

# Fiscal Year Ended September 30, 2022 Financial Results Briefing Materials

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

November 14, 2022

# Contents



- 01 Company outline
- 02 Overview of Talent Palette Business
- 03 Growth strategy
- 04 Financial results for the fiscal year ended  
September 30, 2022
- 05 Earnings forecasts for the fiscal year ending  
September 30, 2023
- 06 Reference materials

# 01 Company outline

# Company outline

---

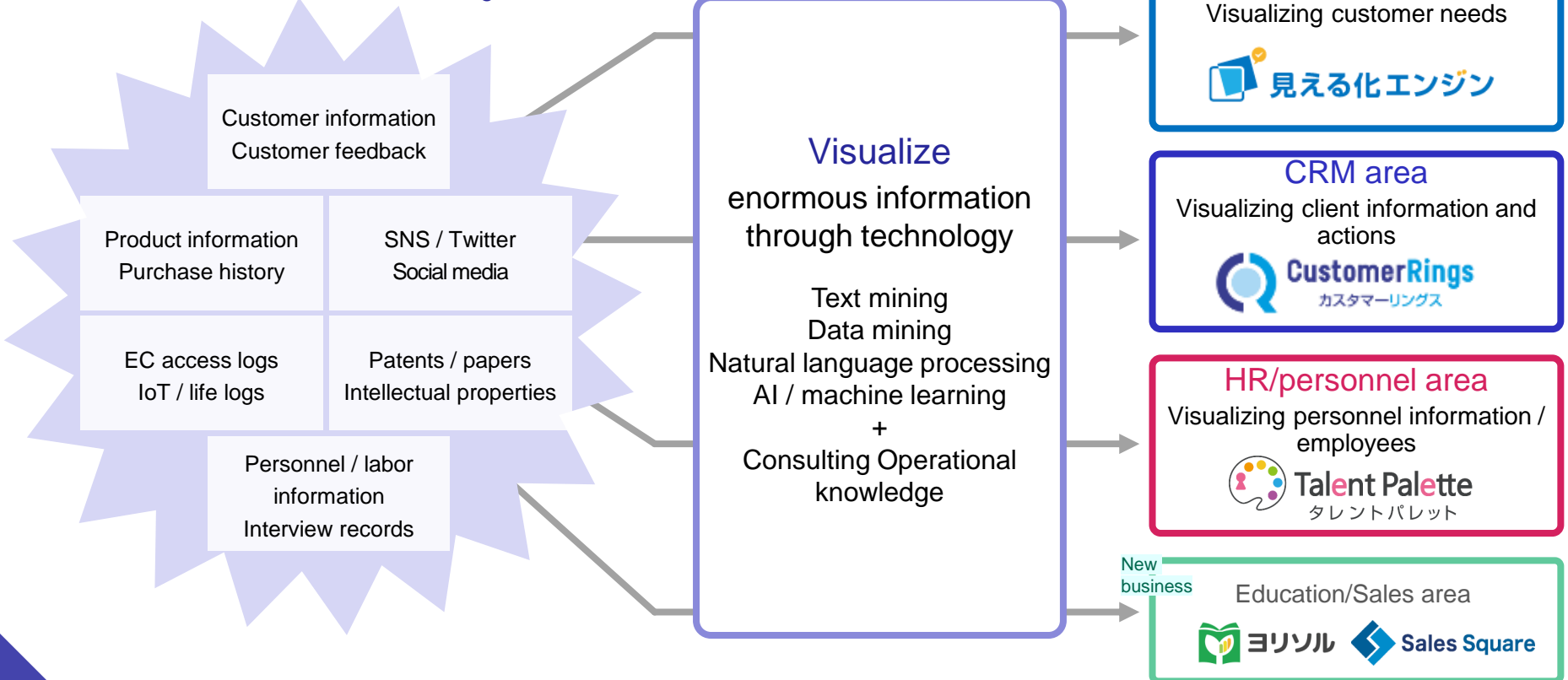
- Company name Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Growth: 4071)
- Representative Katsuya Mimuro, Representative Director and President
- Headquarters location 25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
- Osaka Branch 13F Osaka Nakanoshima Building, 2-2-2 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 88,221 thousand yen (as of September 30, 2022)
- Business content Providing cloud services for data analysis platforms
- Number of employees 223 (as of September 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

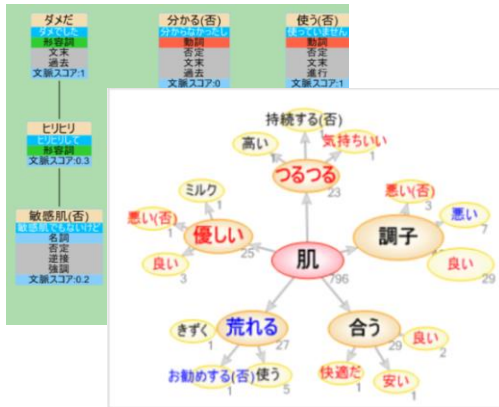
Utilization support consulting

# Business strengths

Advanced technologies to visualize big data for practical use

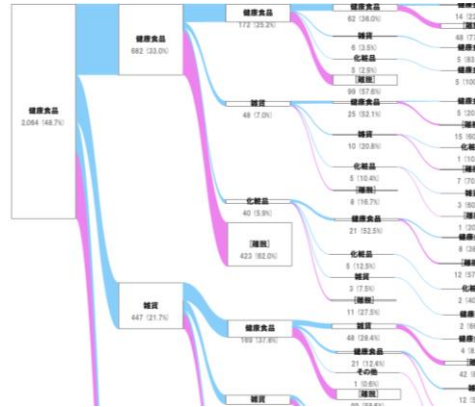


## Syntax analysis, word maps



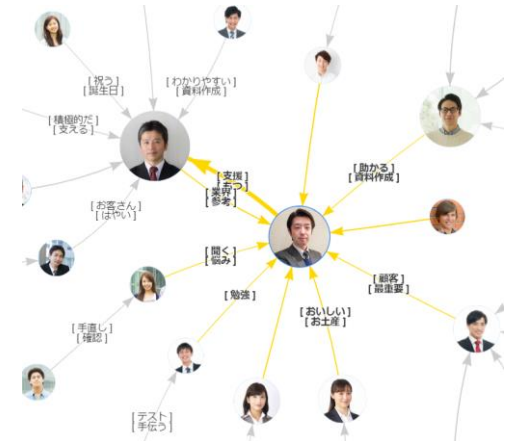
Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

## Purchasing pattern analysis



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

## Employee network diagram

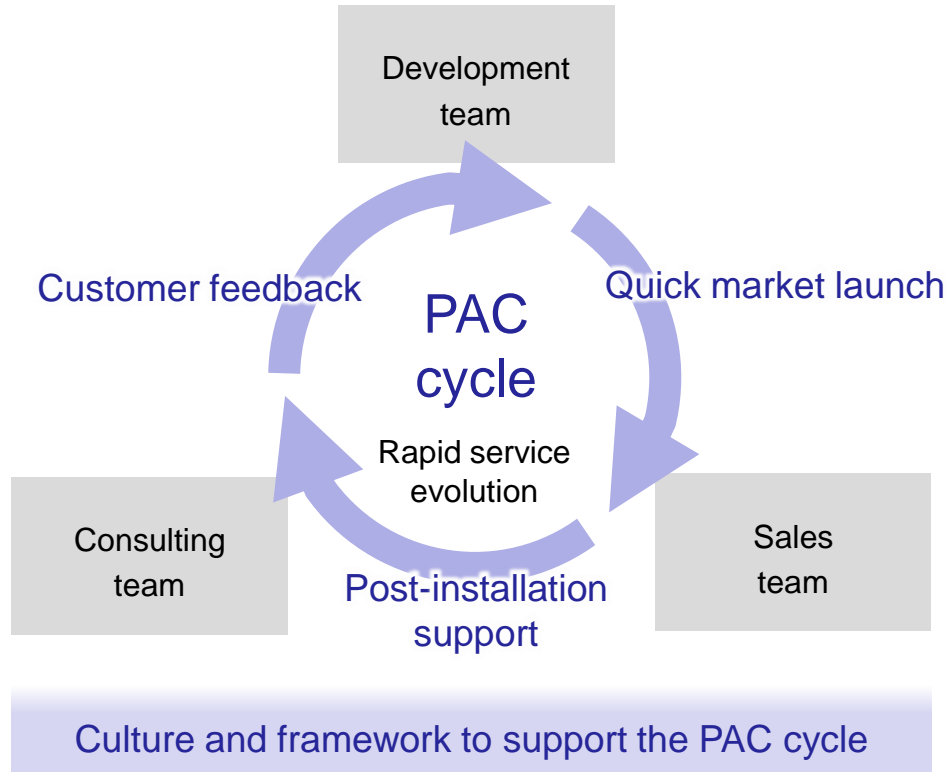


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

# 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

High-speed development of consulting results as a general-purpose function

Realizing increased added value of services by leveraging enterprise consulting capabilities

Over 3,800 functions installed as standard over approximately six years through consulting for a variety of leading companies



- Human resource development (skill analysis)
- Optimal assignment, consideration of transfers
- Succession planning
- HR data analysis, etc.

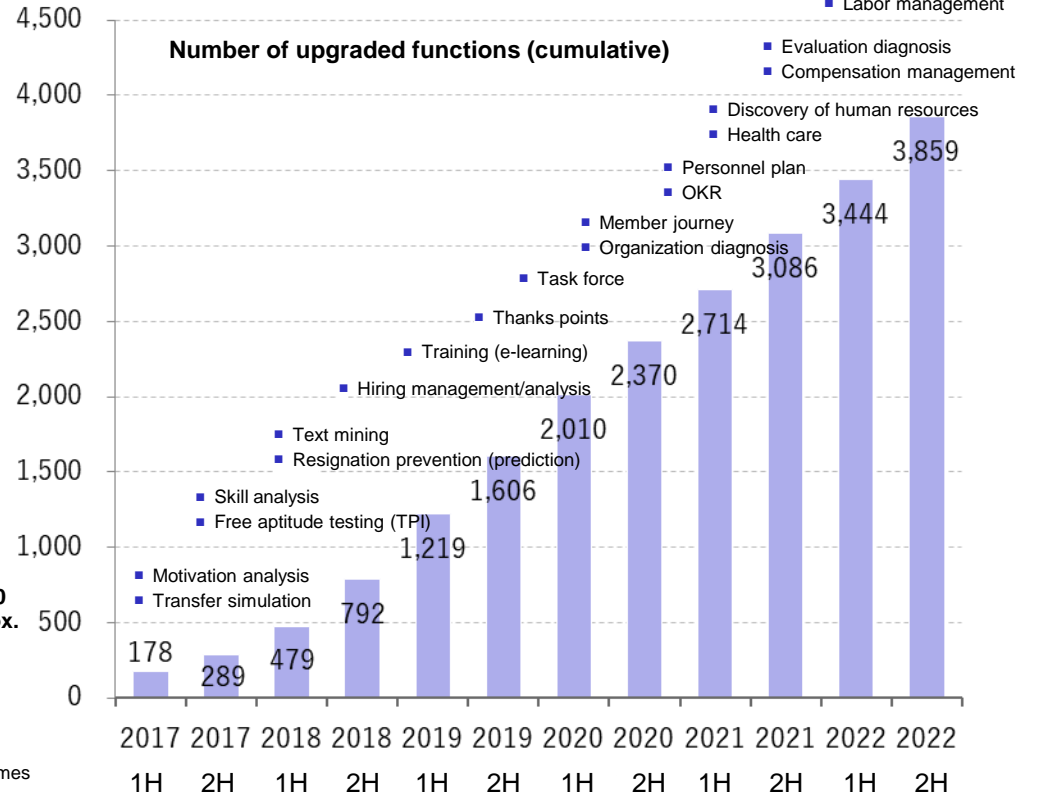
Improvement of efficiency of personnel operations (102 cases) 22.1%

Creation of personnel information platform (196 cases) 42.4%

Scientific personnel management (164 cases) 35.5%

- Consolidation of human resource information
- Personnel portfolio analysis
- Creation of HR dashboard
- Creation of group portal, etc.

Approximately 80% of the approx. 200 annual consulting projects and approx. 460 themes are projects for the creation of a personnel information platform or scientific personnel management

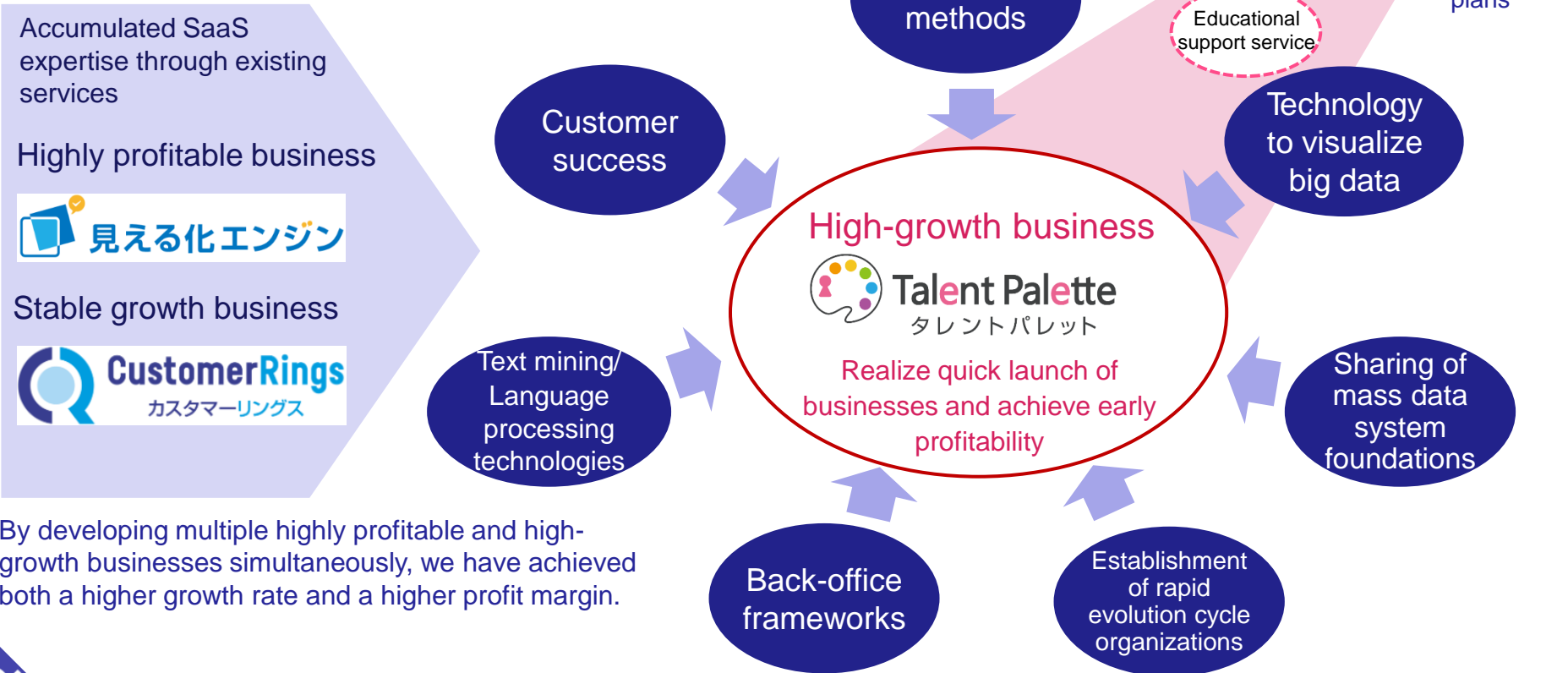


Note) Annual delivery basis. Duplicates counted if a single project includes two or more themes

# 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 16 years of accumulated expertise in the SaaS business

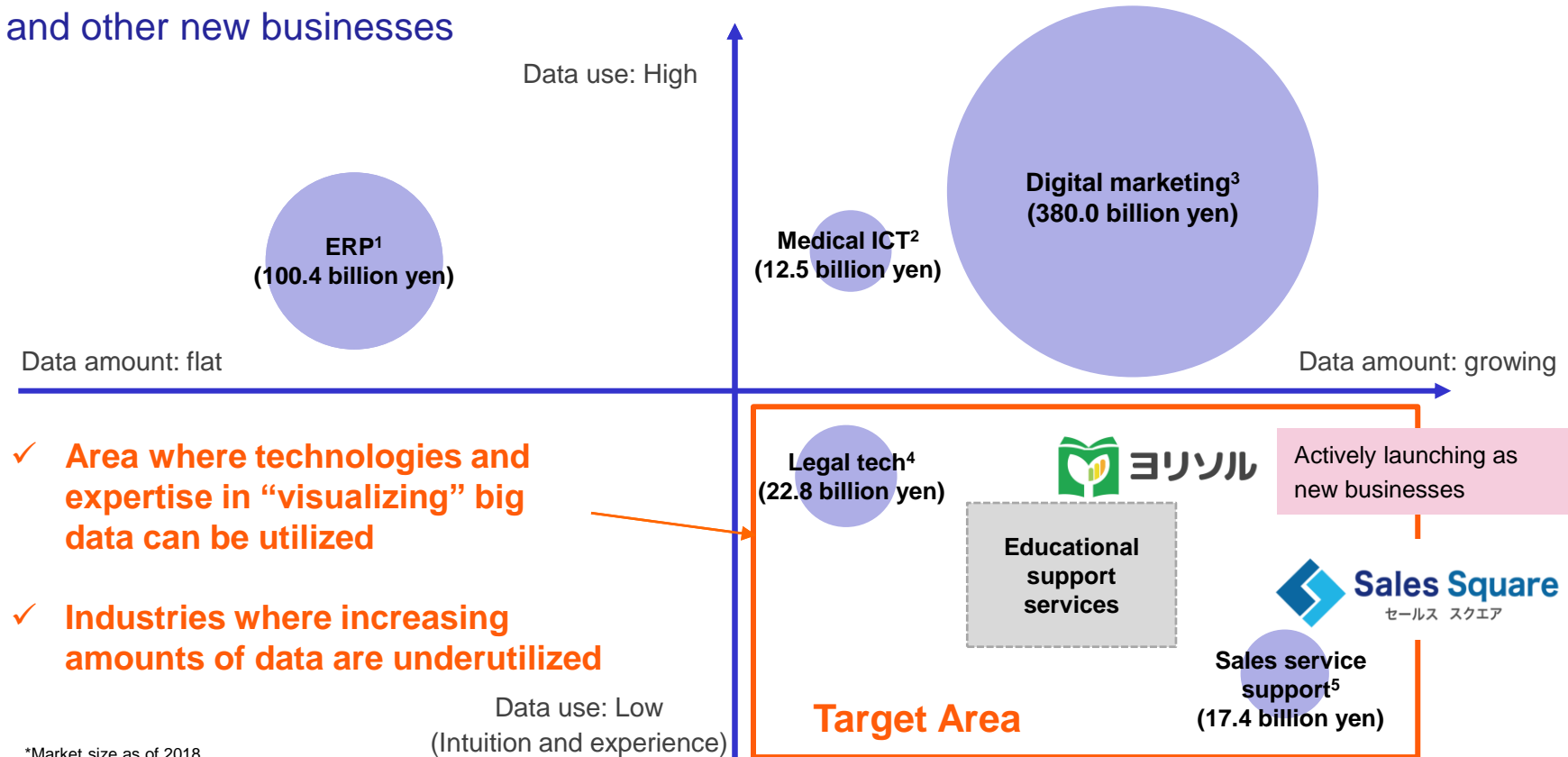


By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.

# 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

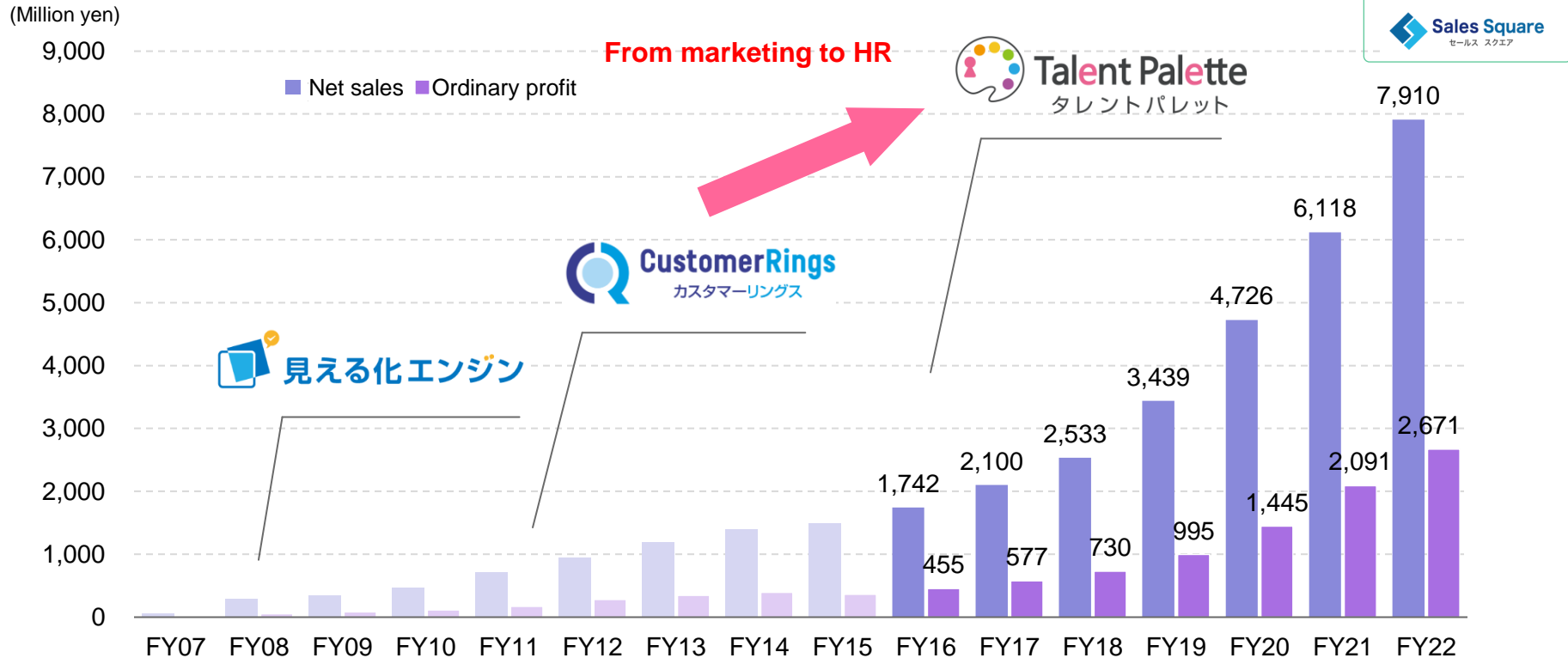
Note 4: “2019 Legal Tech Watch,” Yano Research Institute

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

## 02 Overview of Talent Palette Business

# Course of Growth

Expanded content of business by introducing business-specialized products in intervals of several years  
Expanded business into personnel and HR centered on know-how utilizing data developed in marketing



# Background of Rapid Growth of Talent Palette

---

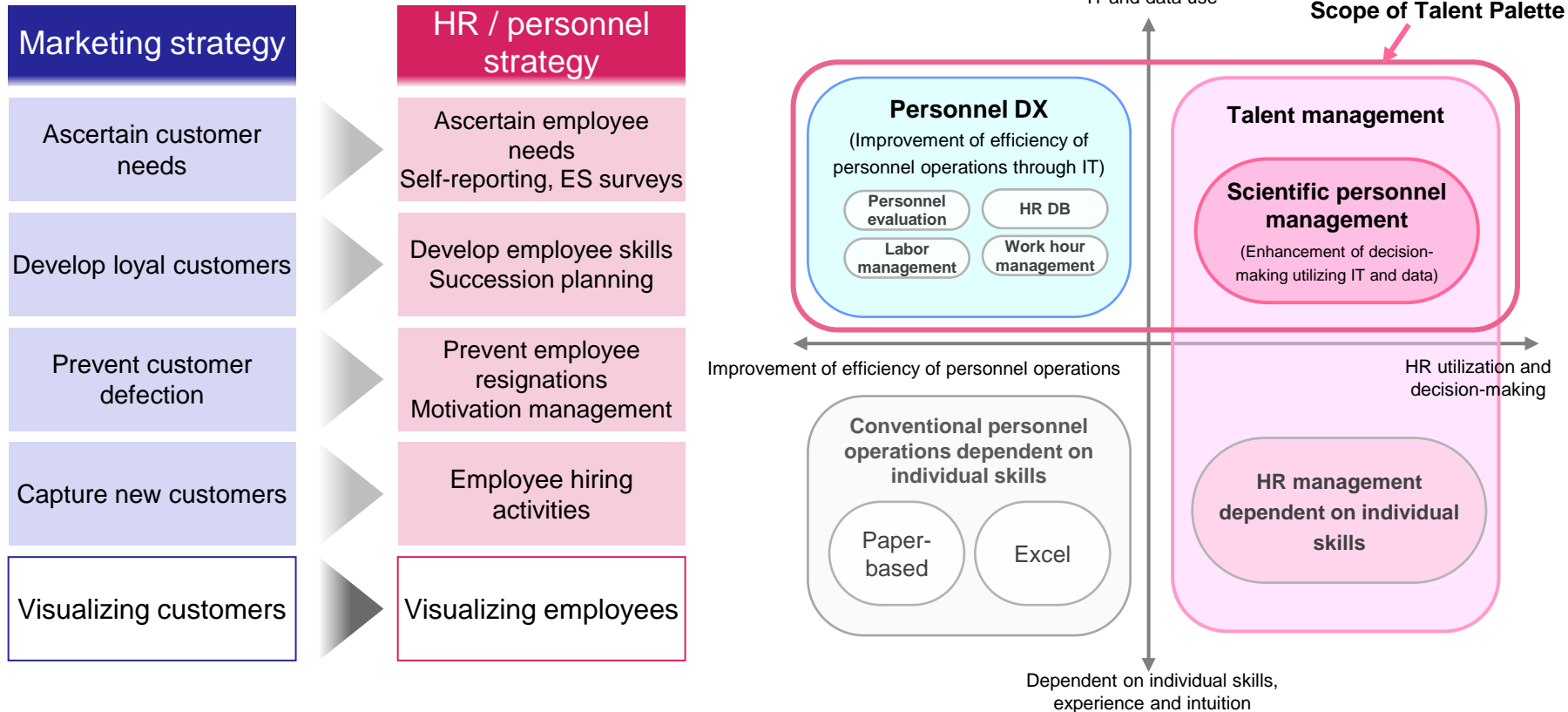
- It has become necessary to take initiatives such as how to **maximize utilization of HR** by current employees and whether **reskilling** can be achieved amid the increasingly serious labor shortage caused by the low birthrate and aging population and the diversification of work styles.
- COVID-19 has led to an **outflow of talented human resources** and a lowering of understanding of employees due to **remote work**, and it is no longer possible to ensure adequate precision with existing personnel systems.
- The Ministry of Economy, Trade and Industry has also begun nationwide efforts such as advocating that companies perceive human resources as “capital” that is the source of corporate growth, leading to to enhancement of medium- to long-term corporate value through “**human capital management**” that fully draws out their value.

⇒ Based on this trend, the HRTech cloud market is expected to grow by **+32.2%** year on year in FY2022. (Research by Deloitte Tohmatsu MIC Research Institute Co., Ltd.)

# Characteristics of Talent Palette

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

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



# Characteristics of Talent Palette

All-in-one service from personnel DX to scientific personnel management

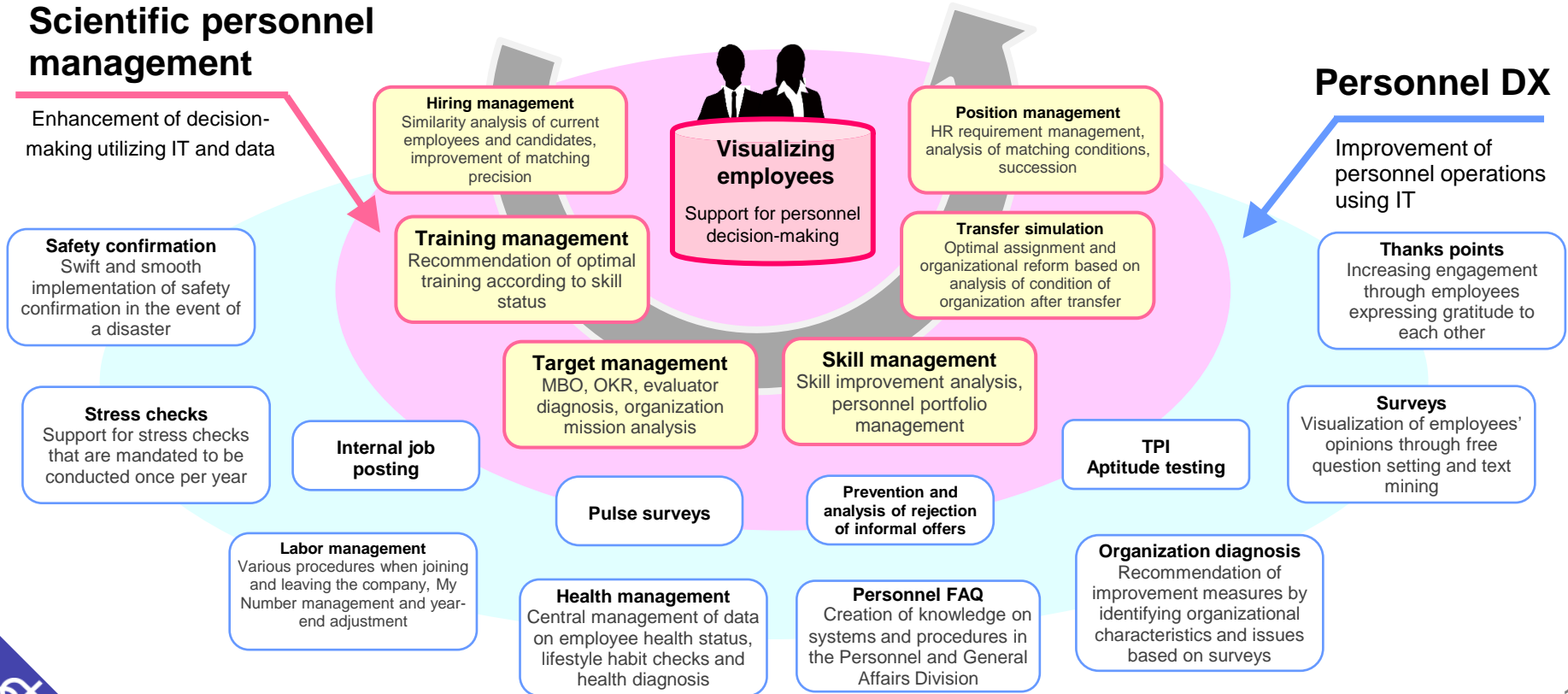
For enterprises, we differentiate with scientific personnel functions through the utilization of data, and for small and medium businesses, we integrate tools required for personnel management and realize the improvement of efficiency of personnel DX through IT

## Scientific personnel management

Enhancement of decision-making utilizing IT and data

## Personnel DX

Improvement of personnel operations using IT

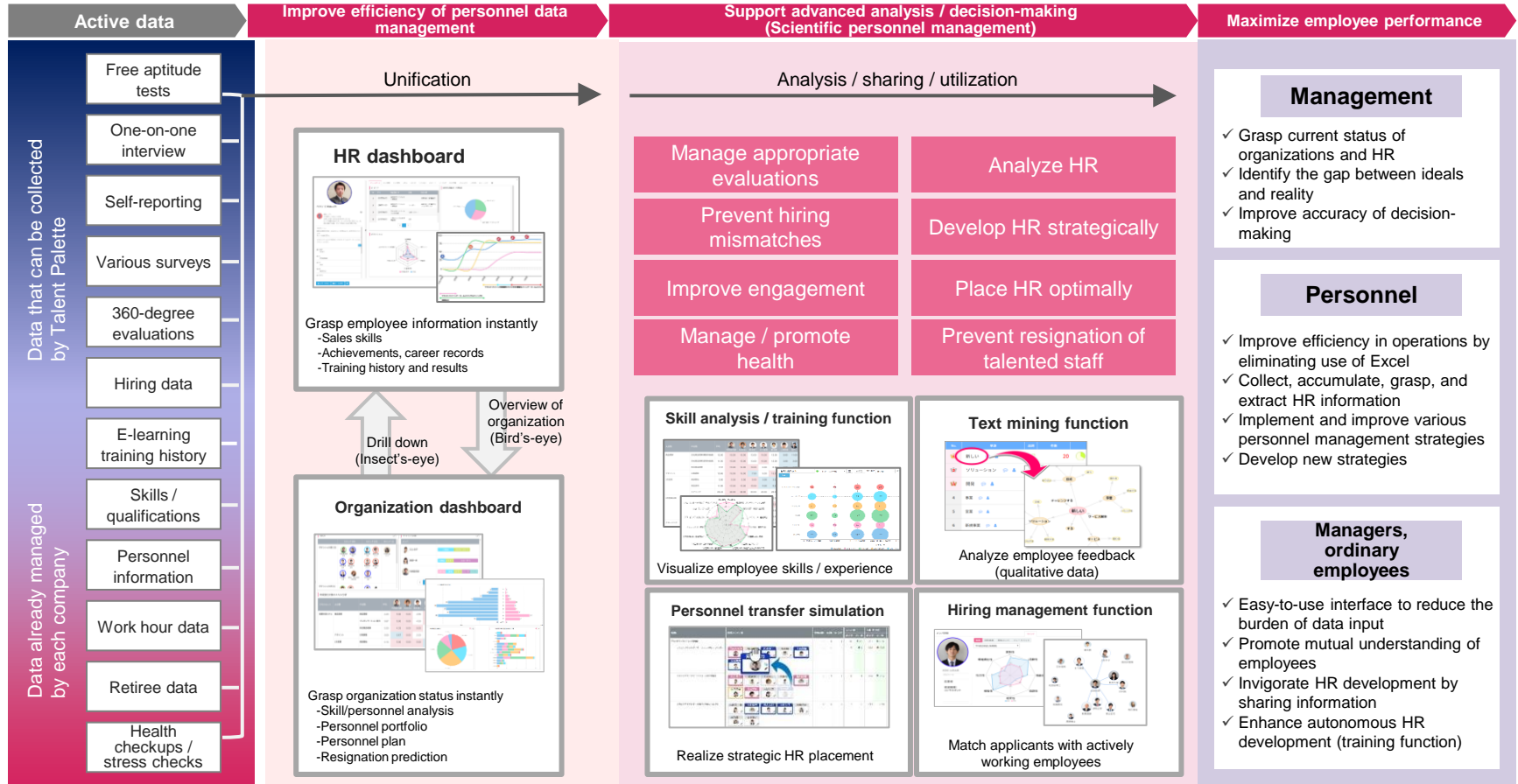




# Evolution of Talent Palette

## Integrated personnel information platform

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



# Talent Management System Chosen by Leading Companies

Scientific  
personnel  
management

Human capital  
management

Personnel DX

Shift to Job-  
based  
employment

Autonomous  
career building

Use of holding  
companies

## メーカー(生活関連・部品・化学・医薬・建築・その他)



## 金融(銀行・生損保・カード・リース)



## 公共インフラ(電力・ガスなど)・通信・運輸・自治体・その他



## 流通・小売・外食・不動産・サービス・医療・介護・福祉



## IT・システム開発・コールセンター・エンタメ



## 人材・広告・マスコミ・教育・専門サービス



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

# Strengths of Talent Palette

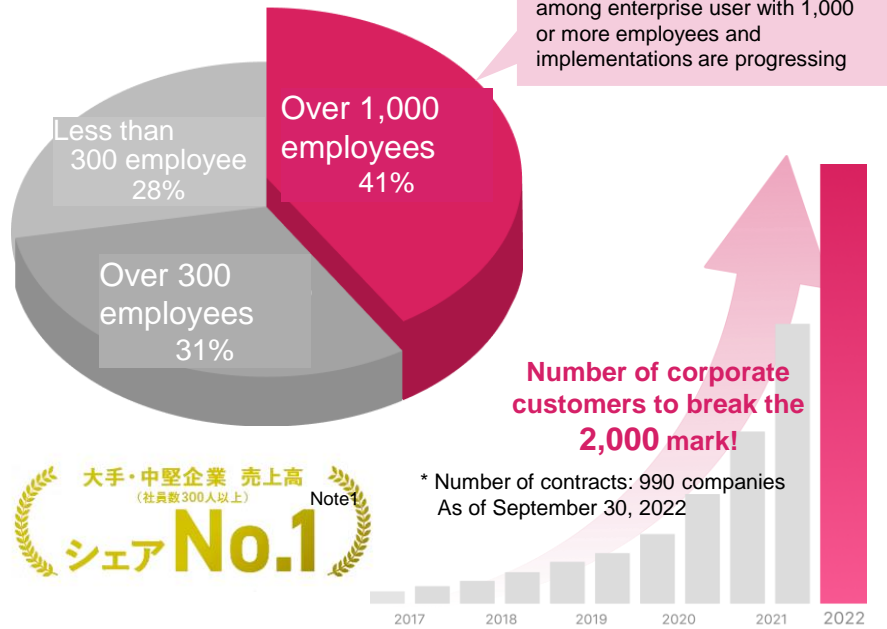
## Enterprise penetration and high evaluation

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

As of September 30, 2022



Received the **Leader** award in the talent management segment of the ITreview enterprise review site Note 2



### 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 2022 Forecast of Personnel and Assignment Cloud Market  
Deloitte Tohmatsu MIC Research Institute Co., Ltd. "HRTech Cloud Market Facts and Outlook FY2021"

Note 2 ITreview Grid Award 2022 Spring Talent Management Segment, HR Evaluation and OKR Segment

# Recent Focus Topics on Talent Palette Business

---

We quickly ascertain changes in personnel strategy and environment in enterprises, and swiftly implement the necessary functions and support services

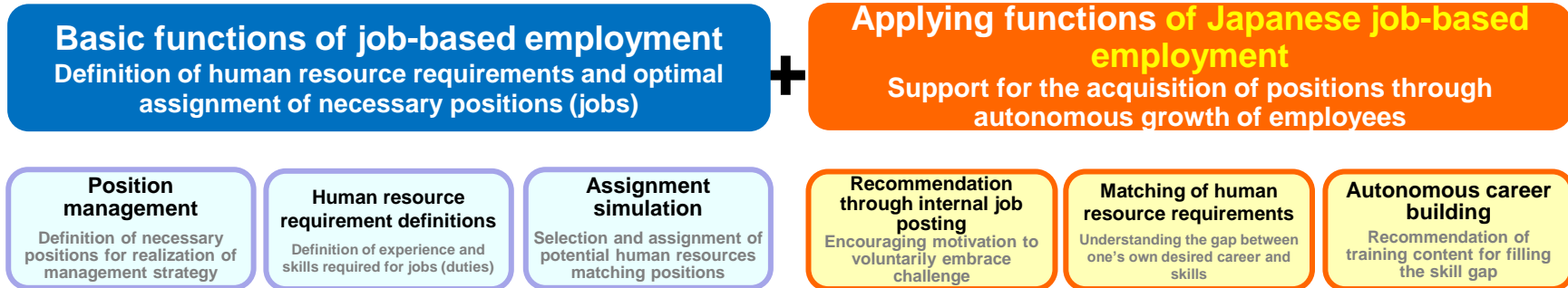
- (1) Support functions of Japanese job-based employment
- (2) Support for creation of human capital information dashboard
- (3) Training management and reskilling functions
- (4) Strengthening of enterprise measures  
(Holding Scientific HR Executive Forum)

# Topics (1):

## Support functions of Japanese job-based employment

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

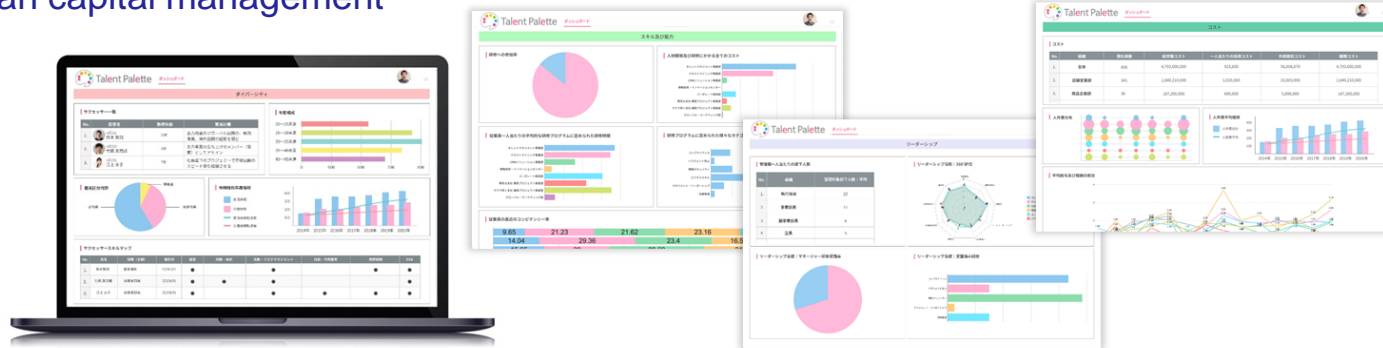
Provision of enterprise functions and consulting supporting the Japanese job-based system



## Topics (2):

# Support for creation of human capital information dashboard

Support such as formulation of human capital indicators and creation of a dashboard for companies aiming for human capital management



### 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.



# Topics (3):

## Training management and reskilling functions

Execution of personnel measures through visualization of skills, recommendations linked to skills, autonomous career building

### Talent management

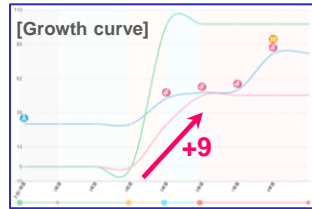
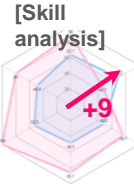
[Individuals] Accumulation of experience and confirmation of own growth

[Lesson history management]

Training title	Status	Completion date
★セキュリティ・テスト ② (穴埋め問題) 期間 2017-12-22 ~ 2022-12-02 進捗 1 / 1 ページ	受講済	2099-07-26
電話応対(学習ページ付) 期間 なし 進捗 0 / 0 ページ	受講済	2021-05-21
電子メールの基本マナー 期間 なし 進捗 6 / 6 ページ	受講済	2021-01-26



Shinjiro Takeoka



[Management and personnel]  
Analysis of employees' skill information and utilization in personnel strategy

One-on-one interview

Optimal assignment and selection

Next-generation personnel development

Building personnel portfolio

Training linkage

Attendance history + skill update

### Training management (autonomous career building)

[Training (e-learning) function]

e-ラーニングセット名	ステータス	対象スキル	おすすめ度	
1 ★セキュリティ・テスト ② (穴埋め問題) 期間 2017-12-22 ~ 2022-12-02 進捗 1 / 1 ページ	e-ラーニング	営業共通スキル	46.7%	受講
2 電話応対(学習ページ付) 期間 なし 進捗 0 / 0 ページ	e-ラーニング	営業共通スキル	31.0%	受講
3 電子メールの基本マナー 期間 なし 進捗 6 / 6 ページ	e-ラーニング	営業共通スキル	15.2%	受講

Confirmation of attendance and learning level



Recommendation of training according to skill level



Training (e-learning, class training)  
Testing of level of understanding

# Topics (4): Holding Scientific HR Executive Forum

Holding Scientific HR Executive Forum 2022, sharing cases in pioneering companies implementing scientific HR



## Nichirei Corporation

- Implementation of career reporting and goal evaluation throughout the Nichirei Group with a view to groupwide HR utilization and development
- Data analysis and utilization from the perspective of human capital, monitoring of the progress of participation by women and management candidates
- Identification of high performers based on promotion model and evaluation data, creation of dashboard enabling birds-eye view of successors

## The Chiba Bank, Ltd.

- Visualization of quantitative and qualitative data on individual skills in department units, realization of operation enabling understanding by personnel department management and top management
- Linking of skill score and training, utilized for the operation of adaptive learning and development for 5,000 sales employees
- Provision of a place for employees to think about their careers, creation of system for realization of careers through internal hiring

## Panasonic Holdings Corporation

- Visualization of technical resources (skills) required for business strategy for skill advancement support, strategic resource allocation and strengthening of technical capabilities
- Promotion of utilization by division heads and organization heads through the implementation of a “technical resource analysis dashboard”
- Challenge of introducing new functions encouraging voluntary growth by engineers and connections between engineers

## DENSO Corporation

- Early implementation of personnel strategy and activities according to management issues, focusing on HR development for strengthening of development capabilities amid the mobility shift
- Registration and utilization of data such as career aspirations and goals in addition to skills, behavior attributes and work history
- Use in visualization of engineers' skills and gap analysis of supply and demand, and utilization in optimal assignment decisions, development and enhancement in the organization

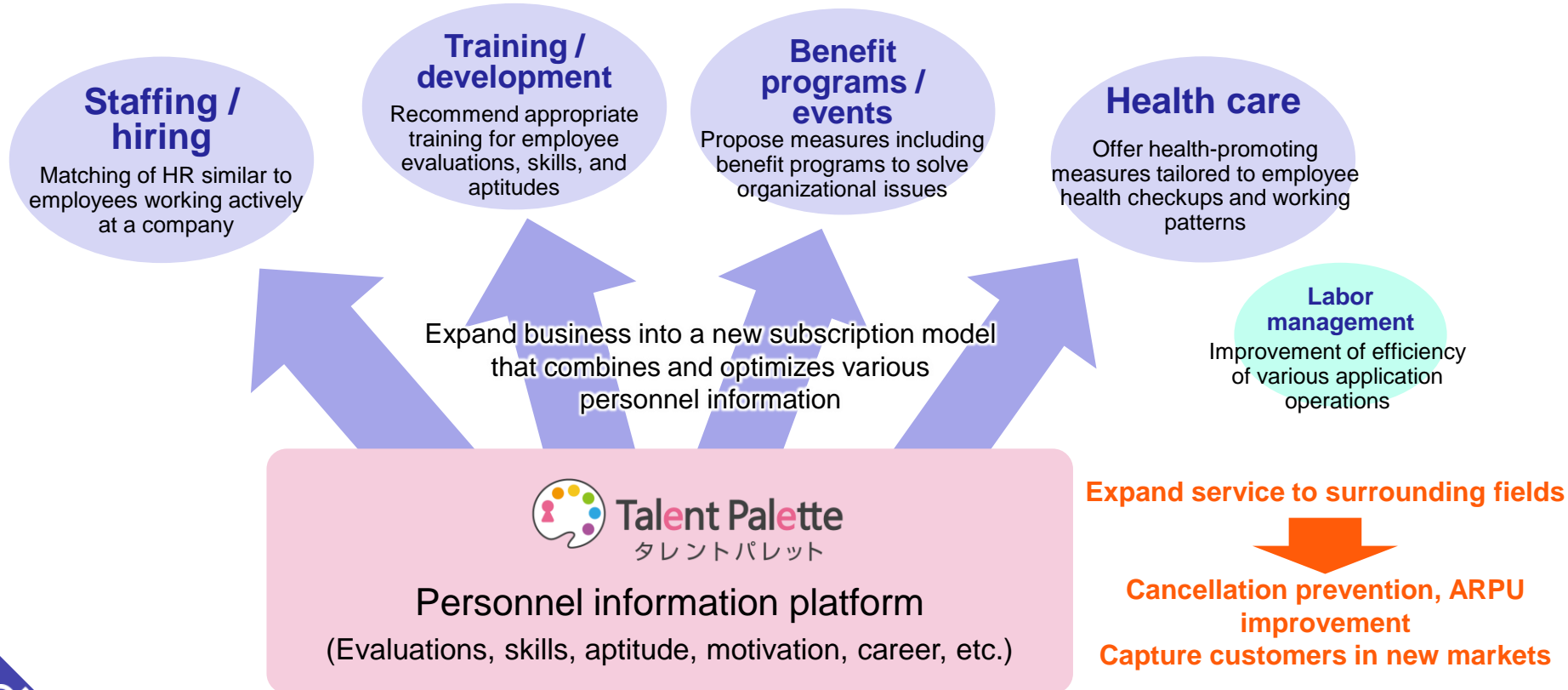


## 03 Growth strategy

# Further development of Talent Palette Business

## Expand services to sectors surrounding HR

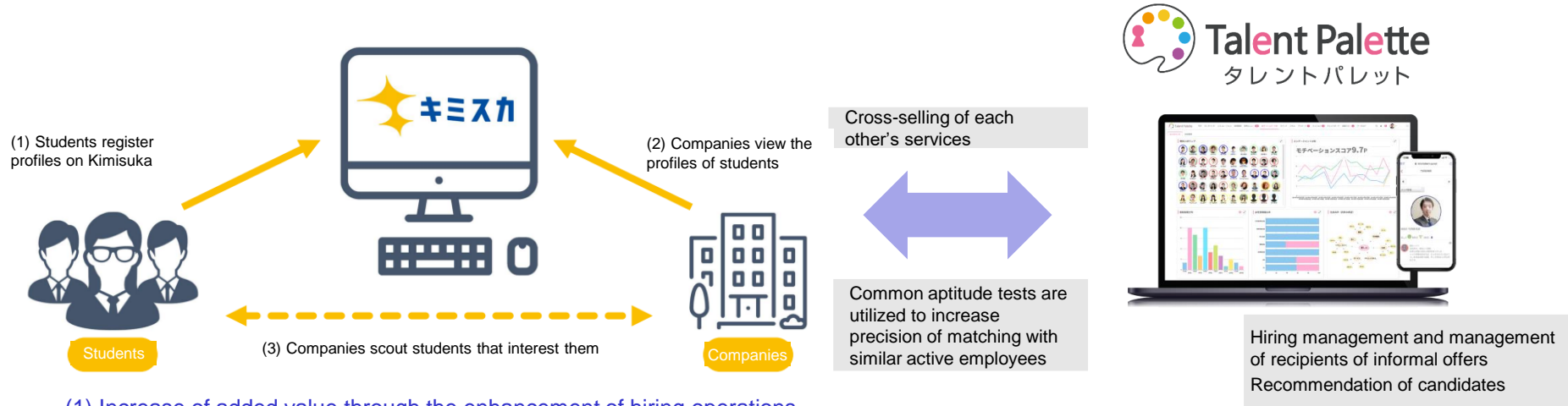
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel. We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies



# Further development of Talent Palette Business

## Staffing / Hiring

Making Grow Up Co., Ltd. (GU) a wholly owned subsidiary (acquisition of all shares in GU on October 3, 2022)  
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

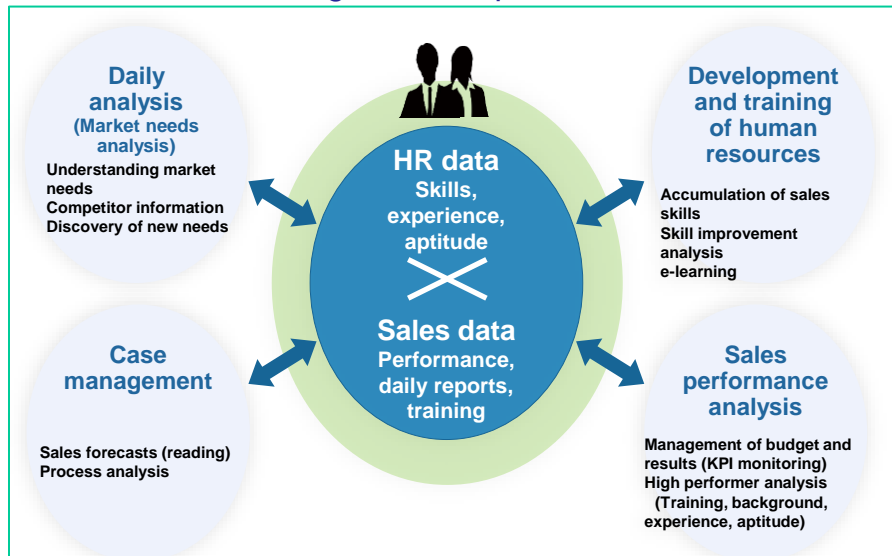
With GU becoming a subsidiary, the Company makes the transition to consolidated accounting from the fiscal year ending September 30, 2023.

# Operation of New Businesses

## Start of trial introduction in two new businesses



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



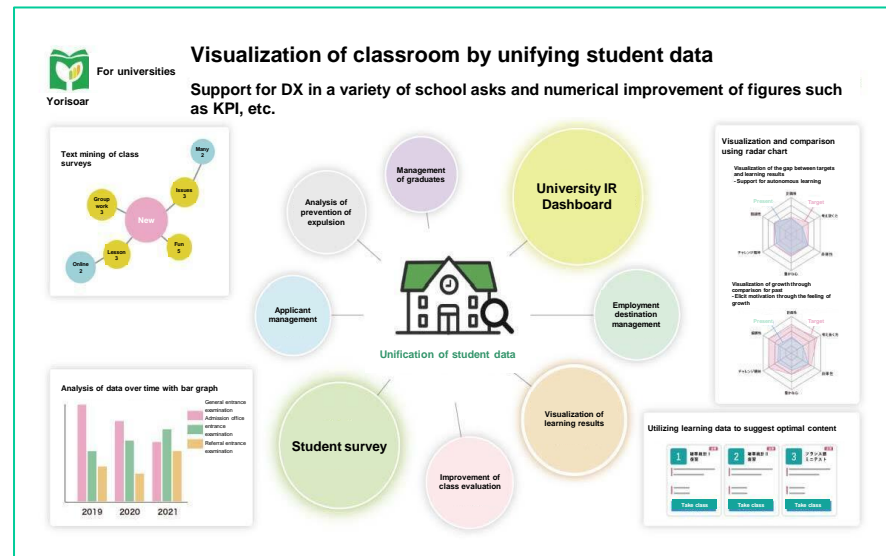
### Introduction of trials (including paid)

IT Sales Division (tens of people) HR development, daily analysis (factors leading to closing deals, behavior analysis)  
Manufacturing marketing department (tens of people) Operational reform, case management, task management  
Manufacturing sales department (hundreds of people) Daily analysis, case management, skill visualization



Yorisoar

School management system supporting visualization of classrooms and university IR



Incorporated educational institution (10,000 people) LMS, learning portfolio, graduate management, prevention of withdrawal  
National university (several thousand people) learning portfolio, career suggestions  
Cram school (several hundred people) learning portfolio, applicant management, graduate management

## 04 Financial results for the fiscal year ended September 30, 2022

# Highlights

---

## ■ Overview

- Talent Palette continues to perform well. The number of customers continued to grow in 4Q, and performance exceeded targets
- The number of customers for Visualization Engine and Customer Rings are also increasing, and made progress generally as planned

## ■ Financial results for the fiscal year ended September 30, 2022

- Financial results for the year ended September 30, 2022, showed a **29.3%** increase in net sales and a **26.4%** increase in operating profit from the previous fiscal year, with an operating profit margin of **33.7%**
- Recurring revenue (MRR) for the company as a whole grew steadily to **646** million yen (up **32.1%** year on year)
- Talent Palette continued to perform well, showing a **52.9%** increase in net sales and a **41.5%** increase in operating profit
- In Talent Palette, in addition to recurring revenue steadily increasing due to the increase in the number of customers and the stable rise of revenue per user, the expansion of spot revenue associated with the increase of enterprise customers also contributed to the expansion of revenue

## ■ Earnings forecasts for the fiscal year ending September 30, 2023

- We forecast net sales of **10,600** million yen (up **34.0%** year on year) and operating profit of **3,400** million yen (operating profit margin of **27.3%**)
- In addition to the expansion of Talent Palette's revenue, increases in the number of customers for Visualization Engine and Customer Rings are also expected to contribute to increase revenue and earnings
- Grow Up will contribute to performance due to falling under the scope of consolidation, but profit includes the burden of amortization of goodwill

# Financial results highlights

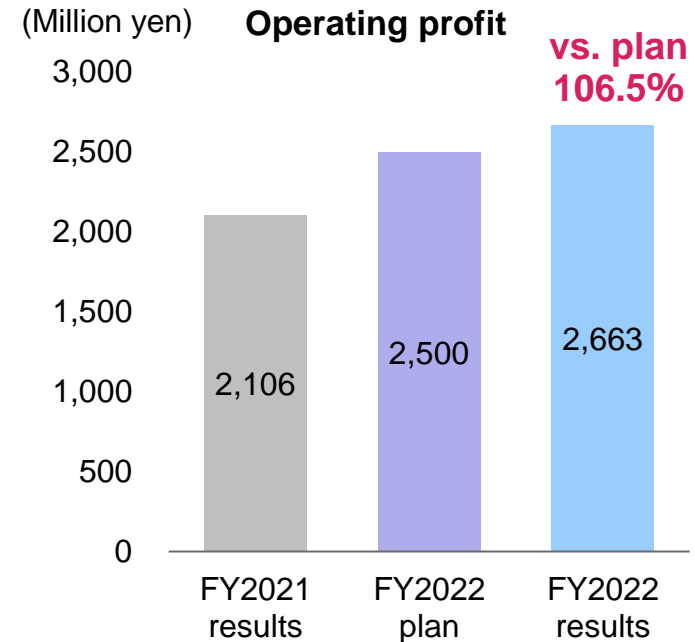
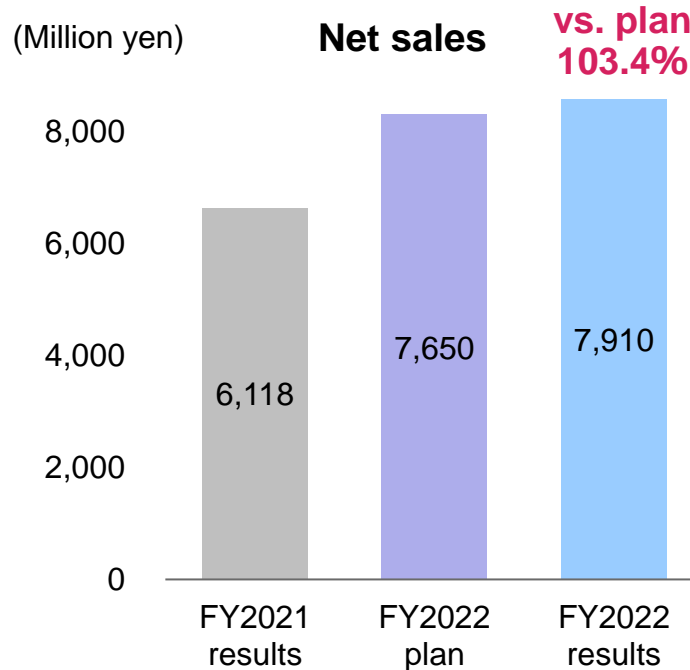
- Financial results for the fiscal year ended September 30, 2022 showed a 29.3% increase in net sales and a 26.4% increase in operating profit from the previous fiscal year

## <Full year>

Net sales	<b>7,910</b> million yen	YoY change	<b>29.3</b> % up
Operating profit	<b>2,663</b> million yen	YoY change	<b>26.4</b> % up
Ordinary profit	<b>2,671</b> million yen	YoY change	<b>27.7</b> % up
Profit	<b>1,796</b> million yen	YoY change	<b>25.7</b> % up

# Comparison with full year plan for the year ended September 30, 2022 (Companywide)

- Net sales were 103.4% of the plan and operating profit was 106.5% of the plan, with both exceeding the plan.
- Personnel expenses, marketing expenses, etc. were kept within plan while net sales were higher than anticipated.





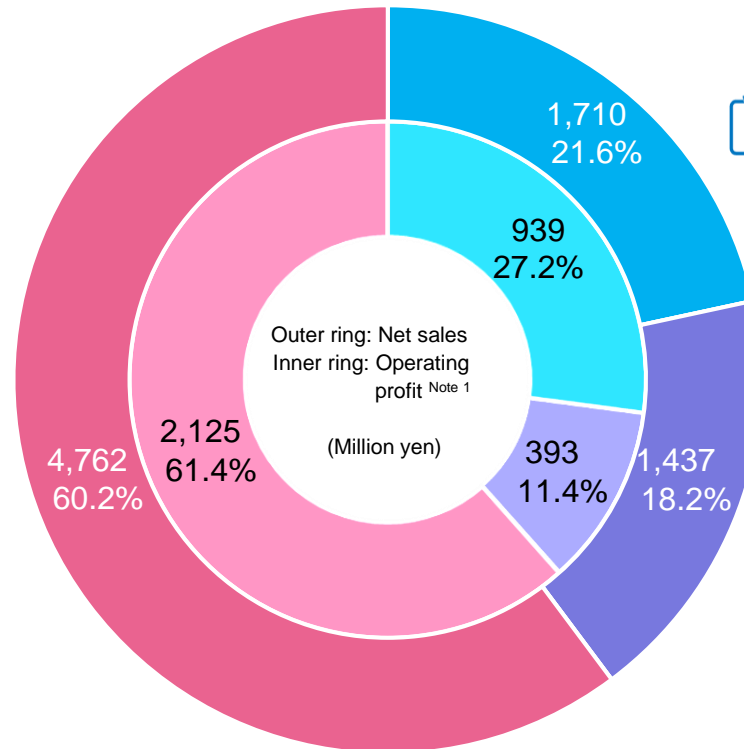
# Financial results summary (Companywide)

- Net sales and operating profit increased both in 4Q and full year
- In 4Q, both net sales and operating profit increased steadily, by 29.0% year on year and 42.8% year on year, respectively

Million yen	FY2022			FY2022			FY2022	
	4Q (Jul.-Sep.)			Full year (Oct.-Sep.)			Full year (Oct.-Sep.)	
	FY2021 results	FY2022 results	YoY	FY2021 results	FY2022 results	YoY	Plan	Achievement
Net sales	1,712	2,210	29.0%	6,118	7,910	29.3%	7,650	103.4%
Cost of sales	493	574	16.3%	1,767	2,226	26.0%		
Gross profit	1,218	1,635	34.2%	4,350	5,683	30.7%		
Selling, general and administrative expenses	624	786	26.0%	2,243	3,020	34.6%		
Operating profit	594	849	42.8%	2,106	2,663	26.4%	2,500	106.5%
Ordinary profit margin	34.7%	38.4%	-	34.4%	33.7%	-	32.7%	-
Ordinary profit	599	863	44.2%	2,091	2,671	27.7%	2,450	109.0%
Profit	452	605	33.8%	1,428	1,796	25.7%	1,600	112.3%

# Financial results for the year ended September 30, 2022 (By segment)

- Talent Palette accounted for 60.2% of companywide sales and 61.4% 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 the year ended September 30, 2022  
(before elimination of shared expenses)

# Financial results highlights (Talent Palette Business)

- Talent Palette Business continues to perform well. Net sales increased by 52.9% and operating profit increased by 41.5%

	FY2021		FY2022		YoY change
Net sales <sup>1</sup>	<b>3,114</b> million yen		<b>4,762</b> million yen		<b>52.9</b> % up
Operating profit <sup>2</sup>	<b>1,502</b> million yen		<b>2,125</b> million yen		<b>41.5</b> % up
Ordinary profit margin	<b>48.2</b> %		<b>44.6</b> %		<b>3.6</b> point down
MRR <sup>3</sup>	<b>252</b> million yen		<b>383</b> million yen		<b>51.7</b> % up
Number of customers <sup>4</sup>	<b>700</b> Cases		<b>990</b> Cases		<b>41.4</b> % up
Revenue churn rate <sup>5</sup>	<b>0.38</b> %		<b>0.41</b> %		<b>0.03</b> point down
ARPU <sup>6</sup>	<b>363</b> Thousand yen		<b>385</b> Thousand yen		<b>6.2</b> % up

Note 1: Results for FY2021 and FY2022

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

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

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

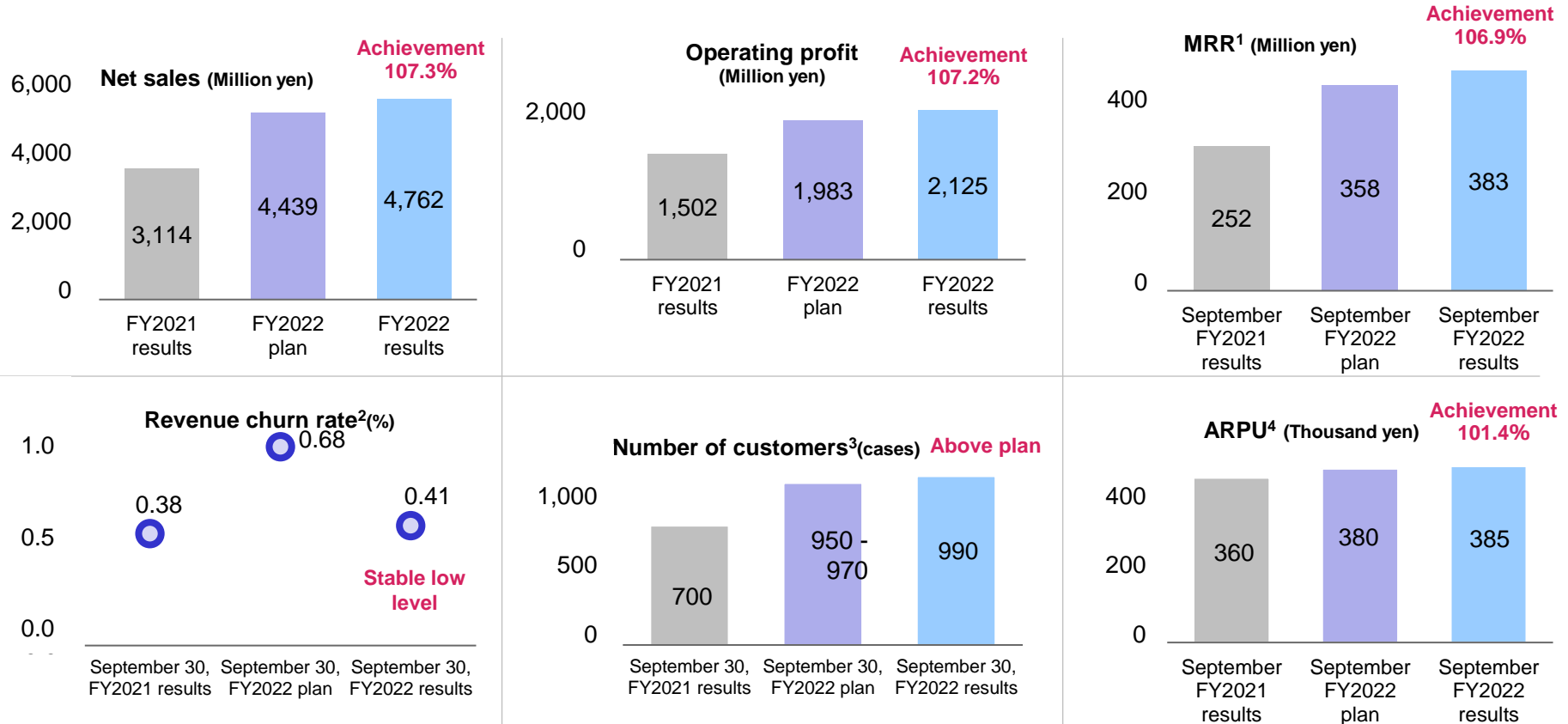
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2021 and September 2022 (average for the past 12 months).

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 FY2021 and 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 plans.
- Orders were strong and churn remained stable at a low level, resulting in a steady increase in the number of customers.



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)

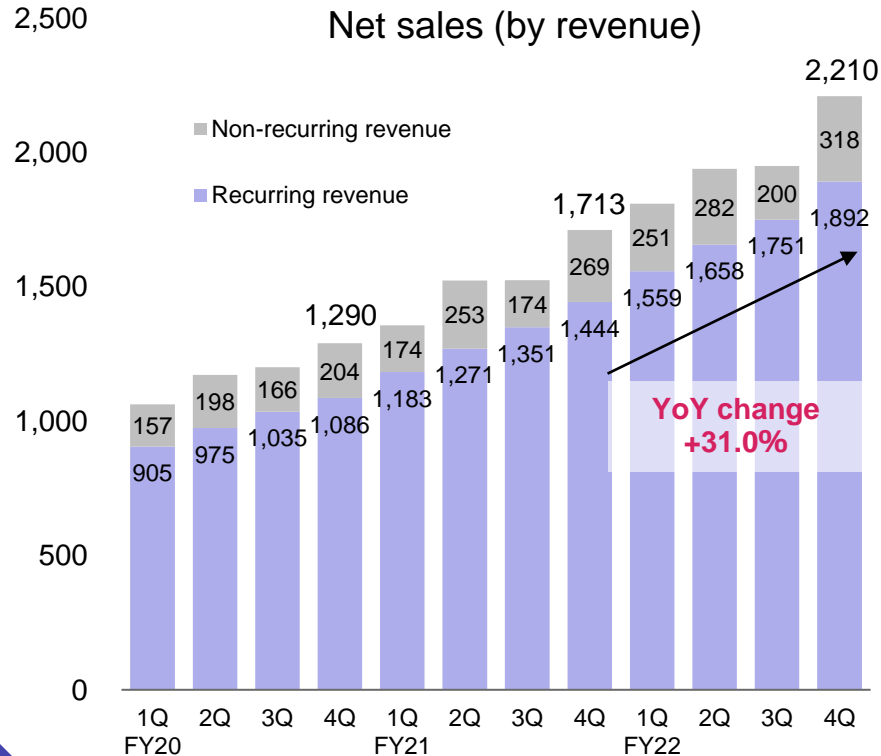
Note 3: Number of monthly billed contracts

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

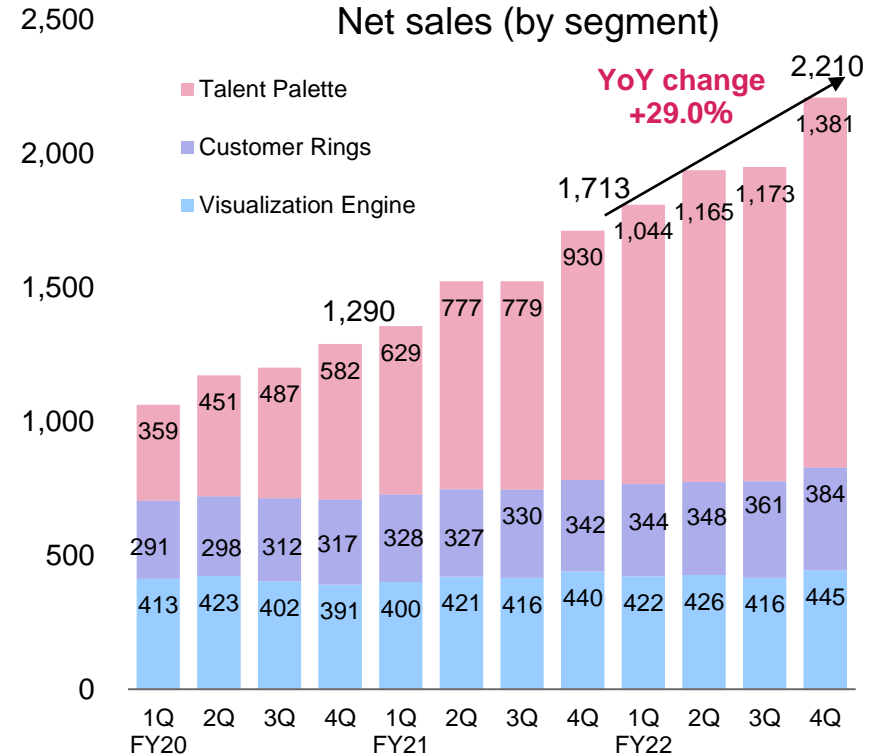
# Net sales trends (Companywide)

- Recurring revenue steadily increased and expanded to 1,892 million yen (+31.0% year on year ) in 4Q
- Sales in each business exceeded those of the previous fiscal year, and expanded to 2,210 million yen (up 29.0% year on year) in 4Q

(Million yen)



(Million yen)

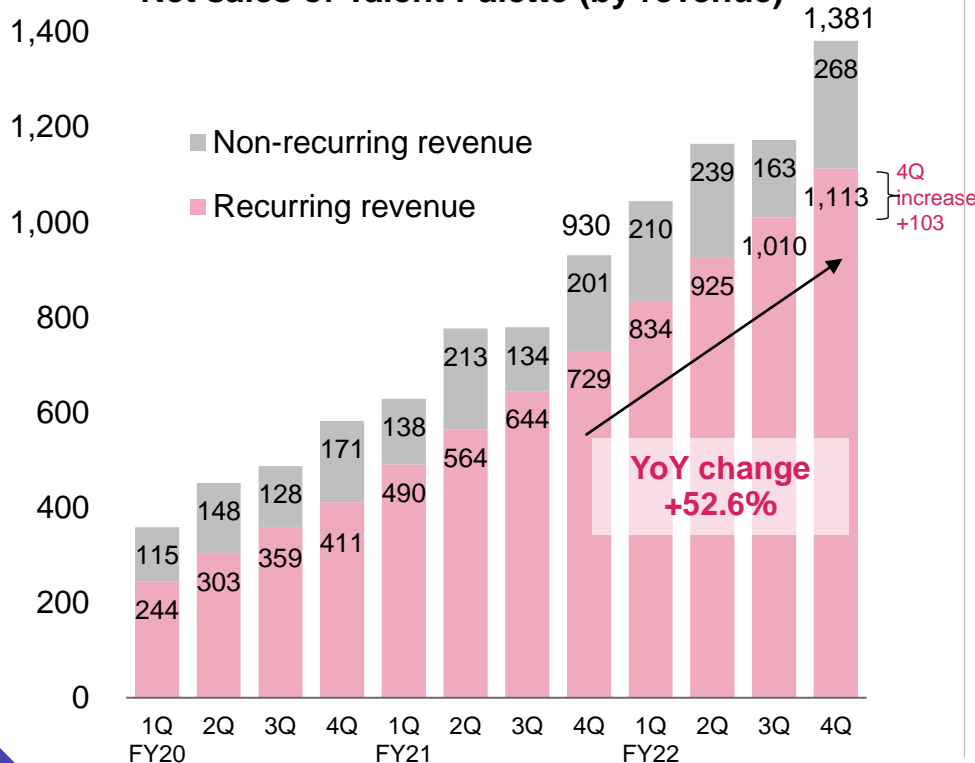


# Net sales trends (Talent Palette)

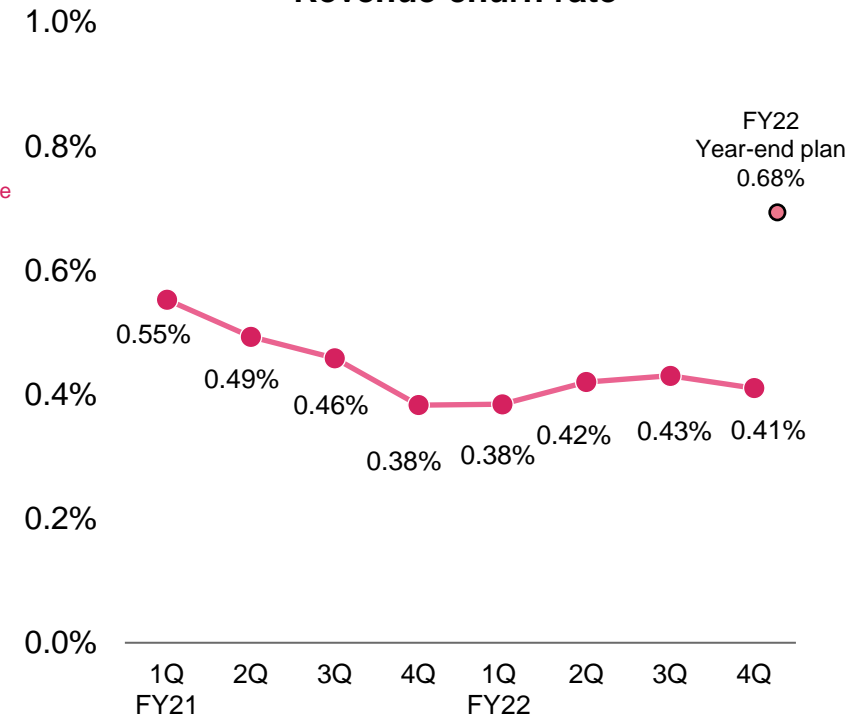
- Due to non-recurring revenue in addition to recurring revenue, net sales expanded to 1,113 million yen (+52.6% year on year) in 4Q
- The cancellation rate was stable a 0.41%, which was lower than the FY2022 year-end plan of 0.68%

(Million yen)

## Net sales of Talent Palette (by revenue)



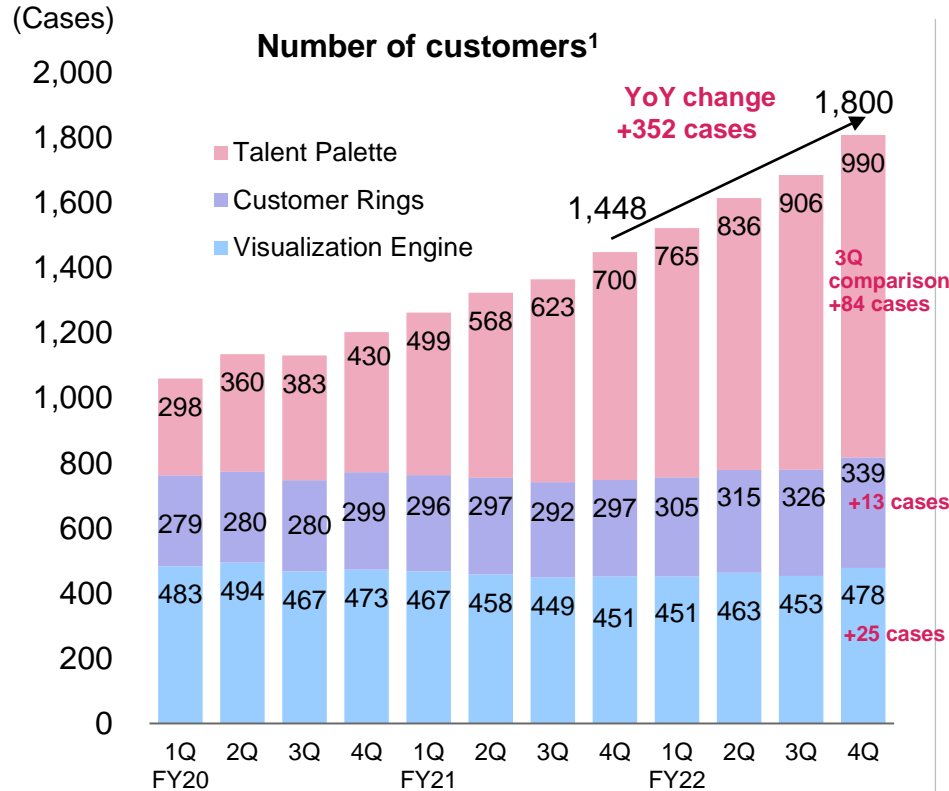
## Revenue churn rate<sup>1</sup>



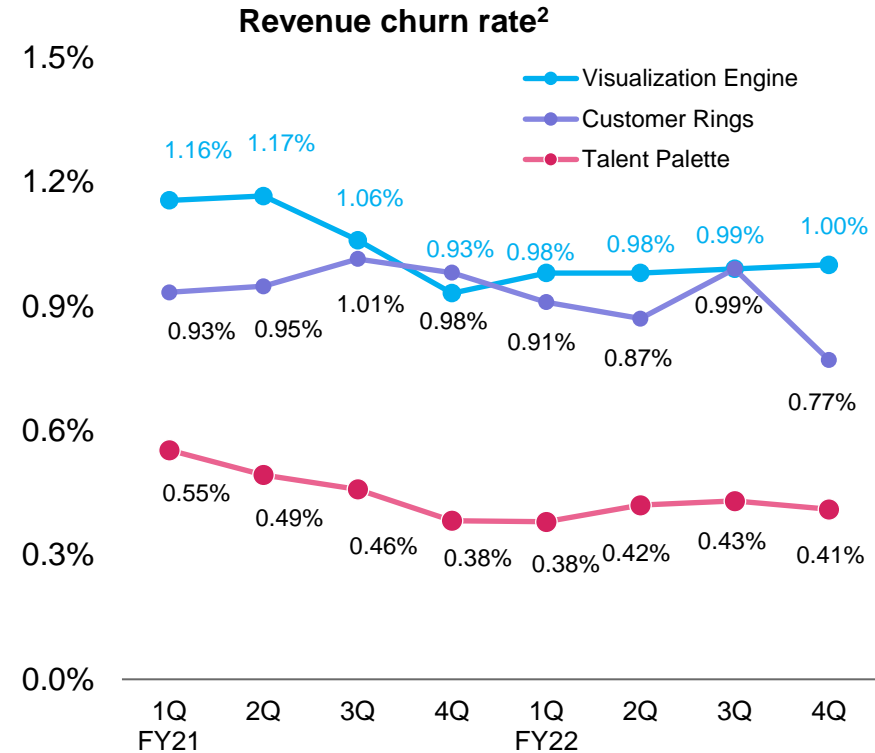
Note 1: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

# Trends in number of customers and revenue churn rate

- The number of customers has continued to grow due to increased introduction of Talent Palette and a low revenue churn rate
- Visualization Engine and Customer Rings recovered due to the acquisition of new customers



Note 1: Number of monthly billed contracts

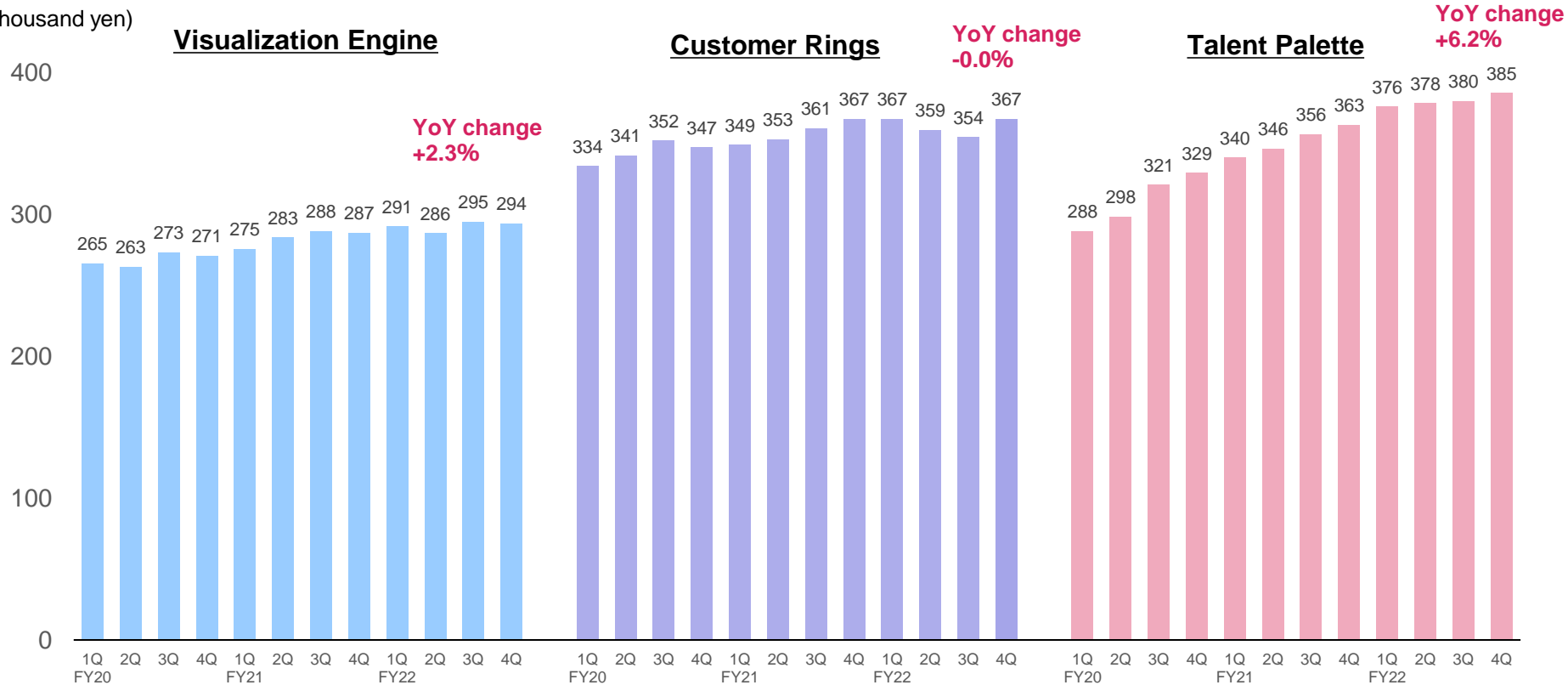


Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter).

# Trends in average revenue per user (ARPU)

- ARPU stably increased for Talent Palette due to up-selling to existing customers
- ARPU of Visualization Engine and Customer Rings was steady due to stable transactions with existing customers

(Thousand yen)



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 4Q of FY2022

## MRR<sup>1</sup>

### Companywide

**646** million yen

■ Visualization Engine	139 million yen
■ Customer Rings	125 million yen
■ Talent Palette	383 million yen

## MRR growth rate<sup>2</sup>

### Companywide

**32.1%**

■ Visualization Engine	6.5%
■ Customer Rings	16.9%
■ Talent Palette	51.7%

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

### Companywide

**0.62%**

■ Visualization Engine	1.00%
■ Customer Rings	0.77%
■ Talent Palette	0.41%

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

### Companywide

**1,807** companies

■ Visualization Engine	478 companies
■ Customer Rings	339 companies
■ Talent Palette	990 companies

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

### Companywide

**85.6%**

■ Visualization Engine	92.4%
■ Customer Rings	95.8%
■ Talent Palette	80.6%

## ARPU<sup>6</sup>

### Companywide

**358** thousand yen

■ Visualization Engine	294 thousand yen
■ Customer Rings	367 thousand yen
■ Talent Palette	385 thousand yen

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

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

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of September 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 September 30, 2022

Note 5: Calculated as dividing total monthly billed amounts for the fourth quarter of the fiscal year ended September 30, 2022 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 fourth quarter of the fiscal year ended 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 fourth quarter of the fiscal year ended September 30, 2022 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 - full year>

	FY2021	FY2022	YoY change
Net sales <sup>1</sup>	6,118 million yen	7,910 million yen	29.3 % up
Operating profit <sup>2</sup>	2,106 million yen	2,663 million yen	26.4 % up
Ordinary profit margin	34.4 %	33.7 %	0.8 points down
MRR <sup>3</sup>	489 million yen	646 million yen	32.1 % up
Number of customers <sup>4</sup>	1,448 Cases	1,807 Cases	24.8 % up
Revenue churn rate <sup>5</sup>	0.70 %	0.62 %	0.07 points down
ARPU <sup>6</sup>	339 Thousand yen	358 Thousand yen	5.5 % up

Note 1: Results for FY2021 and FY2022

Note 2: Results for FY2021 and FY2022

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

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

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2021 and September 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.

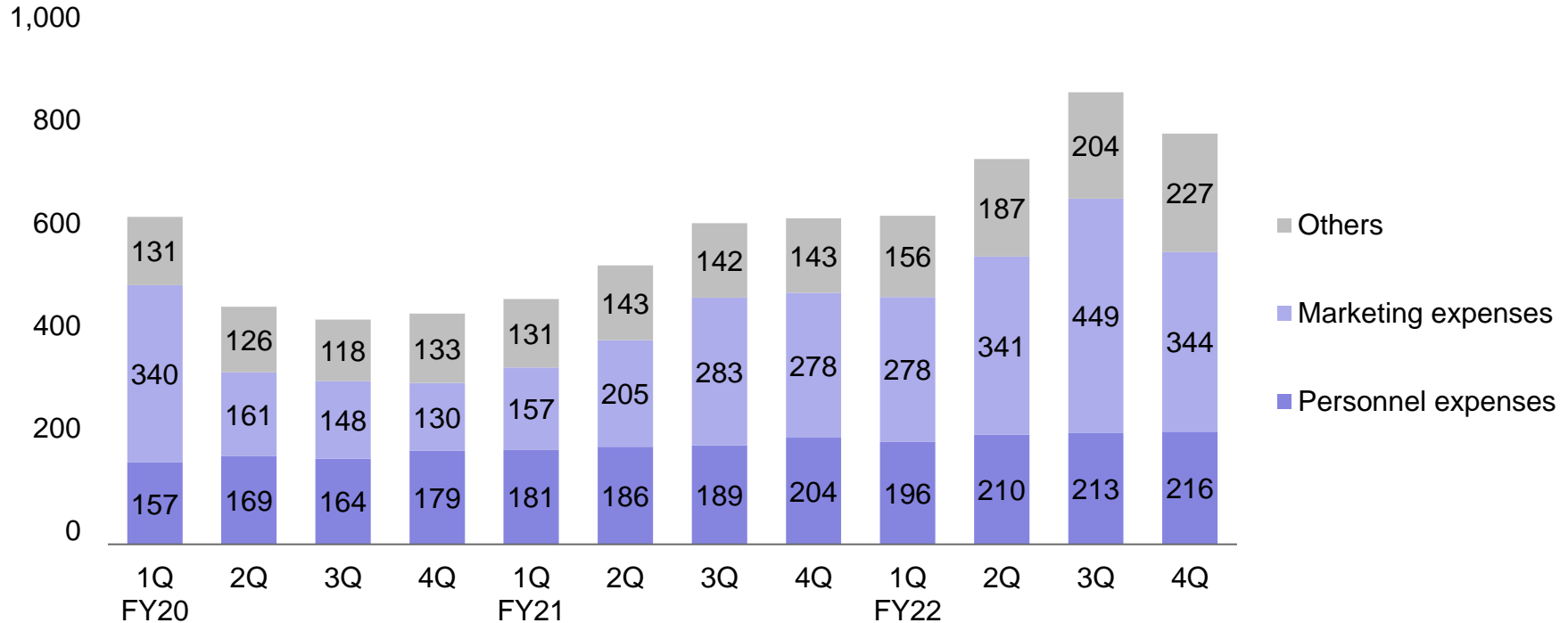
Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 4Q of FY2021 and 4Q of FY2022 by the average number of paid billing enterprise users of each month for the same period.

# Trends in selling, general and administrative expenses

- Marketing expenses that increased in 3Q due to television commercials and exhibits were somewhat reduced in 4Q
- “Others” increased somewhat due to strengthening of inside sales and outbound sales

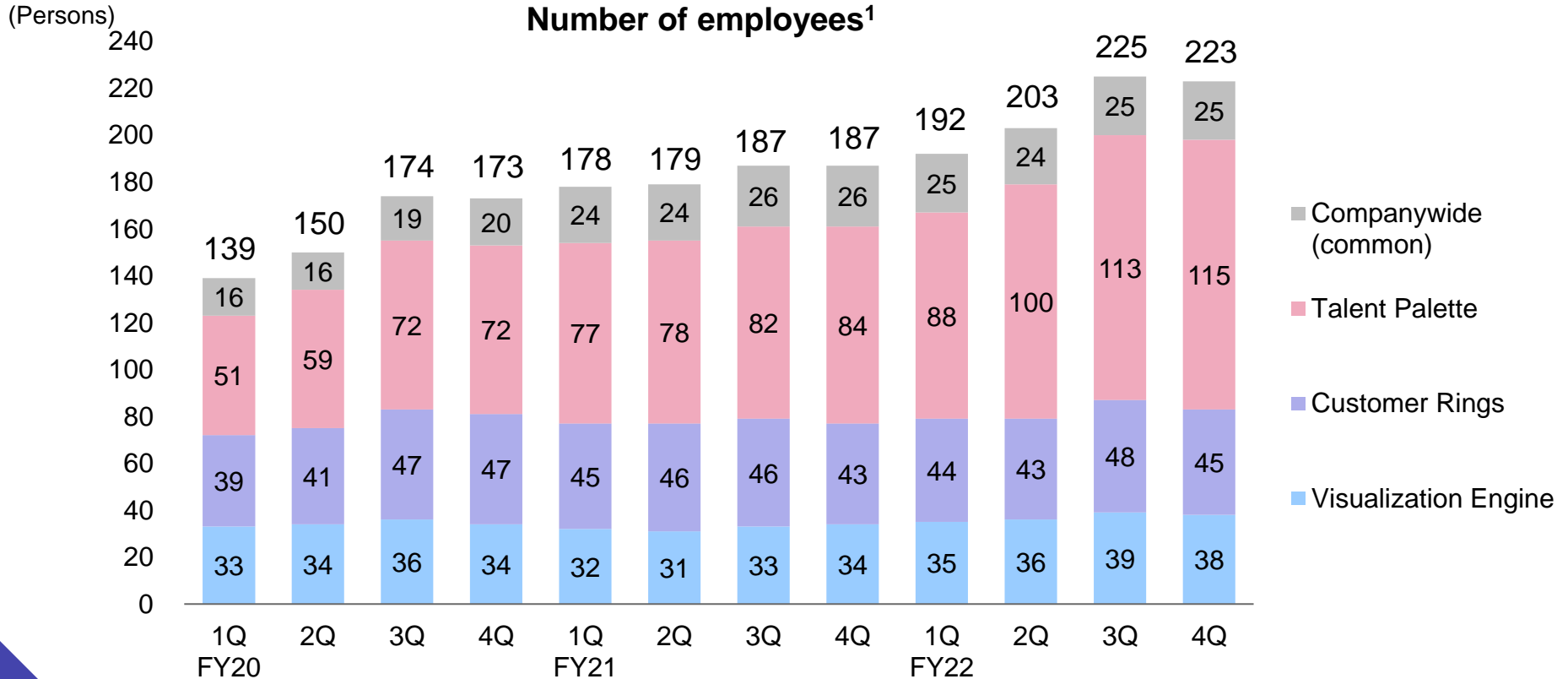
(Million yen)

## Selling, general and administrative expenses



# Trends in the number of employees

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



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

# Status of Balance Sheets

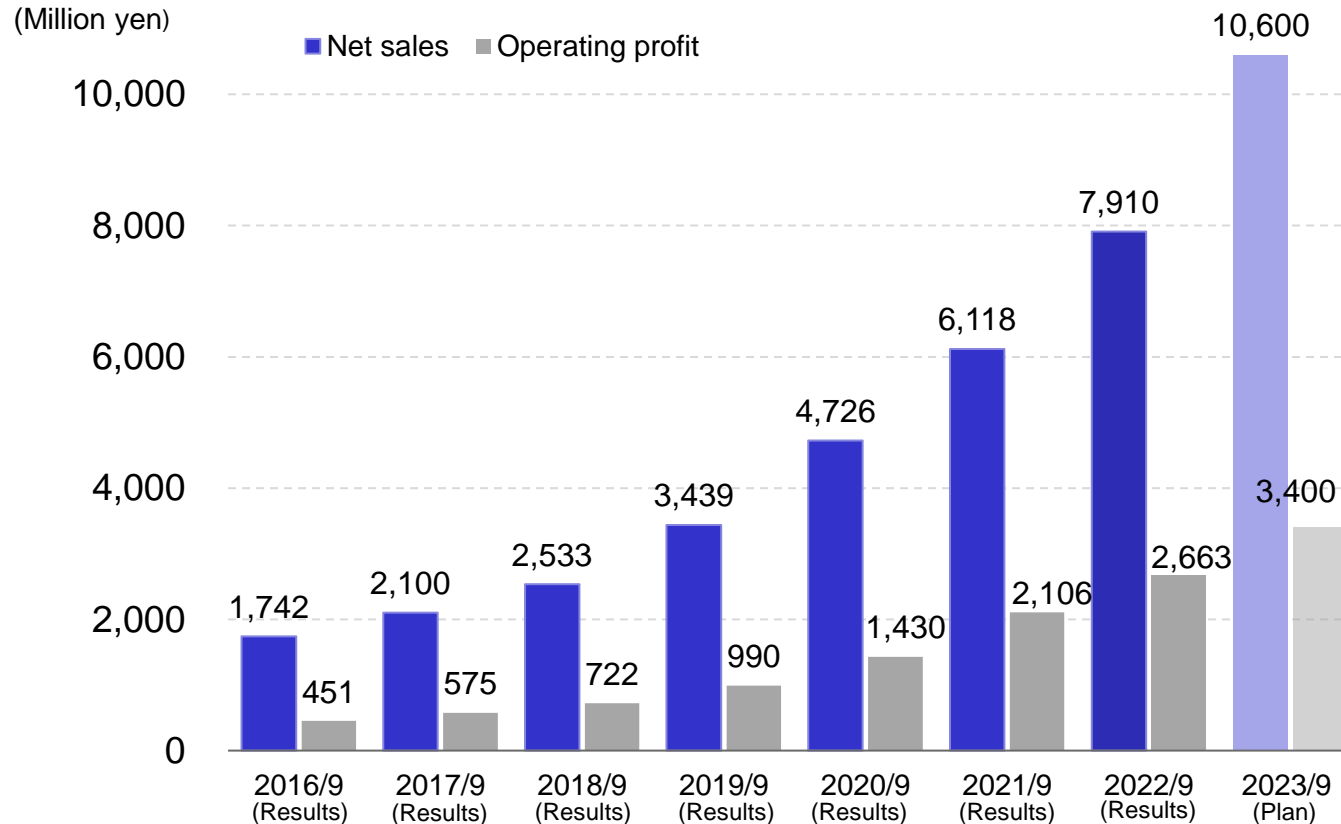
- Net assets increased by 1,557 million yen from September 30, 2021 due to continuously recording profits
- The slim financial structure was maintained, and the equity ratio rose to 81.2%

(Million yen)	Sep. 30, 2021	Sep. 30, 2022	Changes from Sep. 30, 2021
Current assets	5,498	<b>6,598</b>	up 1,100
(Cash and deposits)	4,614	<b>5,478</b>	up 864
(Accounts receivable-trade)	751	<b>941</b>	up 190
Non-current assets	636	<b>1,345</b>	up 709
Total assets	6,135	<b>7,944</b>	up 1,809
Current liabilities	1,227	<b>1,480</b>	up 253
Non-current liabilities	-	-	-
Net assets	4,907	<b>6,464</b>	up 1,557
Equity ratio	79.8%	<b>81.2%</b>	

## 05 Earnings forecasts for the fiscal year ending September 30, 2023

# Earnings forecasts for the fiscal year ending September 30, 2023

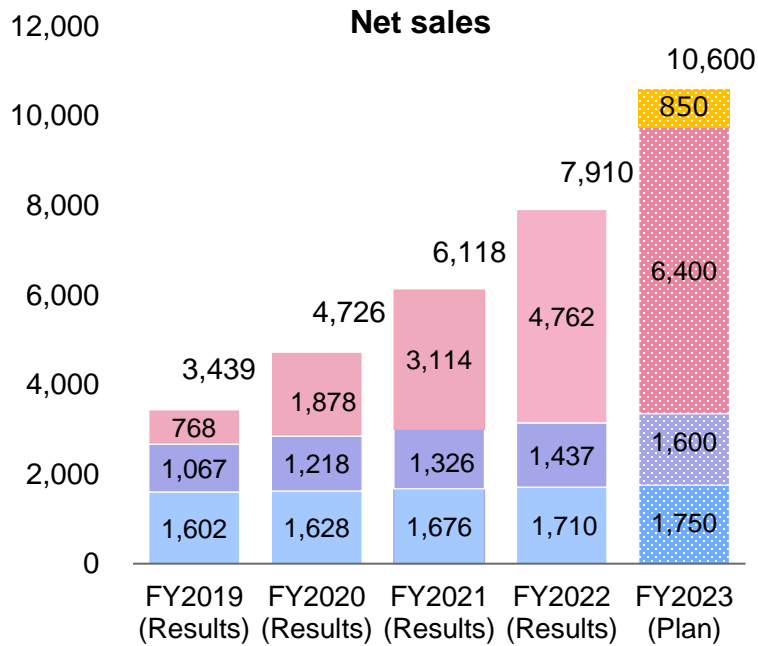
- Revenues and profits are expected to increase year on year, with sales growth mainly in the Talent Palette Business
- We are aiming for a 34.0% growth in net sales and an operating profit margin of 32.1%



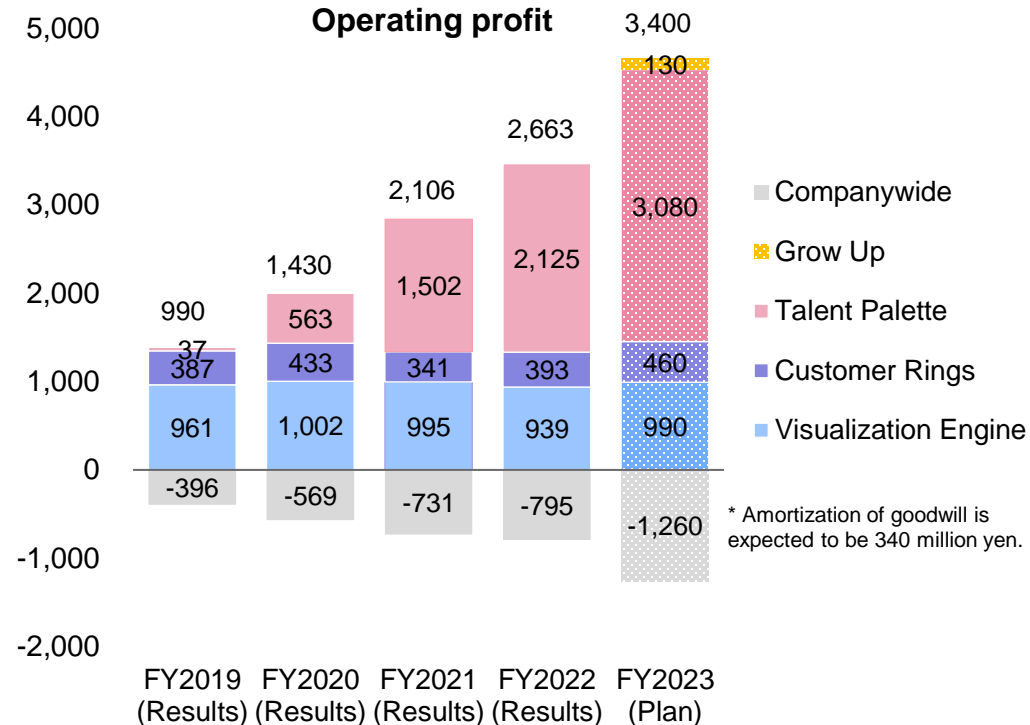
# Earnings forecasts for the fiscal year ended September 30, 2023 (By segment)

- Companywide growth in revenues and profits driven by sales and profit growth in Talent Palette
- In addition to revenue and profits being expected to increase for Visualization Engine and Customer Rings, the consolidation of Grow Up will also contribute to profit. Companywide costs will increase due to the amortization of goodwill.

(Million yen)

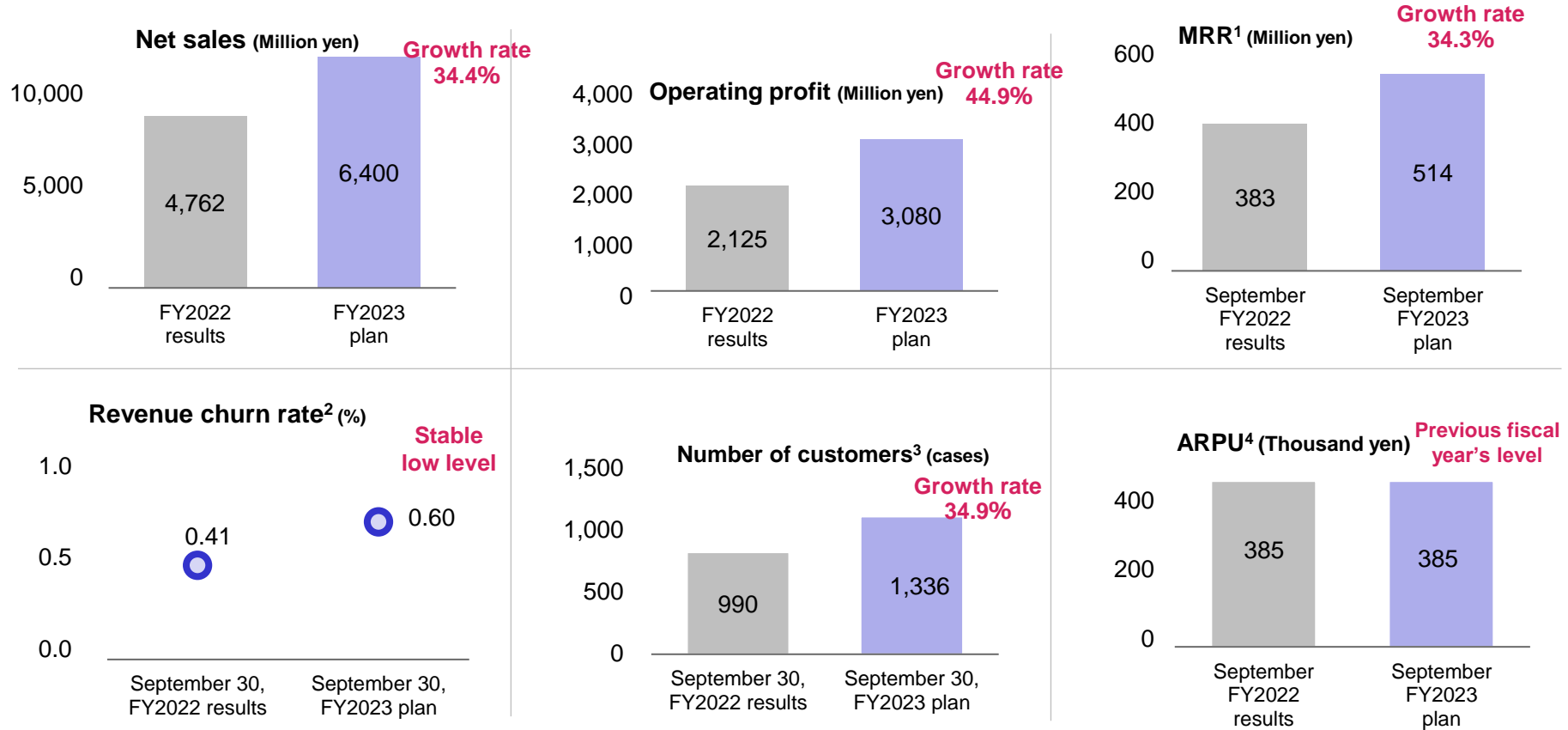


(Million yen)





# Earnings forecast assumptions (Talent Palette Business)



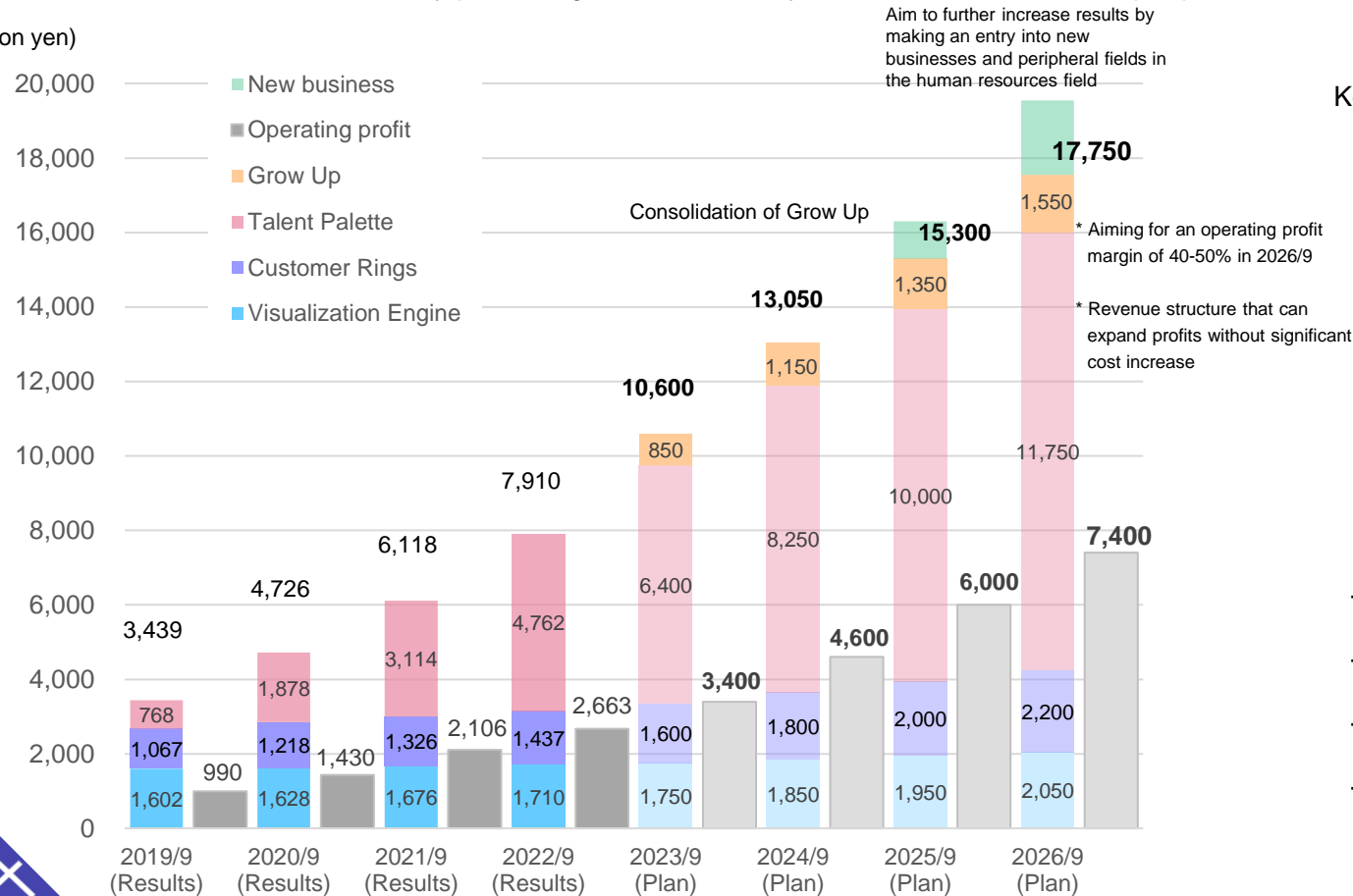
Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.  
 Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)

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 17.7 billion yen or more, operating profit of 7.4 billion yen or more and operating profit margin of 40% or more expected in existing business in 2026/9
- Aim to further increase sales by promoting a full-scale entry into new businesses and peripheral fields in the human resources field

(Million yen)



## Key performance indicators

### • Number of customers




	2022/9 (Results)	2026/9 (Increase)
Visualization Engine	478	+140
Customer Rings	339	+170
Talent Palette	990	+1,430

### • ARPU (thousand yen)

	2022/9 (Results)	2026/9 (Forecast)
Visualization Engine	294	295
Customer Rings	367	370
Talent Palette	385	400

## 06 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 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, etc. Fee for on demand services: Paid consulting, etc.
Number of users <sup>1</sup> Rate of recurring revenue <sup>2</sup>	Number of users (478 companies) Rate of recurring revenue (92.4%)	Number of users (339 companies) Rate of recurring revenue (95.8%)	Number of users (990 companies) Rate of recurring revenue (80.6%)

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

Note 2: Ratio of total monthly billed amounts to net sales (average for 4Q of the year ended September 30, 2022)

# Characteristics of Visualization Engine

## Service characteristics

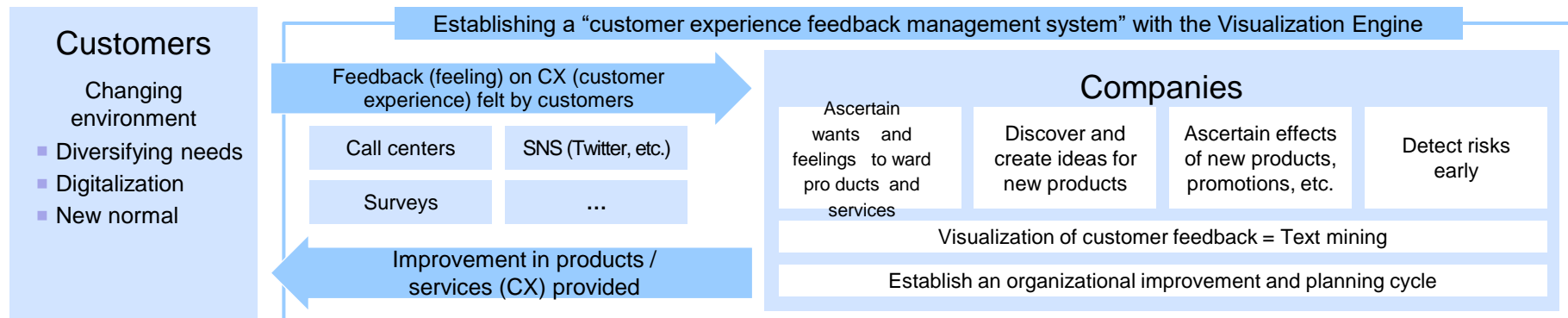
- Instantly visualize big data (customer feedback and actions) in the digital age
- Tool with No. 1 installation share, used by over 1,500 companies
- Intuitive user interface and high usability
- Highly accurate natural language processing that can handle free-form remarks and comments



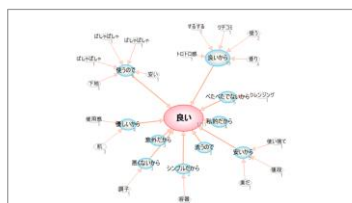
ここがポイント！

- 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



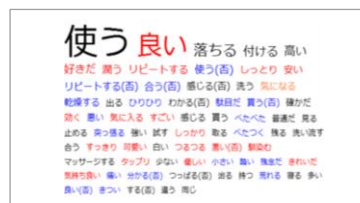
Visualized output of customer thoughts and wants (proprietary text mining technology)



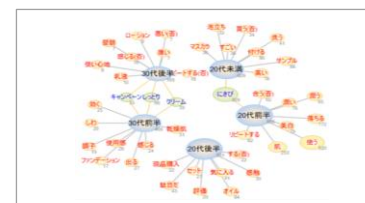
Reason map  
(Ascertain elements linked to central word)



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 years<sup>1</sup>

## Manufacturing




## Retail distribution business


## Food/Service

--	--

## Pharmaceutical


## Infrastructure/IT

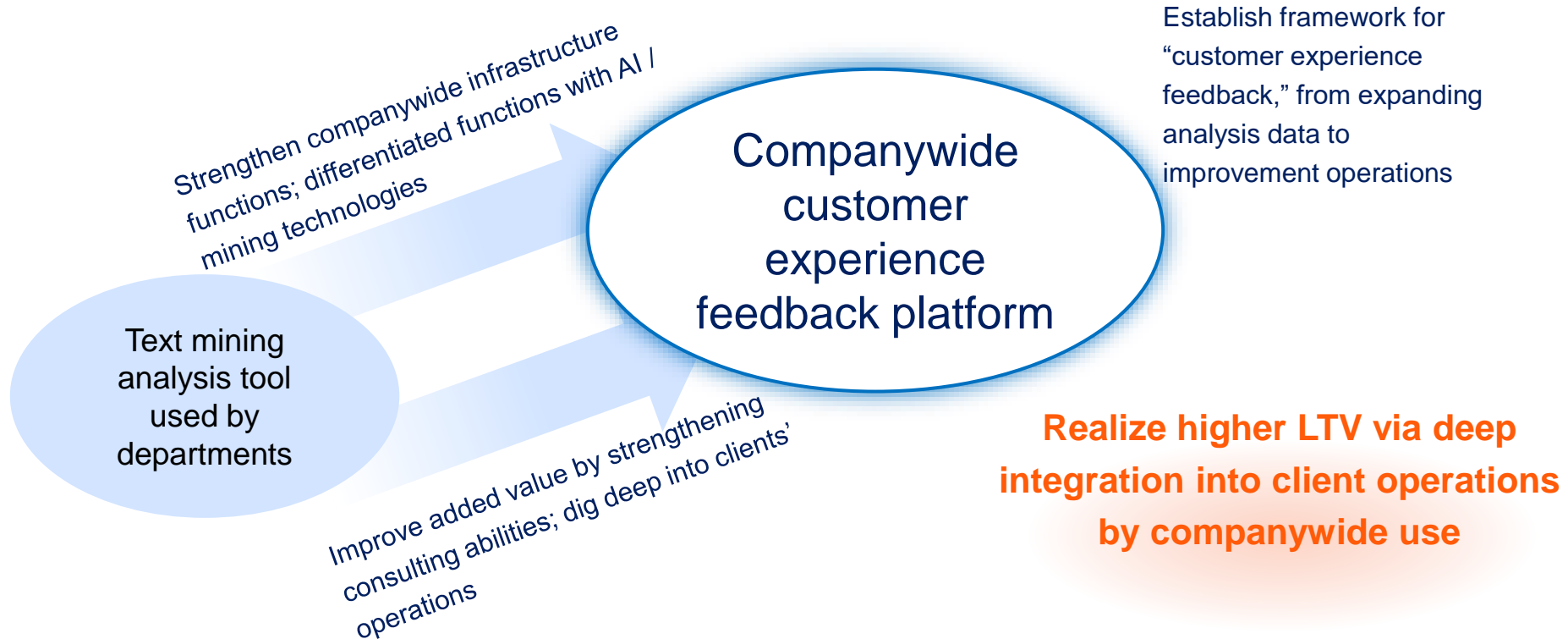

## BtoB/BPO

--	--	--

\*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

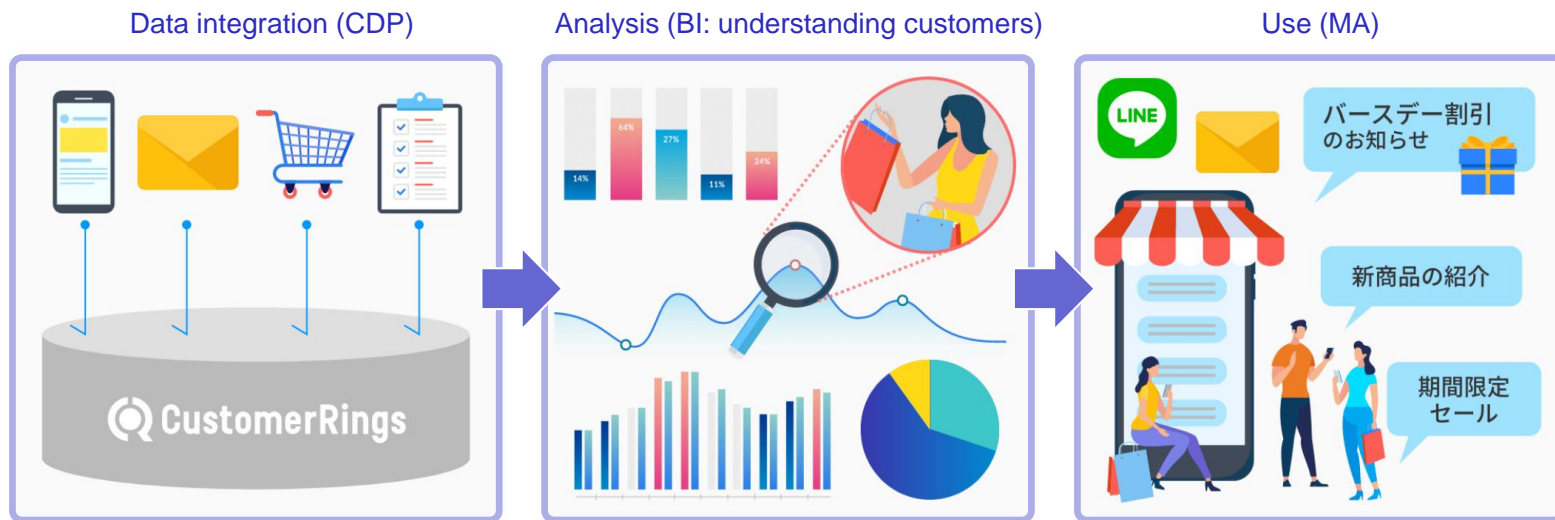
- A CRM/MA tool that realizes optimal communication with customers by integrating and analyzing massive amounts of customer information and purchase histories
- An intuitive interface that does not hamper users' thinking
- Enables timely approaches to customers through optimal channels, ranging from 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 700 growing companies in total

## コスメ/ヘアケア



## 健康食品



## アパレル



## 旅行/観光



## 食品



## 金融



## メディア・出版



## BtoB通販



## 総合通販・その他通販



## 人材



## 会員サービス



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

# 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



LINE linkage  
App linkage



EC website linkage  
Web customer



Sending e-mail  
Sending SMS



Inventory  
management  
Various core  
systems

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

# Characteristics of Talent Palette

## Service characteristics

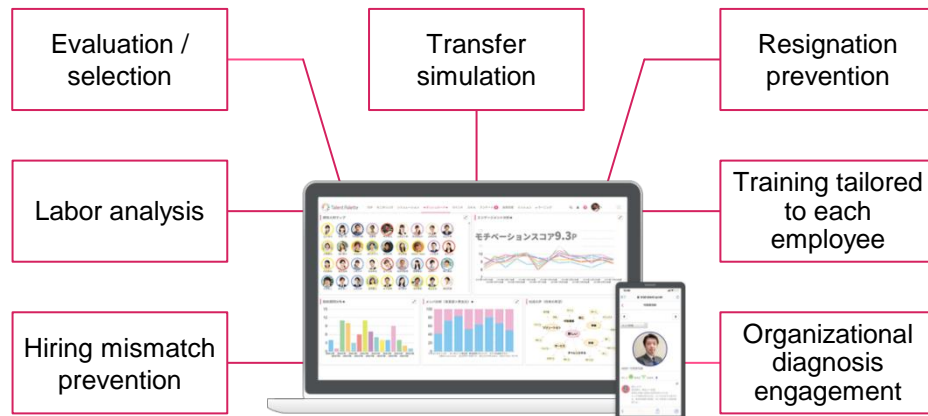
- Realizes data-based scientific personnel management strategy to enable users to succeed in an age of labor shortage
- Employee visualization functions that can be used for optimal employee placement or human resource selection
- Hiring functions including increasing efficiency of hiring operations,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



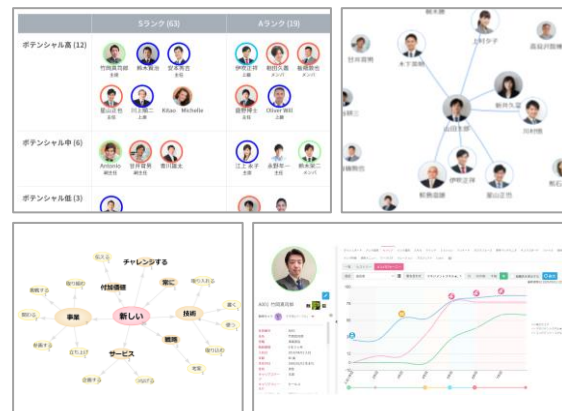
ここがポイント！

- 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

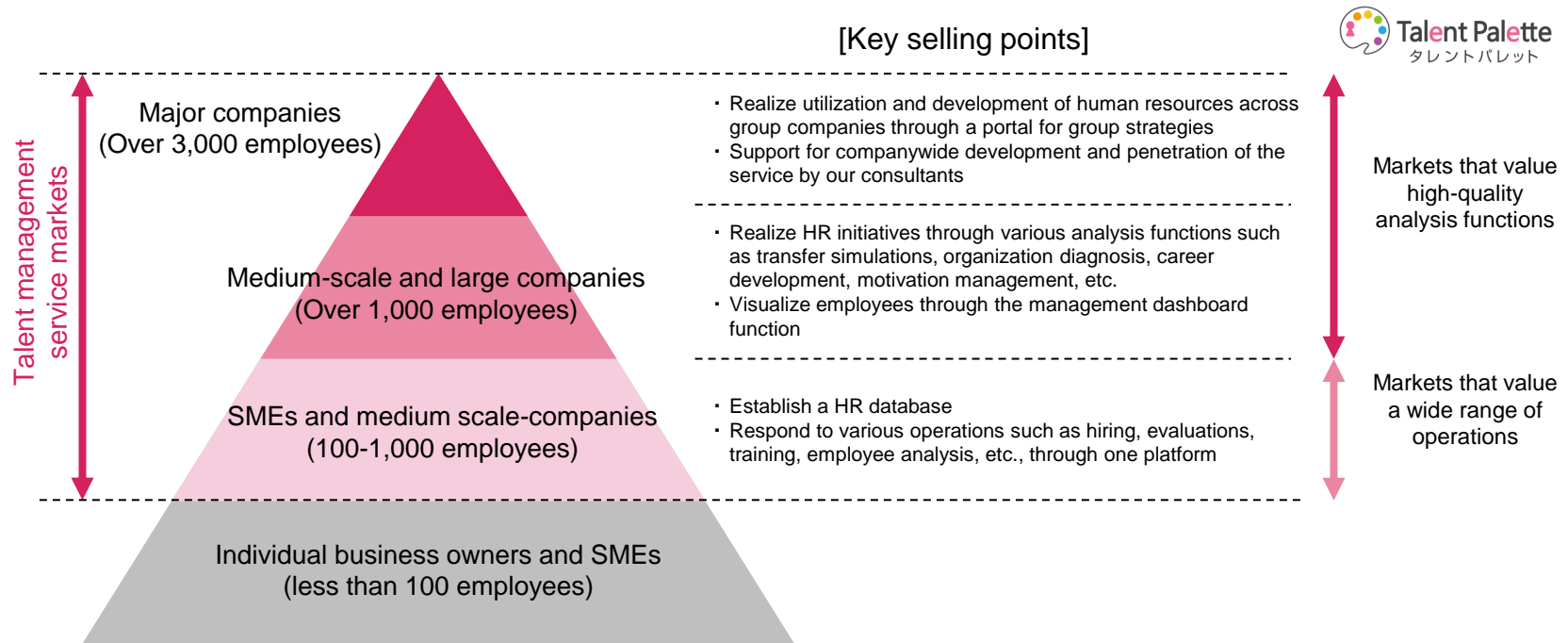
=

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

# Talent Palette's target market

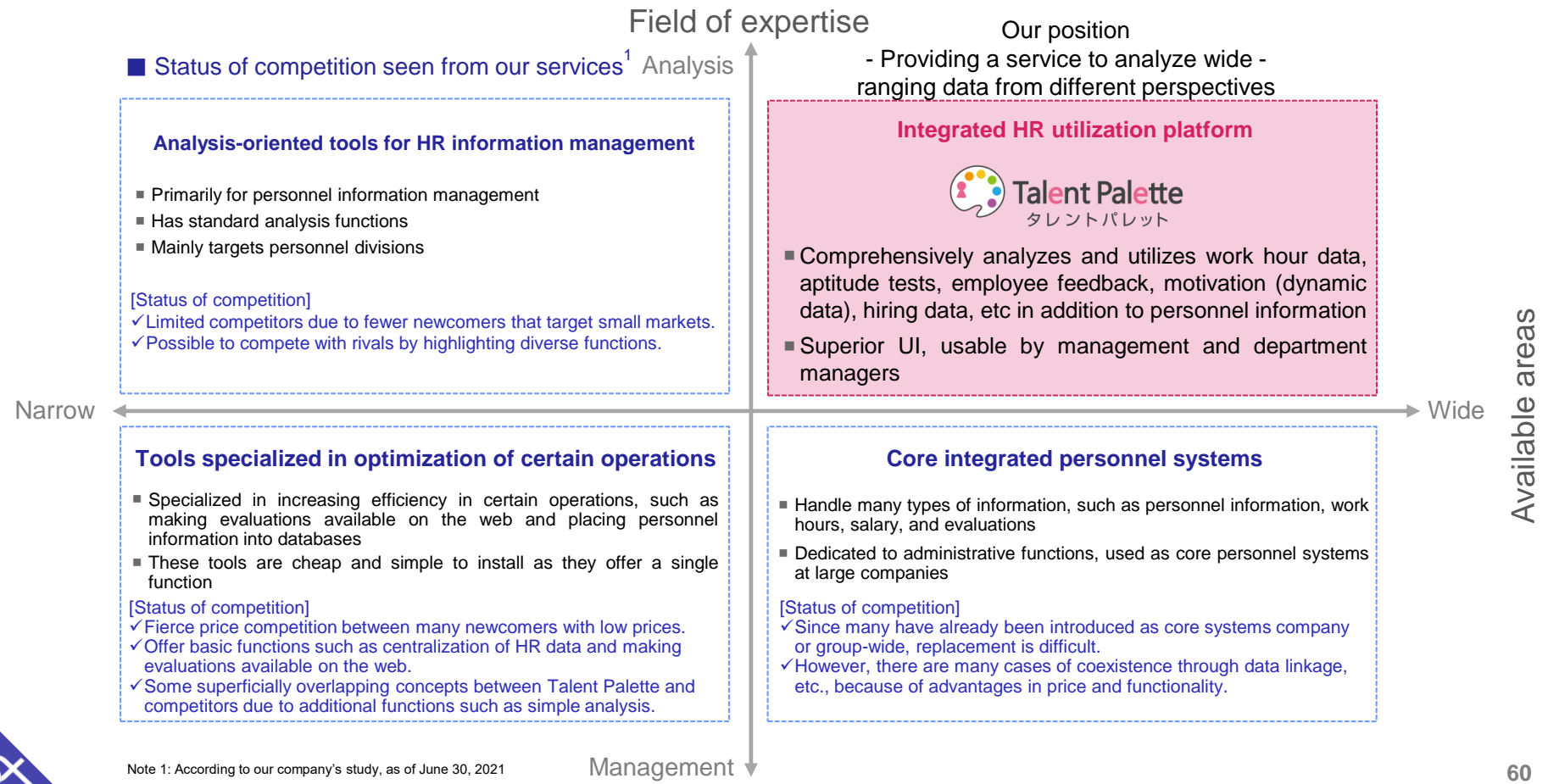
The talent management service is targeted for companies with 100 or more employees. Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

## 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

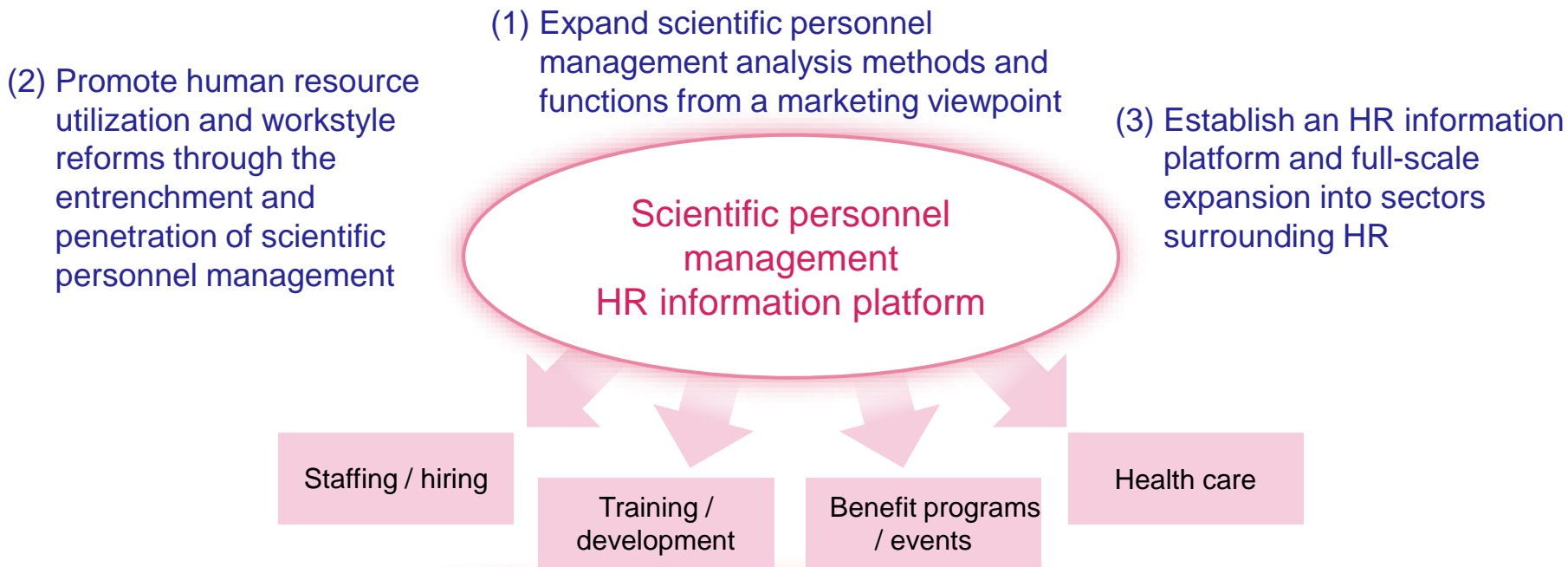


Available areas

# 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**

# Regarding handling of this document

This document was prepared by Plus Alpha Consulting Co., Ltd. (the “Company”) solely for the purpose of offering information to investors. The information contained in this document is not intended to solicit investors to buy or sell shares in the Company. Forward-looking statements herein reflect the Company’s plans and expectations, and the Company does not promise nor guarantee the realization of planned figures or measures. Please use this document on the assumption that the Company’s actual results may be materially different from any future results expressed or implied by such forward-looking statements.

Although information on companies other than the Company or information regarding preparation by third parties in this document is based on data believed to be credible, the Company does not guarantee the accuracy nor the completeness of such information. The Company presents this document on the premise that investors use it at their own discretion and responsibility. Please be aware that the Company assumes no responsibility for any damages under any circumstances.