)
Purchase of intangible assets	—	(14,696)
Proceeds from sale of investment securities	—	—
Purchase of investment securities	—	—
Purchase of shares of subsidiaries and associates	—	(538,093)
Purchase of insurance funds	(1,735)	—
Proceeds from cancellation of insurance funds	—	19,131
Proceeds from refund of leasehold and guarantee deposits	—	930
Payments of leasehold and guarantee deposits	(8,480)	(96,511)
Net cash provided by (used in) investing activities	(59,170)	(707,868)
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	—	—
Proceeds from issuance of shares	90,114	49,000
Payments of listing expenses	(10,500)	(226)
Dividends paid	(205,000)	(287,247)
Net cash provided by (used in) financing activities	(125,385)	(238,473)
Net increase (decrease) in cash and cash equivalents	1,363,609	863,881
Cash and cash equivalents at beginning of period	3,251,129	4,614,738
Cash and cash equivalents at end of period	4,614,738	5,478,619

(Segment information, etc.)**[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. 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, 2021 (from October 1, 2020 to September 30, 2021)

(Thousands of 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.

For the fiscal year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(Thousands of 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	1,710,269	1,437,535	4,762,857	7,910,662	—	7,910,662
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	1,710,269	1,437,535	4,762,857	7,910,662	—	7,910,662
Segment profit	939,607	393,907	2,125,353	3,458,868	(795,164)	2,663,704
Segment assets	210,098	177,983	691,454	1,079,535	6,865,234	7,944,770
Other items						
Depreciation	4,483	6,345	13,626	24,455	5,143	29,598
Increase in property, plant and equipment and intangible assets	3,971	3,984	12,529	20,485	148,424	168,909

- (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.

[Information associated with reportable segments]

For the fiscal year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

1. Information by product or service

Information is omitted since the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

Information is omitted since net sales to outside customers in Japan exceeded 90% of net sales in the statements of income.

(2) Property, plant and equipment

Not applicable since there is no property, plant and equipment outside Japan.

3. Information by main customers

Information is omitted since no sales to a specific outside customer exceeded 10% of net sales in the statements of income.

For the fiscal year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

1. Information by product or service

Information is omitted since the same information is disclosed in the segment information.

2. Information by region

(1) Net sales

Information is omitted since net sales to outside customers in Japan exceeded 90% of net sales in the statements of income.

(2) Property, plant and equipment

Not applicable since there is no property, plant and equipment outside Japan.

3. Information by main customers

Information is omitted since no sales to a specific outside customer exceeded 10% of net sales in the statements of income.

[Information on impairment loss on non-current assets by reportable segment]

Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Not applicable.