

Fiscal Year Ended September 30, 2022 Disclosure of Business Plan and Matters Related to Growth Potential

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

November 30, 2022

Overview of the Structure of this Document

I. Corporate Profile

1. Company outline
2. Mission, vision and corporate philosophy
3. Business concept
4. Growth track
5. Main services
6. Service characteristics
7. Business structure
8. Business portfolio
9. Major KPIs

II. Corporate Highlights

1. High value-added service with data mining as a backbone
2. Expansion of markets covered with the shift to the cloud providing a tailwind
3. Potential for high growth of Talent Palette creating new markets in the personnel area
4. Growth strategies of each business and operations aimed at development of new markets and services
5. Medium-term growth image

III. Risk and Controls

Major risks and countermeasures

IV. Appendix

1. Characteristics of Visualization Engine
2. Characteristics of Customer Rings
3. Characteristics of Talent Palette


I. Corporate Profile

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 Bldg., 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, 3-33-3 Yakuin, Chuo-ku, Fukuoka-shi, Fukuoka
- Established December 25, 2006
- Capital 88,221,000 yen (as of September 30, 2022)
- Businesses content Providing cloud services for data analysis platforms
- Number of employees 223 (as of September 30, 2022)
- URL <https://www.pa-consul.co.jp/>

Mission, vision and corporate philosophy

MISSION

Cre**at**  **value for our customers' businesses.**

By “visualizing” the enormous amount of information filling the world—texts, numerical values, images, sounds, etc.—and providing “realizations” that are helpful to our customers' businesses, we will create “+α” (PLUS ALPHA) value for our customers.

VISION

Continuing evolving as a company of visualization platforms.

Information volume and digitalization have continued to increase exponentially in an array of fields. We will propose solutions that will help improve creativity and productivity, with the aim of continual evolution as a company. Our visualization platforms will revolutionize various industry mechanisms by working closely with our customers, employees, and partners.

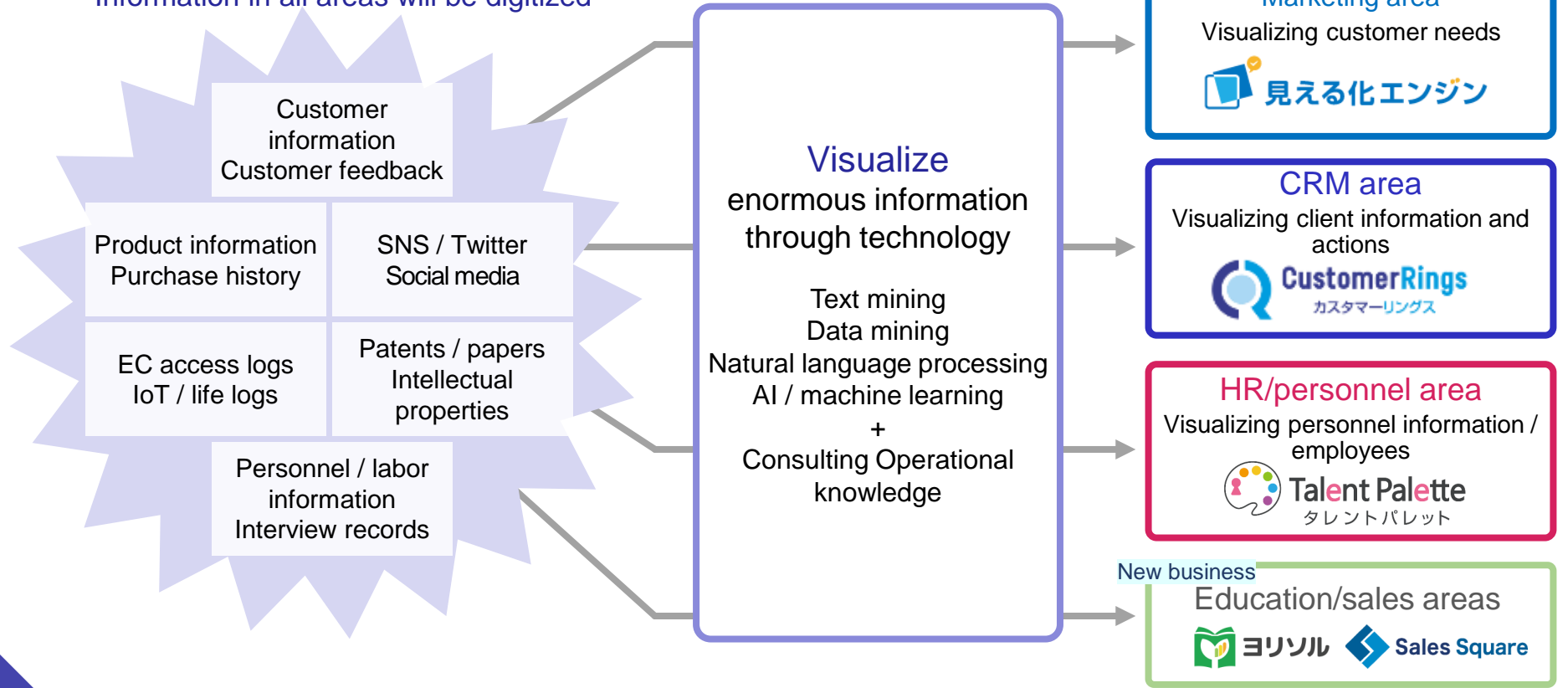
Corporate philosophy

- By creating PLUS ALPHA value, we are able to greatly impress and provide ever-broadening possibilities to our customers.
- We place a great importance on courage, passion, consideration, and steady effort.
- We prioritize, the ability to utilize one's strengths, self-growth, contributing to society, and working with a positive attitude.

Business concept

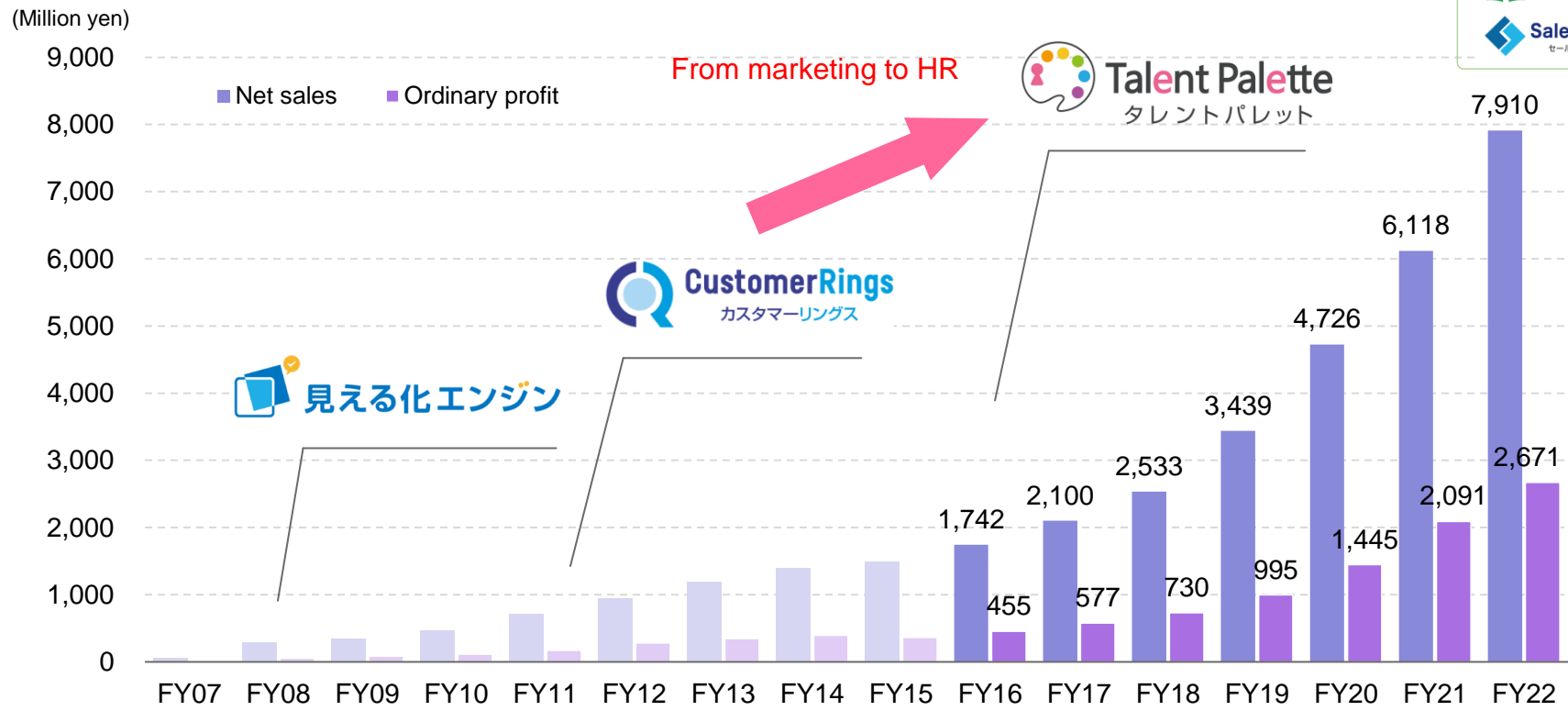
Platform to visualize big data

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



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



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

Service characteristics

* The characteristics of each service are described in IV. Appendix.

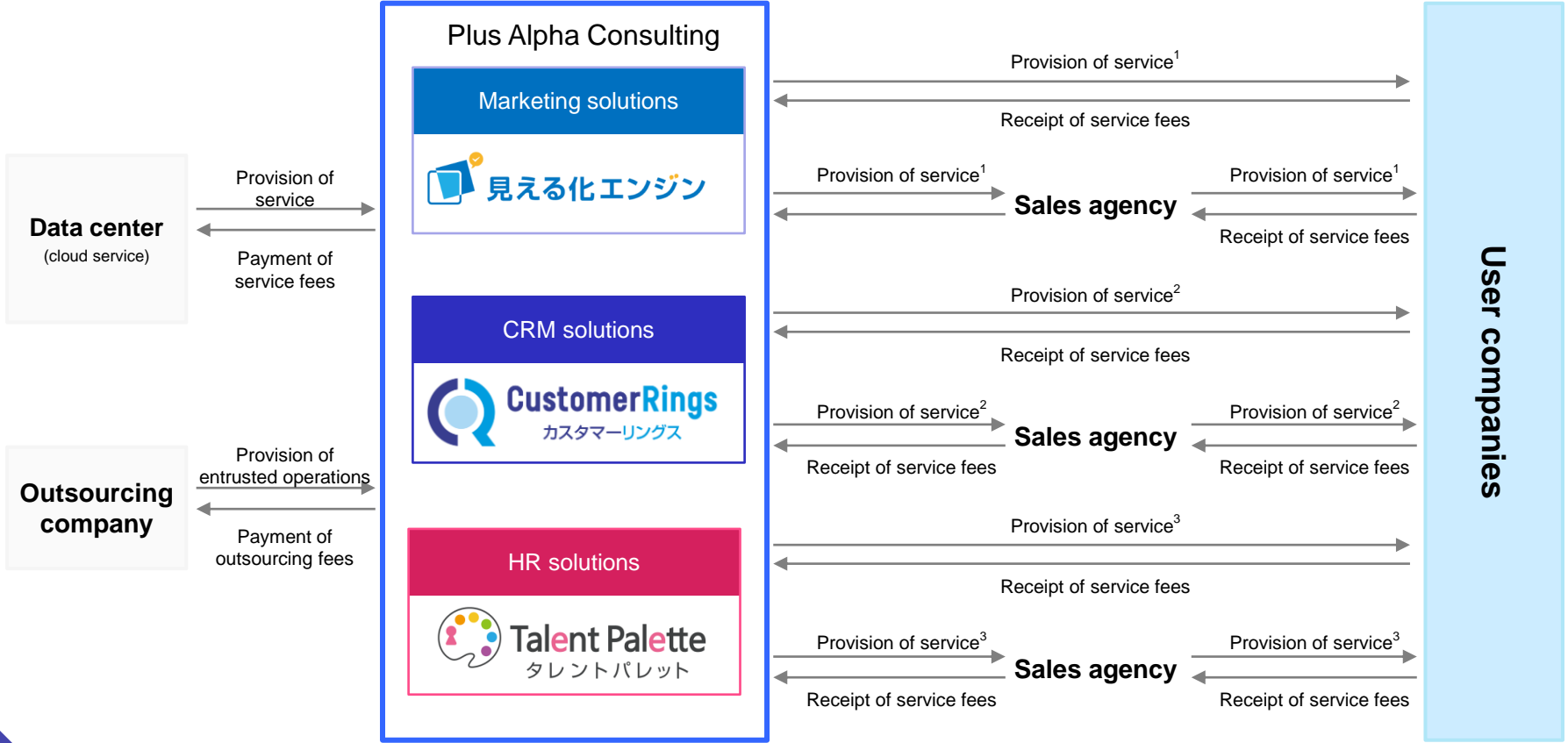
	Visualization platform	Marketing automation tool	HR utilization platform
			
Service overview	Text mining analysis of massive amounts of customer feedback from surveys, call logs, social media, etc.	Support for optimal communication with customers based on analysis results gained from integrated data 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 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 of the fourth quarter of the fiscal year ended September 30, 2022)

Business structure

- User companies sign up for service plans according to usage (scope of data used, number of members, distribution, number of employees, etc.)
- Services are provided with payment of a fixed monthly fee according to the plan.

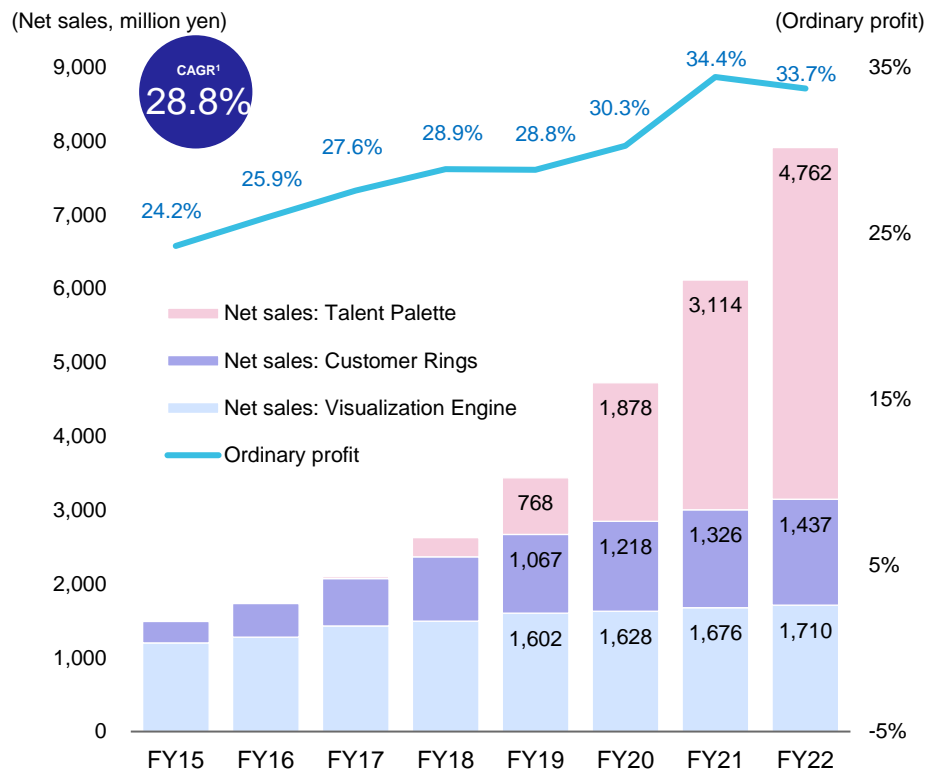


(Note 1) Access to Plus Alpha Consulting server using ID and password. Monthly fee based on agreed data volume, etc.
(Note 2) Access to Plus Alpha Consulting server using ID and password. Monthly fee based on number of members, distribution, etc.
(Note 3) Access to Plus Alpha Consulting server using ID and password. Monthly fee based on number of user employees, etc.

Business portfolio

Simultaneous realization of profitability and growth

- Operation of three businesses in different stages of growth from highly profitable stable business to high-growth business
- Simultaneously realizing high growth and high profitability over a prolonged period without being affected by the product life cycle



		Segment profit ³	Segment profit margin	Net sales growth rate ² (YoY change)
Talent Palette	High-growth business	2.12 billion yen	44.6%	52.9%
Customer Rings	Stable growth business	0.39 billion yen	27.4%	8.3%
Visualization Engine	Highly profitable business	0.93 billion yen	54.9%	2.0%
Companywide common expenses	—	(0.79) billion yen	—	—
Companywide	—	2.66 billion yen ⁴	33.7% ⁴	29.3%

Note 1: Average annual growth rate of net sales from the fiscal year ended September 30, 2016 until the fiscal year ended September 30, 2022

Note 2: Rate of increase in net sales from the fiscal year ended September 30, 2020 until the fiscal year ended September 30, 2022

Note 3: Operating profit of each segment in the the fiscal year ended September 30, 2022 (before deduction of common expenses)

Note 4: Operating profit and operating margin of the Company as a whole in the the fiscal year ended September 30, 2022 (after deduction of common expenses)

Major KPIs Establishment of a high value-added subscription model

- Simultaneously realize high recurring ratio and low revenue churn rate while realizing high ARPU as a high-added value service

MRR¹

Companywide

646 million yen

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

MRR growth rate²

Companywide

32.1%

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

Average monthly revenue churn rate³

Companywide

0.62%

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

Number of users⁴

Companywide

1,807 companies

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

Recurring ratio⁵

Companywide

85.6%

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

ARPU⁶

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

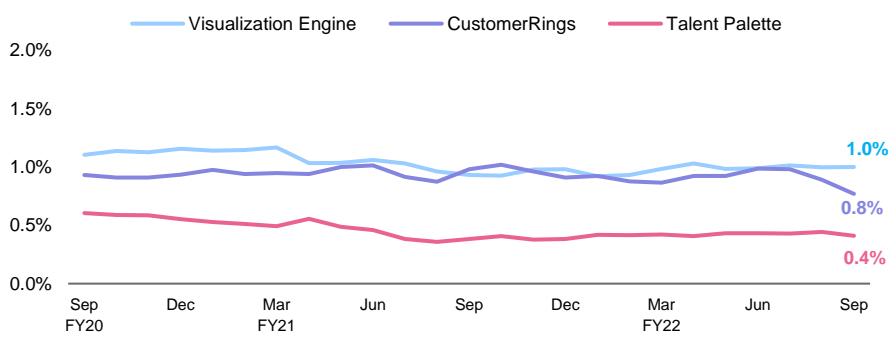
Note 5: Calculated as dividing total monthly billed amounts for the fourth quarter of the fiscal year ended September 30, 2022 by net sales for the same period.

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.

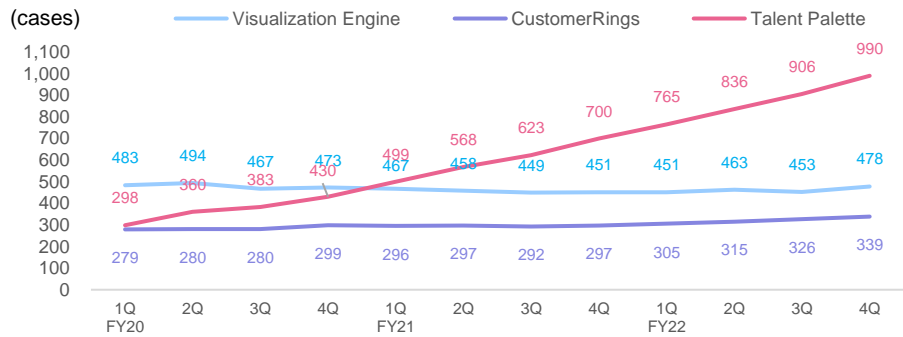
Companywide result is calculated by dividing total amounts of the average MRRs of the three businesses for the fourth quarter of the fiscal year ended September 30, 2022 by the average number of total enterprise users for the three businesses of each month for the same period.

Major KPIs Establishment of a high value-added subscription model

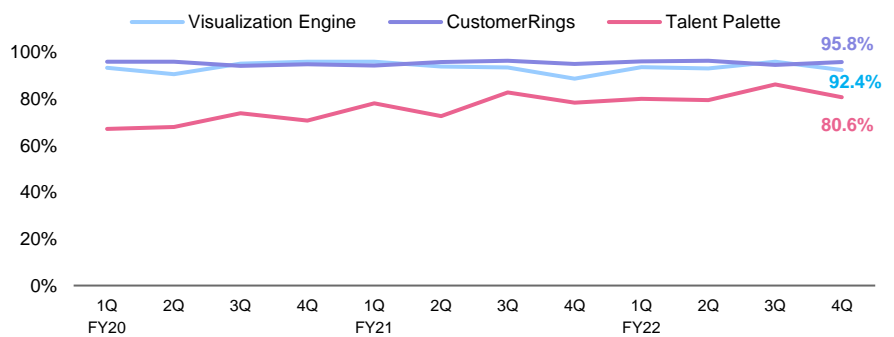
Average monthly revenue churn rate²



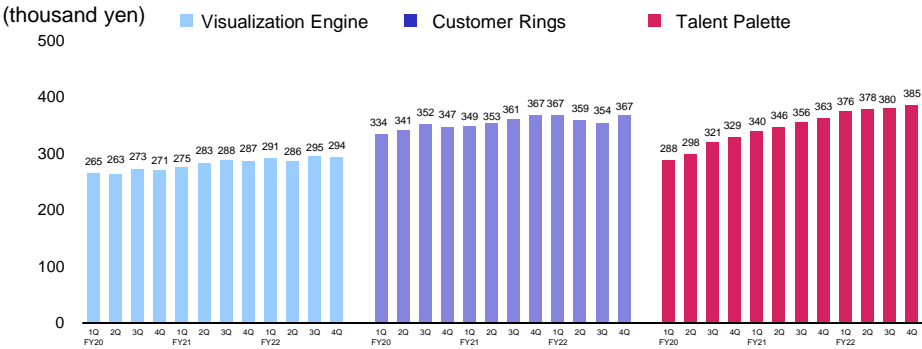
Number of users³



Recurring ratio⁴



ARPU¹



- The number of customers continued to expand due to an increase in Talent Palette implementations and a stably low churn rate
- Visualization Engine and Customer Rings are also recovering with increases in new acquisitions

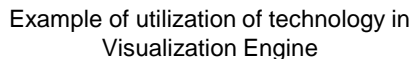
Note 1: Average Revenue Per User. Average monthly revenue per paid billing enterprise user. Calculated as dividing the average MRR for each quarter by the average number of paid billing enterprise users of each month for the same period.
 Note 2: Average ratio of reductions as a result of cancellations to total monthly billed amounts 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 3: Number of contracts at end of final month of each quarter
 Note 4: Quarterly average of ratio of total monthly billed amounts to net sales

II. Corporate Highlights

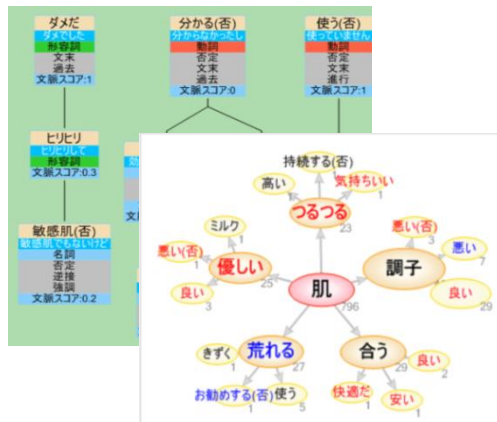
Corporate Highlights

- 1 High value-added service with data mining as a backbone**
- 2 Expansion of markets covered with the shift to the cloud providing a tailwind
- 3 Potential for high growth of Talent Palette creating new markets in the personnel area
- 4 Growth strategies of each business and operations aimed at development of new markets and services
- 5 Medium-term growth image

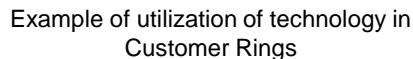
- Incorporating proprietary technologies such as natural language processing and text mining into applications, and providing these as applications for supporting customers' operations that are useful in business



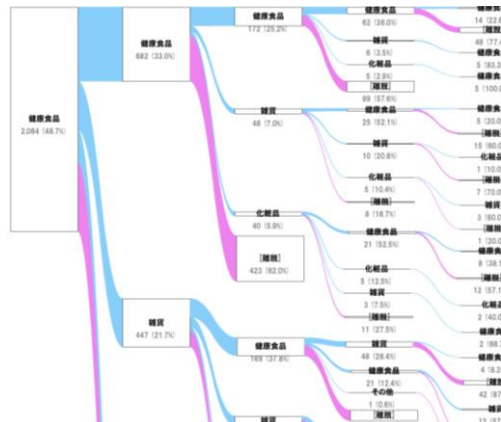
Syntax analysis, word maps



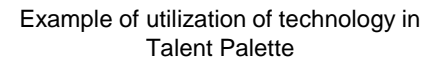
Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance



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

High analysis precision using proprietary text mining technology

- By embedding the natural language processing engine (Waters) developed using proprietary technology into all solutions, we provide analysis functions with precision and speed that cannot easily be realized by other companies.

[Characteristics of Waters]

(1) High analysis precision

- Pioneering commercial service of morpheme and syntax analysis engine
- Requests and requirements from many customers such as the private sector and research institutes have been reflected in services over a prolonged period

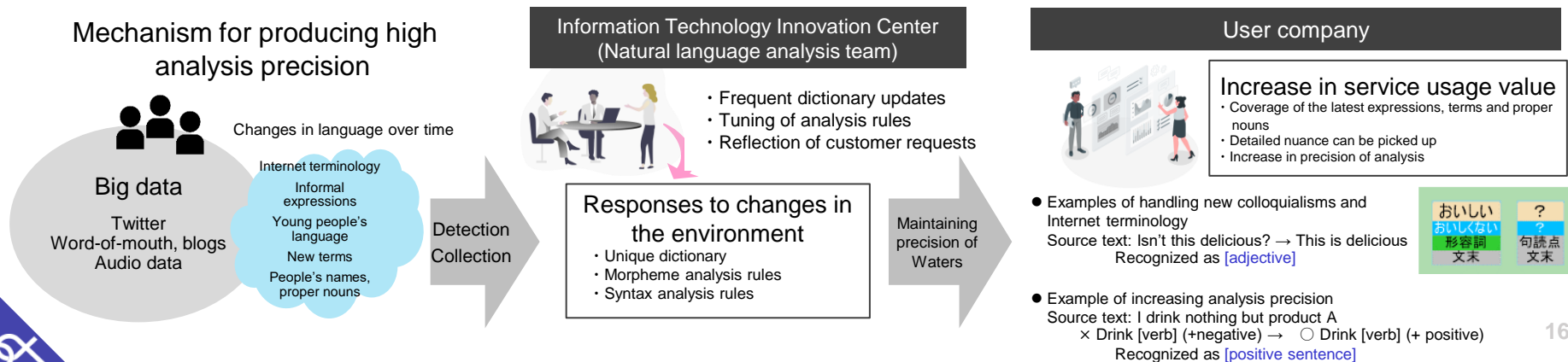
(2) Rapid analysis speed

- Top-level analysis processing speed compared to similar services
- Technology supporting the big data era to ensure data volume is not a bottleneck

(3) Dictionary maintenance

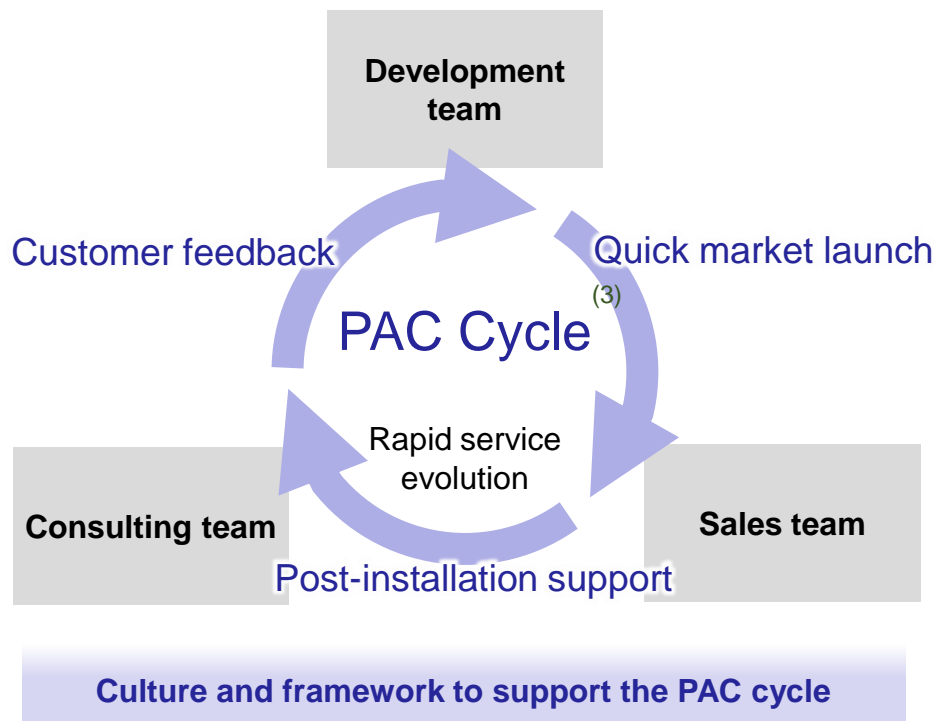
- Frequent dictionary updates
- Accumulation of know-how continuously responding to changes in terms and colloquial expressions over time

Mechanism for producing high analysis precision



High-speed evolution cycle realizing high value-added subscriptions

- We have created a system for increasing the speed of service through collaboration across teams, with the functions produced by the development team being launched by the sales team, and the needs and requirements learned through support and consulting for user companies being provided to the development team as feedback



PAC cycle realizes:

Differentiation

by rapid functional evolution

ARPU⁽¹⁾ improvement

by creating high added value

Cancellation prevention /

LTV⁽²⁾ improvement

through a concerted effort by the entire team

Partner relationships

on equal footing with clients

Early market launch

of new functions and businesses

(Note 1) ARPU: Average Revenue Per User. It is calculated by dividing total monthly revenue by the number of customers.

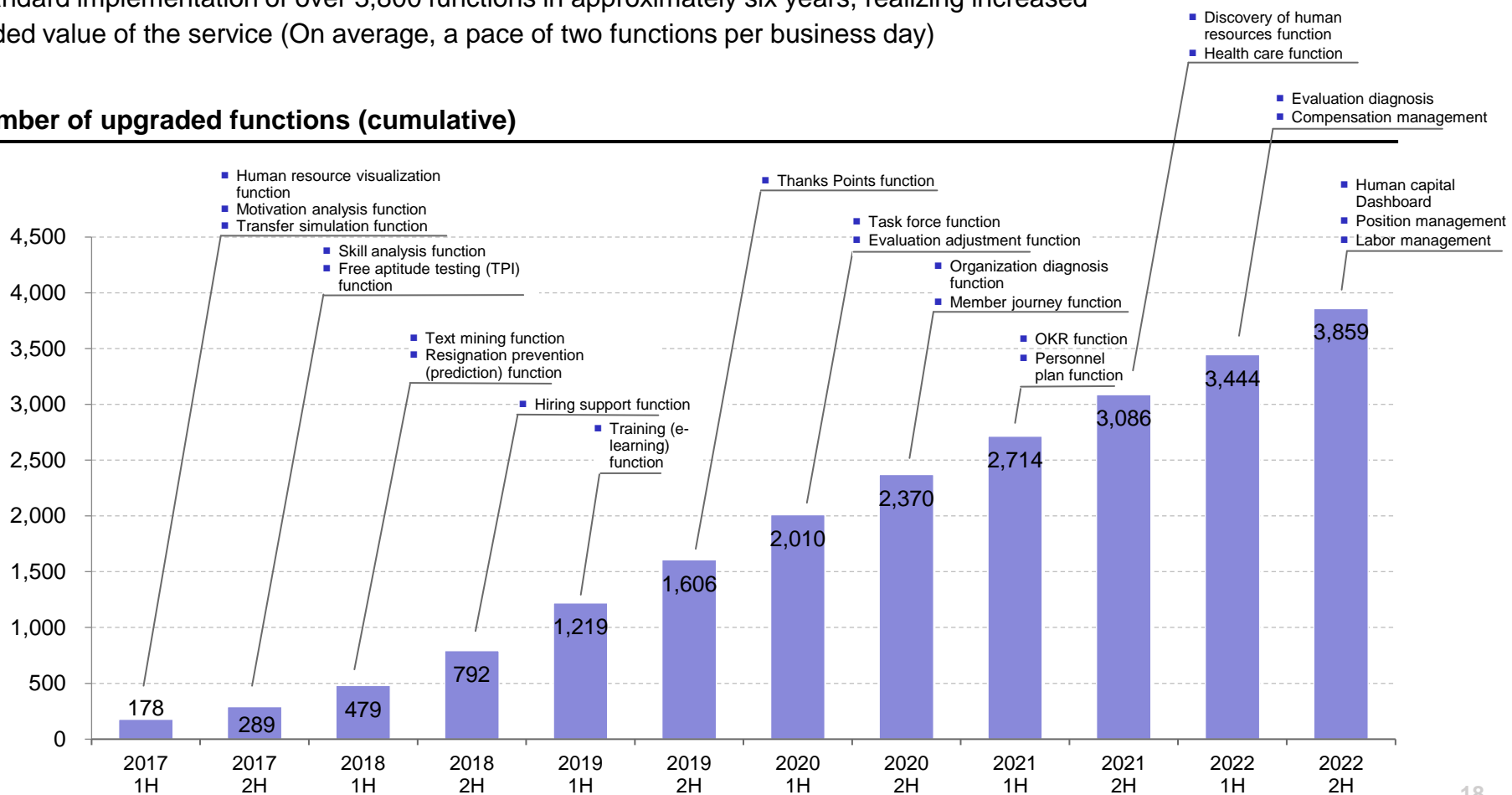
(Note 2) LTV: Life Time Value.

(Note 3) PAC Cycle: Plus Alpha Consulting Cycle.

Function development speed realized by the PAC Cycle

- Standard implementation of over 3,800 functions in approximately six years, realizing increased added value of the service (On average, a pace of two functions per business day)

Number of upgraded functions (cumulative)



(Note 1) Count of the number of projects going through the process of design, development and testing among the Company's development projects

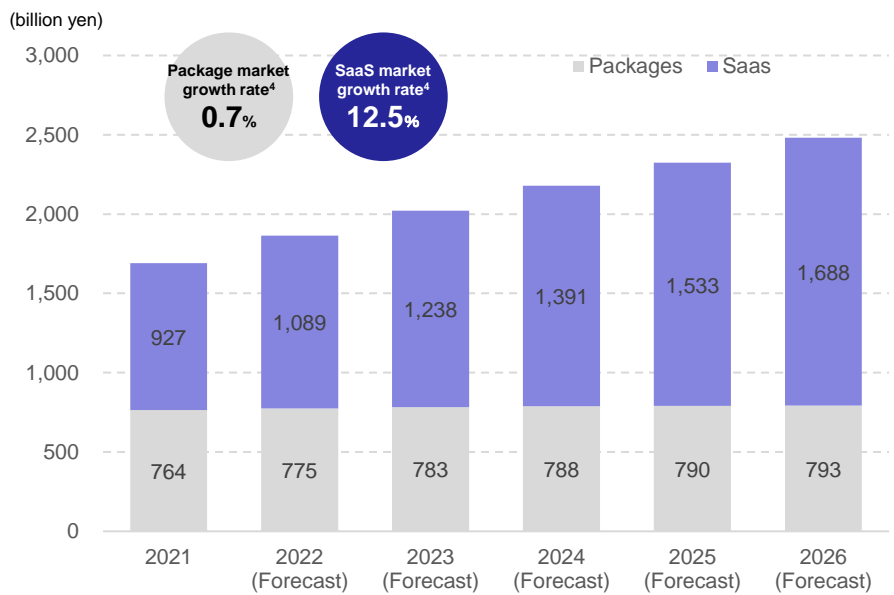
Corporate Highlights

- 1 High value-added service with data mining as a backbone
- 2 Expansion of markets covered with the shift to the cloud providing a tailwind**
- 3 Potential for high growth of Talent Palette creating new markets in the personnel area
- 4 Growth strategies of each business and operations aimed at development of new markets and services
- 5 Medium-term growth image

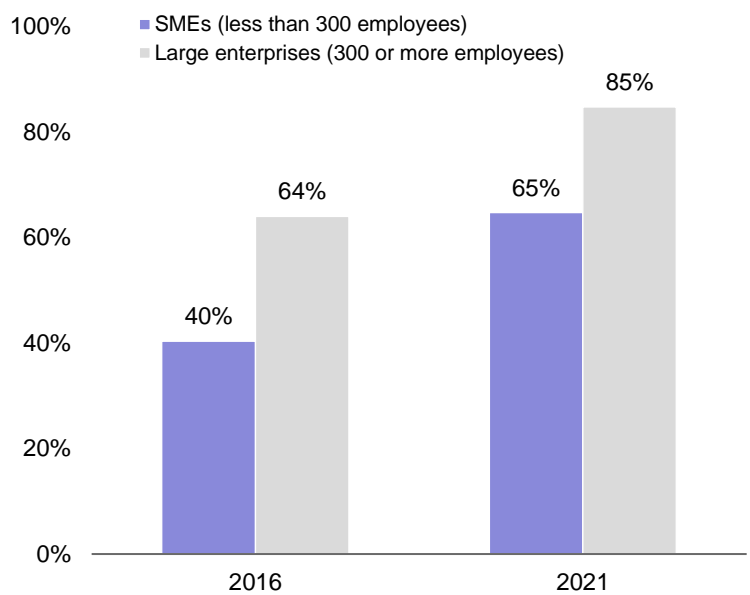
The Japanese SaaS market¹ is growing to 1 trillion yen

- There has been an increase in demand for software leading to automation and improvement of efficiency to respond to digitalization, work style reform and labor shortages, and implementation is progressing in companies ranging from large enterprises to SMEs.
- In particular, SaaS-type services are driving growth, and market share is increasing

Size of domestic software market²



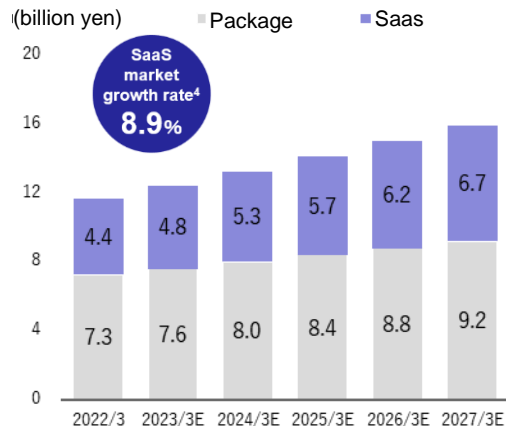
Cloud service usage rate³



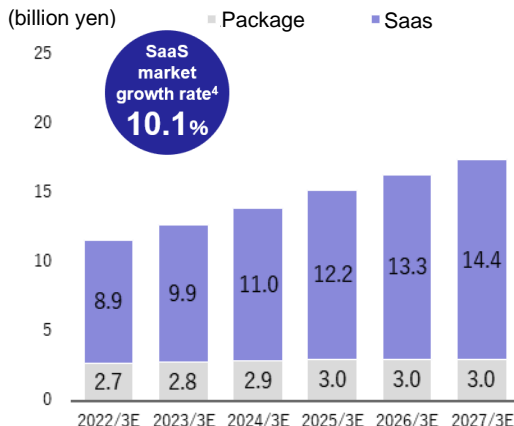
Note 1: Including middleware providing software functions in a usable format and PaaS (Platform as a Service) in the area of infrastructure. Covers initial expenses at the time of implementation and expenses during use (monthly expenses, etc.)
 Note 2: Fuji Chimera Research Institute, Inc. "New Markets in the Software Business 2022 Edition"
 Note 3: Percentage of respondents who answered that they are "Using" cloud services in Ministry of Internal Affairs and Communications "Communications Usage Trend Survey" (2016, 2021)
 Note 4: CAGR from 2021 to 2026

The Company's business areas² have expanded to double¹ over five years

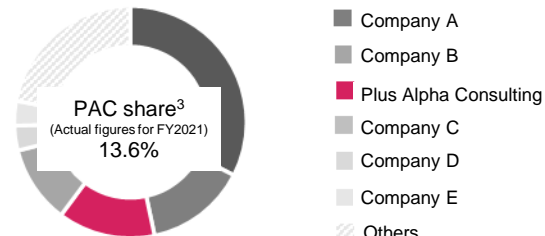
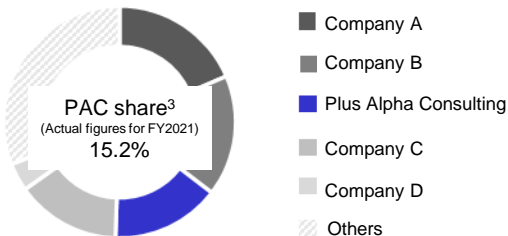
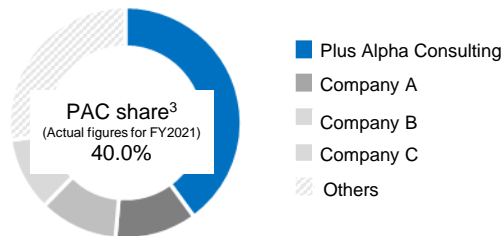
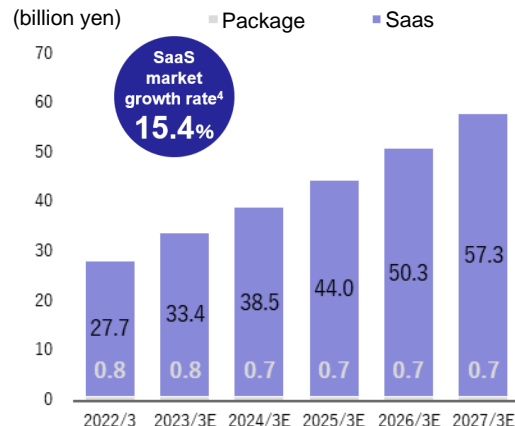
Size of text mining market³



Size of marketing platform market³



Size of personnel management software market³



Note 1: Comparison of the sizes of markets (forecast) in FY2026 and the sizes of markets in FY2021 as stated in Fuji Chimera Research Institute, Inc. "New Markets in the Software Business 2022 Edition." The end of the fiscal year in the report is March 31.

Note 2: This means the maximum market size anticipated by the Company, and was not calculated for the purpose of indicating an objective market size pertaining to business conducted by the Company as of November 2022. As stated in the note below, the figures are estimates made by the Company based on external research materials, and the actual market size may differ from the estimates due to limitations in accuracy inherent to the research materials and estimates.

Note 3: Fuji Chimera Research Institute, "New Markets in the Software Business 2022 Edition." The end of the fiscal year in the report is March 31.

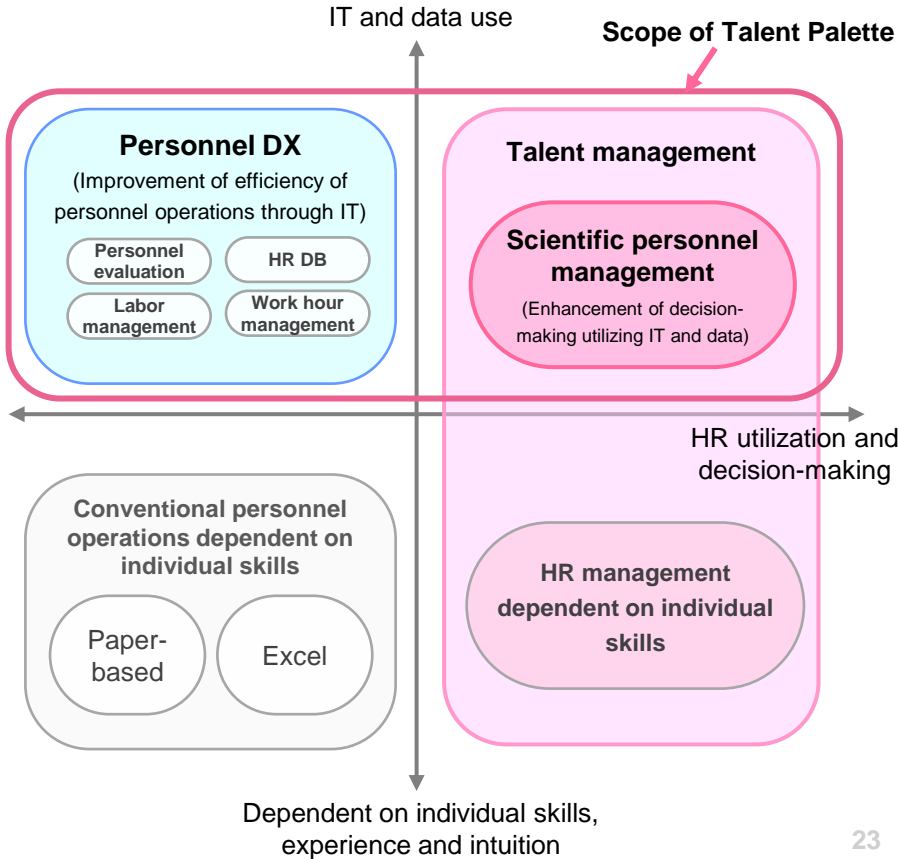
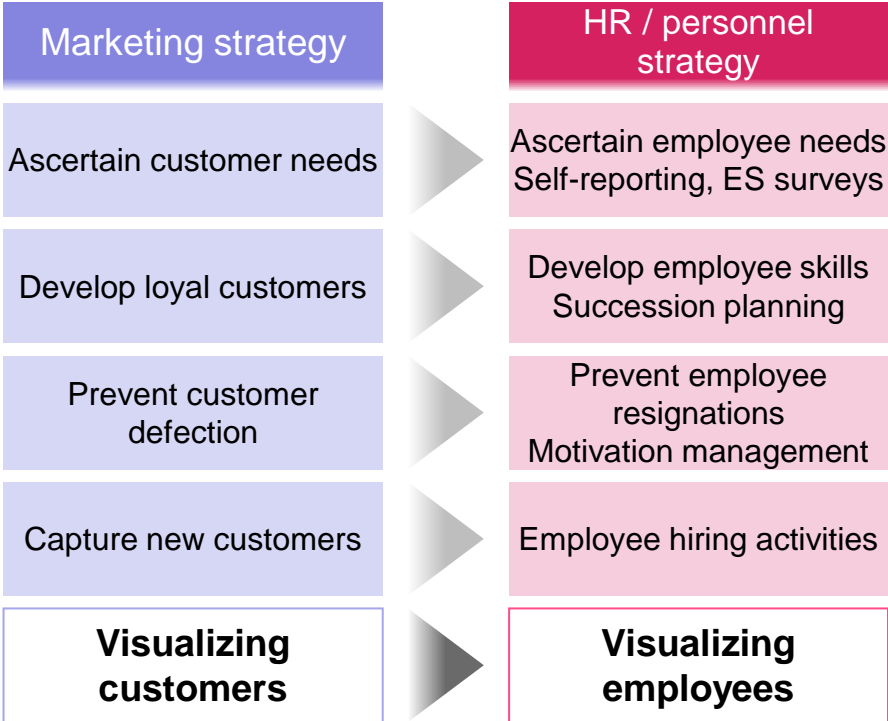
Note 4: Rate of increase in average annualized net sales from FY2021 until FY2026

Corporate Highlights

- 1 High value-added service with data mining as a backbone
- 2 Expansion of markets covered with the shift to the cloud providing a tailwind
- 3 Potential for high growth of Talent Palette creating new markets in the personnel area**
- 4 Growth strategies of each business and operations aimed at development of new markets and services
- 5 Medium-term growth image

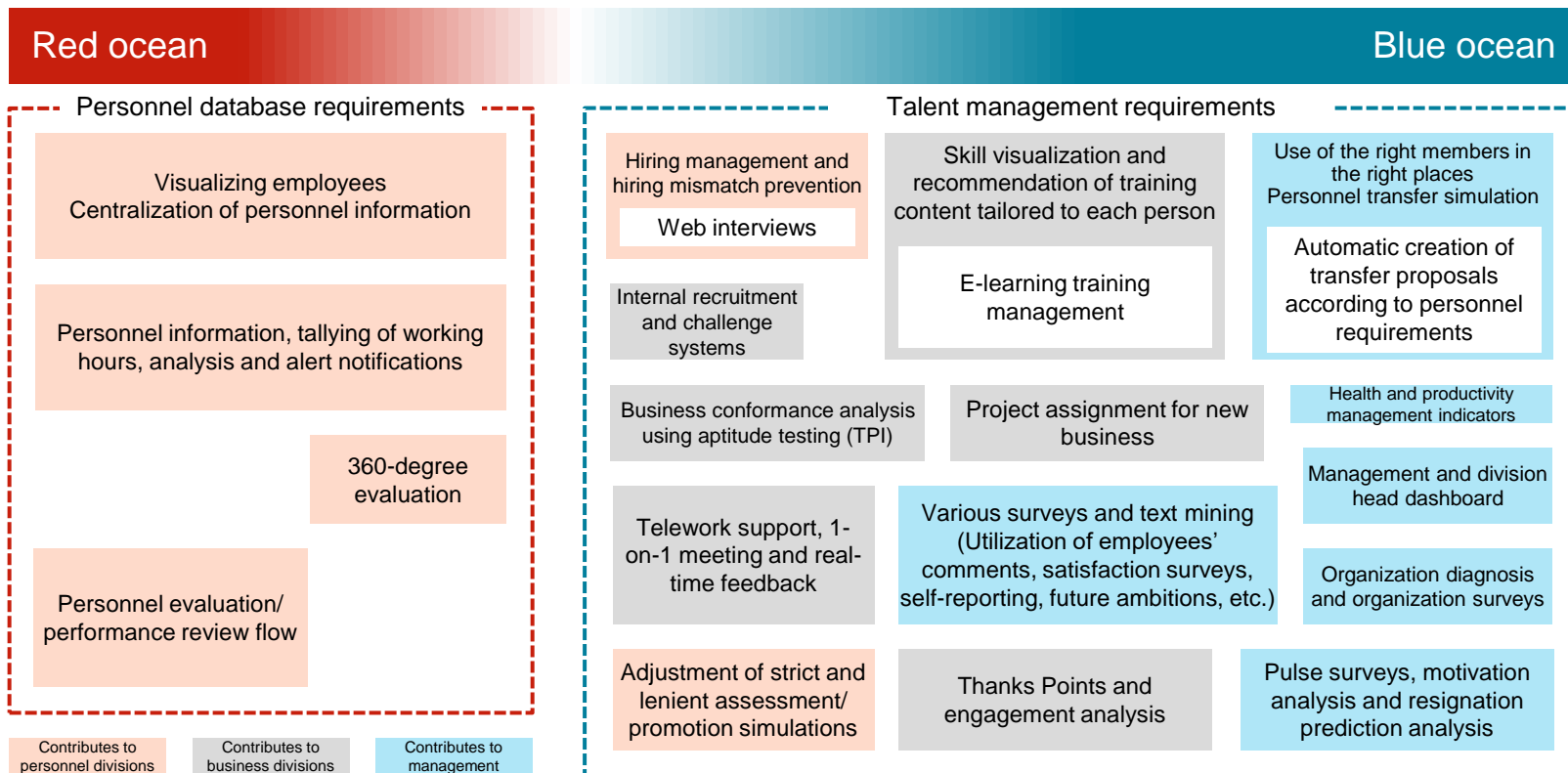
Entry into the personnel industry unique to Japan utilizing “scientific personnel management”

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



Potential for use in a wide range of areas in management, business divisions and personnel

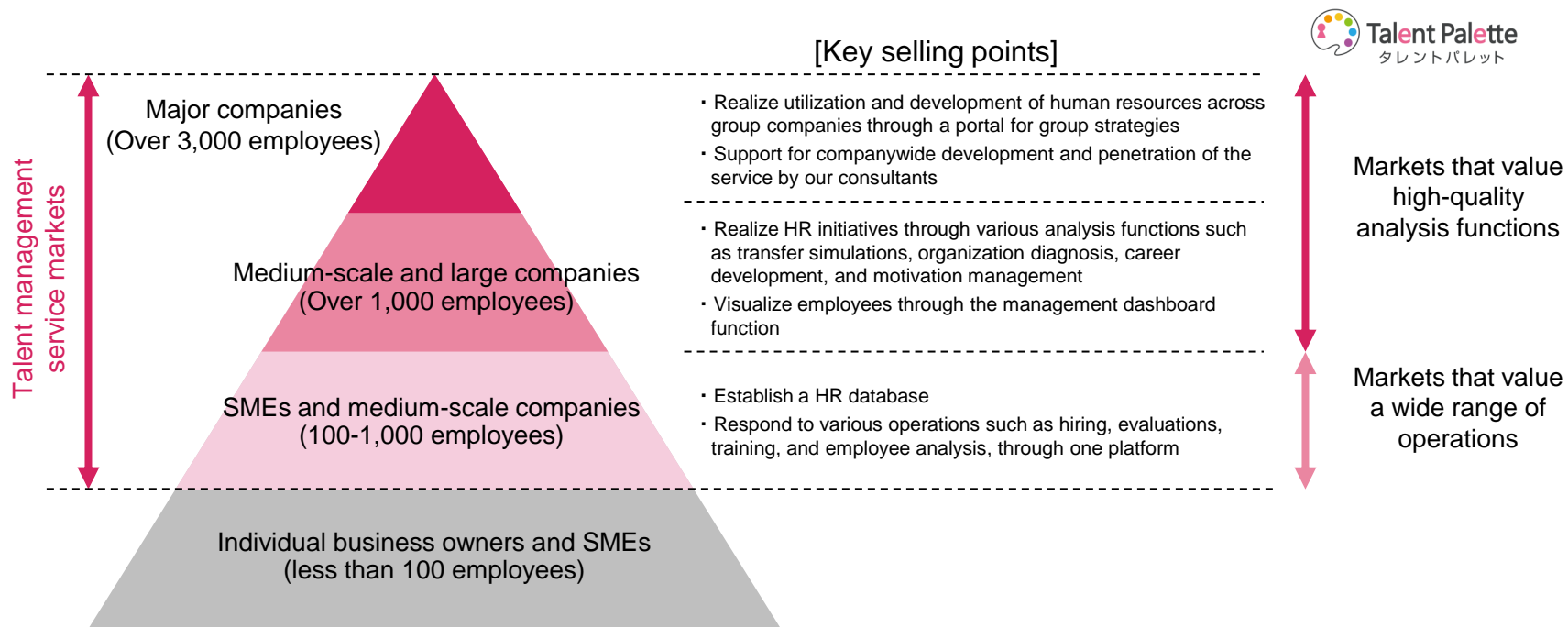
- Equipped with functions utilized not only in personnel divisions, but also management and business divisions
- Targeting the area of “talent management” rather than the “personnel database” that many HR tech companies aim for



Talent Palette's target market

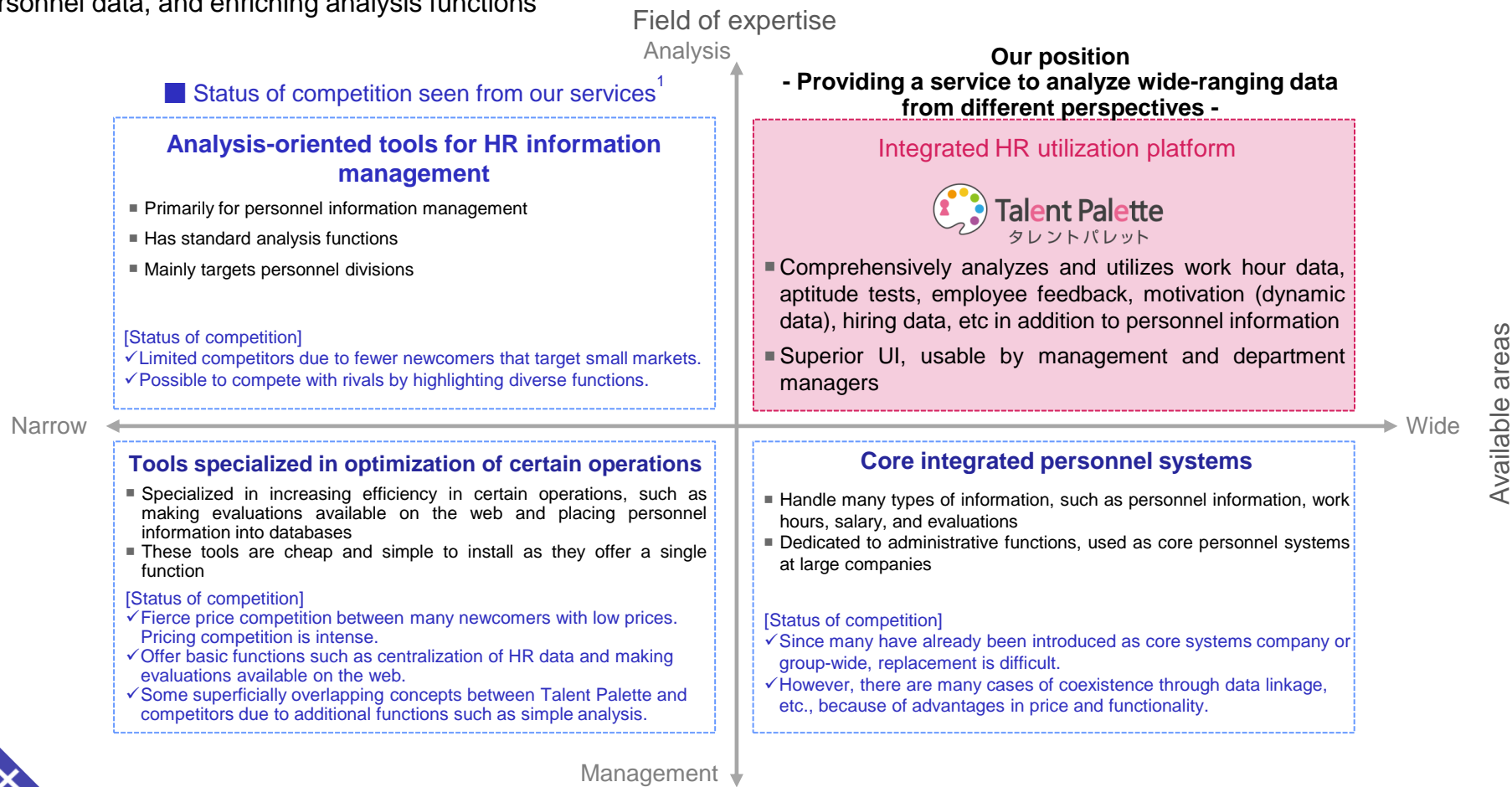
- The talent management service is targeted for companies with 100 or more employees.
- Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

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



Talent Management System Chosen by Leading 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



Scientific
personnel
management

Human capital
management

Personnel DX

Shift to Job-
based
employment

Autonomous
career building

Use of holding
companies

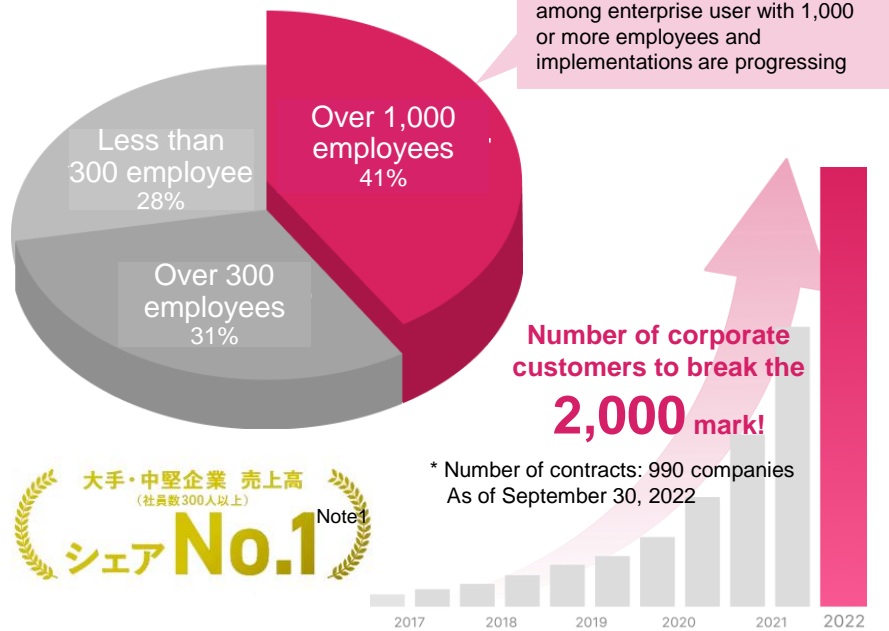
* Logos of some of the companies who provided permission are displayed. (in no particular order)

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



Note 1 2022 Forecast of Personnel and Assignment Cloud Market
Deloitte Tohmatsu MIC Research Institute Co., Ltd. "HRTech Cloud Market Facts and Outlook FY2021"

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

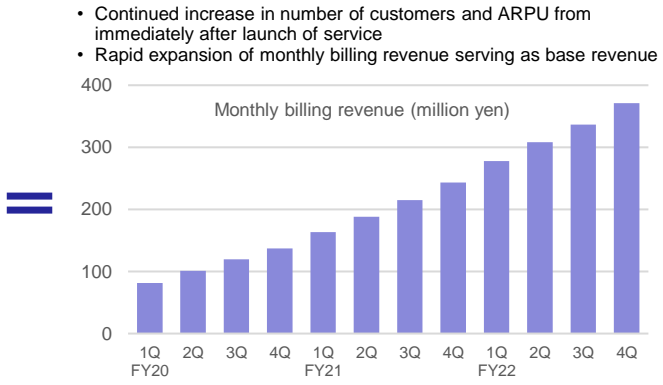
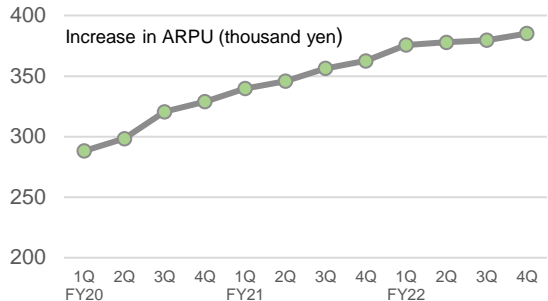
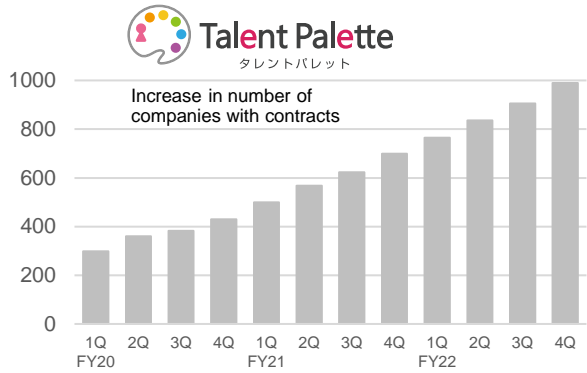


Evaluation points

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

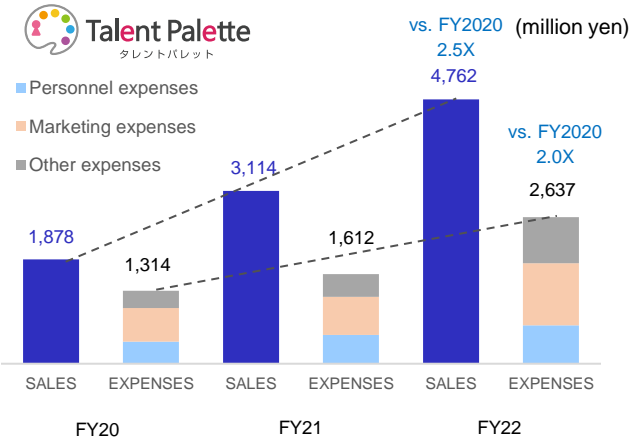
Launch of business in short period and move to profit expansion stage



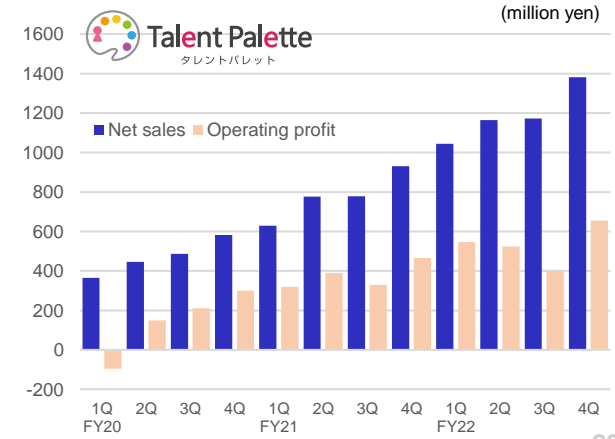
Utilizing accumulated technology and know-how to launch new business



Perpendicular launch of business and realization of early profitability without relying on excessive increases in employees or marketing investment



Our policy is to appropriately control investment in future, and simultaneously realize growth of sales and profit

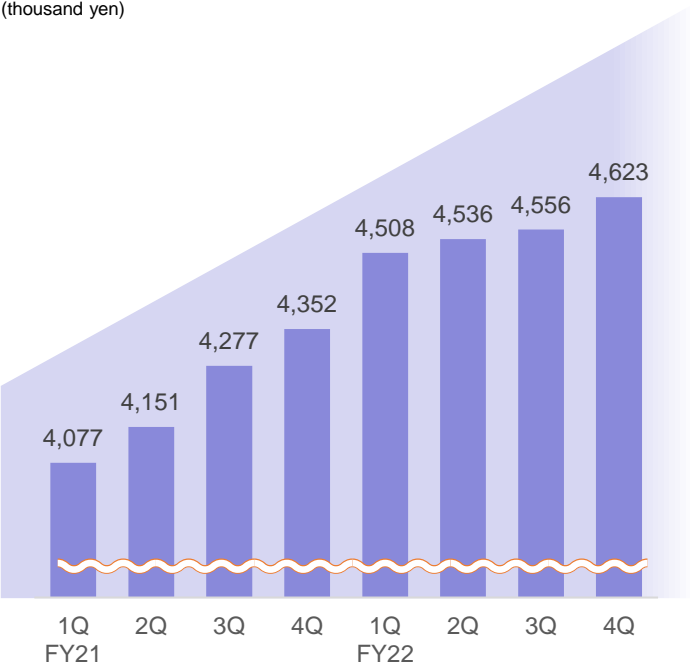


Enormous market potential¹

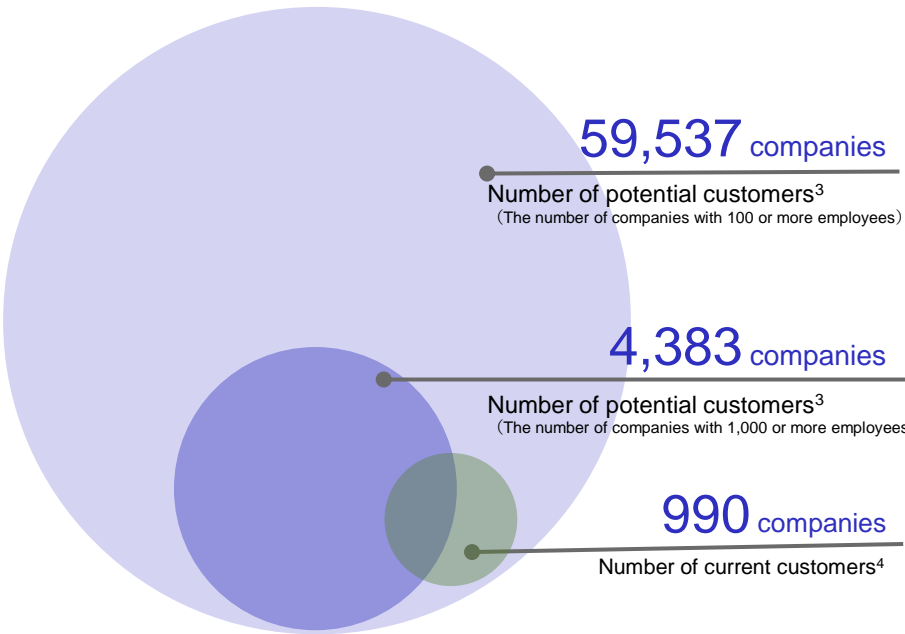
- The area of talent management for management and business divisions is still white space
- Penetration of the concept of personnel utilization (talent management) will increase the number of user companies and draw out latent demand

ARPU² (annualized amounts based on sales in each quarter)

(thousand yen)



Potential for customer expansion



Note 1: This means the maximum market size anticipated by the Company, and was not calculated for the purpose of indicating an objective market size pertaining to business conducted by the Company as of January 2021. As stated in the note below, the figures are estimates made by the Company under certain assumptions based on external statistical materials and published materials, and the actual market size may differ from the estimates due to limitations in accuracy inherent to the statistical materials and estimates.

Note 2: Average Revenue Per User. Average annual revenue per paid billing enterprise user. Calculated as dividing the MRR for each quarter (excluding temporary revenue) by the average number of paid billing enterprise users of each month for the same period, and multiplying the result by 4.

Note 3: From 2016 Economic Activity Census.

Note 4: Number of monthly billed contracts as of the end of FY2022 4Q.

Corporate Highlights

- 1 High value-added service with data mining as a backbone
- 2 Expansion of markets covered with the shift to the cloud providing a tailwind
- 3 Potential for high growth of Talent Palette creating new markets in the personnel area
- 4 Growth strategies of each business and operations aimed at development of new markets and services**
- 5 Medium-term growth image

Priority policies in companywide strategy

- 1 Omnidirectional challenge of accelerating growth of the talent business
- 2 Full operation of recruitment business and realization of next M&A through coordination with Group companies
- 3 Expansion of number of customers by returning to SaaS origins and strengthening of enterprise strategy that is the source for this
- 4 Strengthening promotion of new business by Companywide incubation center
- 5 Differentiated UI design common across all services and promotion of quality management
- 6 Partnership and creation of synergies in the marketing area of Visualization and Customer Rings
- 7 Quickly enabling new members to contribute and development of autonomous human resources through personnel measures
- 8 Creation of information transmission functions aimed at the medium to long term



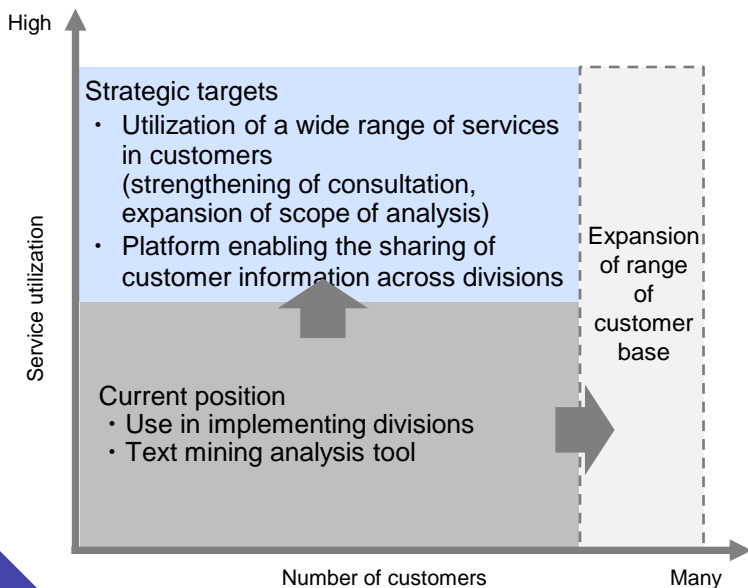
Growth strategy for Visualization Engine Business

- Aim to expand our customer base while prioritizing measures to improve service utilization and satisfaction among customers by enhancing platform functions visualizing customer experience value and strengthening consulting.

Strategy concept:

Customer Experience Feedback

Provide solutions enabling visualization and analysis of the gap between the “customer experience” companies want to provide customers and how it is actually felt by customers.



Main strategic measures

1

Penetration and utilization of services among customers (Increase in ARPU)

- Implement measures to promote use by increasing customer contact points and strengthening consulting (FY2022)
- Strengthen relationships with enterprise customers through customer understanding and case-based proposals (FY2023-2026)

2

Strengthening of information platform (Increase in renewal rate)

- Implement strengthening of real-time reporting functions and social media functions (FY2022)
- Continue FY2022 measures and implement a full renewal including UI/UX (FY2023)

3

Expansion of data subject to analysis (Increase in ARPU)

- Expand the scope of analysis by strengthening SNS analysis functions (FY2022)
- Develop text mining functions using audio and conversation data (FY2023-2026)

4

Improvement of marketing measures (Increase in number of customers)

- Increase in acquisition of new business by highlighting the social media analysis menu (FY2022)
- Appeal to large customers with concept appeal and case-based proposals (FY2023-2026)

Major KPI projections	FY22 results	FY23 plan	FY24-26 projection
Number of customers ¹ (cases)	478	508	Increase
ARPU ² (thousand yen)	291	287	At FY2023 level
Revenue churn rate ³ (%)	1.00	1.37	At FY2023 level

Note 1: Figures as of the end of each fiscal year.

Note 2: Figures calculated by dividing the average monthly billed amounts for each fiscal year by the average number of contracts for the period.

Note 3: Figures calculated by dividing the average monthly amount of calculations that caused reductions in each fiscal year by the average monthly billed amounts for the previous month

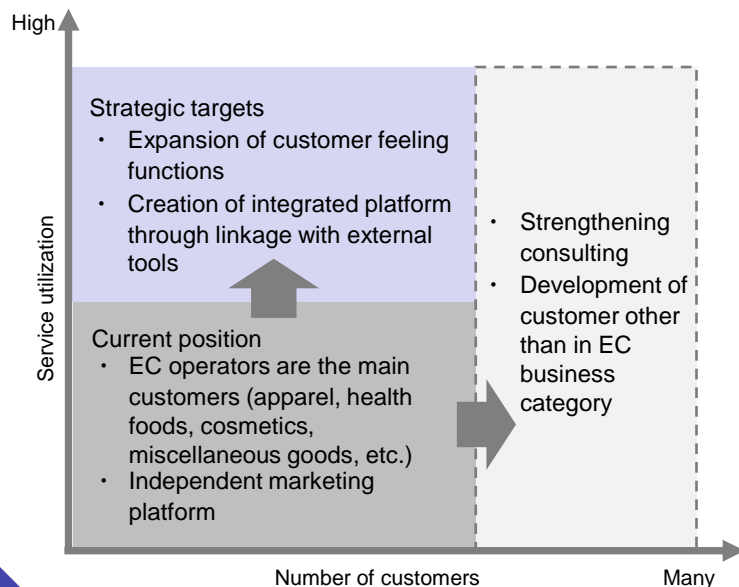
Growth strategy for Customer Rings Business

- While maintaining the high functionality approach, expand differentiated “customer feeling” functions, and evolve into a marketing platform that links with various marketing actions.

Strategy concept:

Customer Feeling Marketing

Provision of service for acquiring data in a format that can be tangibly felt by customers and realizing marketing measures based on that information



Main strategic measures

1 Expansion of customer feeling functions (Reduction of revenue churn rate)

- Low revenue churn rate due to effect of strengthening of functions and improvement of UI/UX (FY2022)
- Continuation of service improvement balancing multifunctionality and ease of use (FY2023-2026)

3 Strengthening consulting (Increase in number of customers)

- Realization of improvement of efficiency and quality through standardization of consulting support (FY2022)
- Offering of professional services providing operational support on the customer side (FY2023-2026)

2 Creation of platform by linking to external tools (Increase in ARPU)

- Implementation of linkage to external systems such as LINE and social media (FY2022)
- Implementation of linkage to external services according to needs (FY2023-2026)

4 Strengthening sales/marketing (Increase in number of customers)

- Appeal detailed functions and easy-to-use services (FY2022)
- Implementation of new sales methods such as full rollout of inside sales (FY2023-2026)

Major KPI projections	FY22 results	FY23 plan	FY24-26 projection
Number of customers ¹ (cases)	339	379	Increase
ARPU ² (thousand yen)	362	365	At FY2023 level
Revenue churn rate ³ (%)	0.77	1.20	At FY2023 level

Note 1: Figures as of the end of each fiscal year.

Note 2: Figures calculated by dividing the average monthly billed amounts for each fiscal year by the average number of contracts for the period.

Note 3: Figures calculated by dividing the average monthly amount of calculations that caused reductions in each fiscal year by the average monthly billed amounts for the previous month

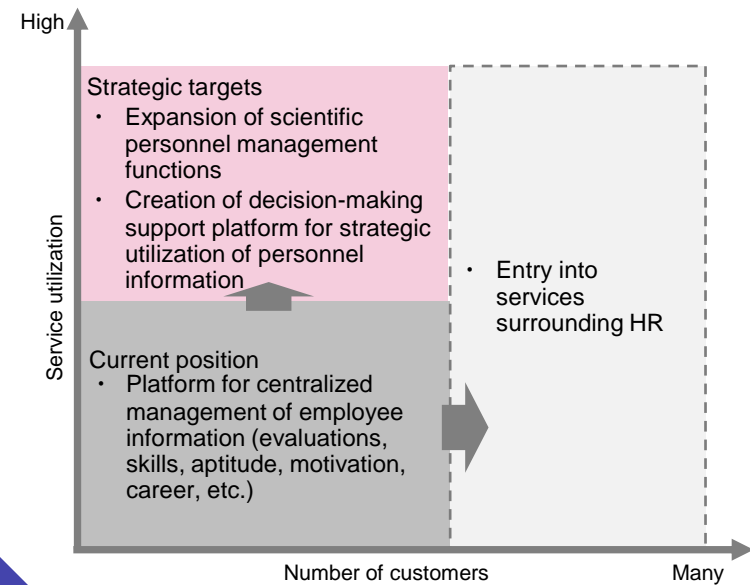
Growth strategy for Talent Palette Business

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

Strategy concept:

Scientific Personnel Management

Provide a mechanism for improving the precision of decision-making by applying a marketing perspective utilizing data in personnel strategy that had been dependent on intuition and experience



Policy for simultaneously realizing growth of sales and profit by appropriately controlling personnel expenses and advertising & promotion expenses while executing measures to expand sales

Main strategic measures

- Expansion of scientific personnel management methods and functions (Reduction of revenue churn rate)**
 - Establishment of new methods and implementation of speedy development through consulting (FY2022)
 - Continuation of FY2022 measures (FY2023-2026)
- Raising awareness and increasing penetration of scientific personnel management (Reduction of revenue churn rate)**
 - Regular holding of Scientific Personnel Forum (FY2022)
 - Continue communication of information such as executive seminars and publication of books (FY2023)
- Entry into services surrounding HR (increase in number of customers, increase in ARPU)**
 - Provision of services in surrounding areas such as hiring, training and labor management (FY2022)
 - Development of highly effective services utilizing data analysis (FY2022-2026)
- Strategic marketing (Increase in number of customers)**
 - Implementation of new sales methods such as mass advertising and full rollout of inside sales (FY2022)
 - Continuation of effective measures based on effect in FY2022 (FY2022-2026)

Major KPI projections	FY22 results	FY23 plan	FY24-26 projection
Number of customers ¹ (cases)	990	1,336	Significant increase
ARPU ² (thousand yen)	380	383	Slight increase
Revenue churn rate ³ (%)	0.41	0.60	At FY2023 level

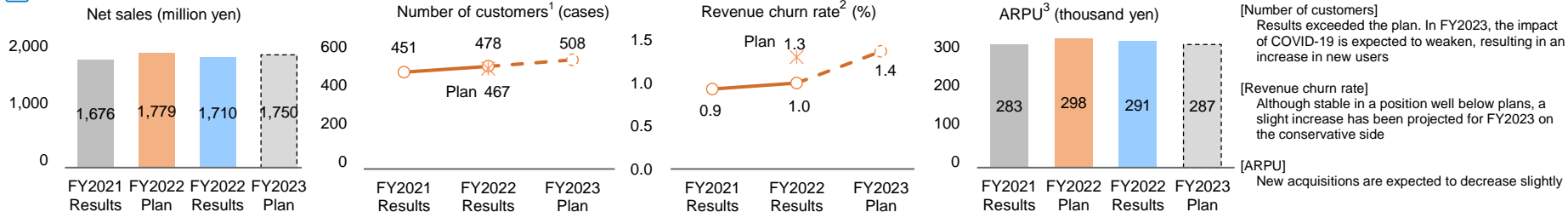
Note 1: Figures as of the end of each fiscal year.

Note 2: Figures calculated by dividing the average monthly billed amounts for each fiscal year by the average number of contracts for the period.

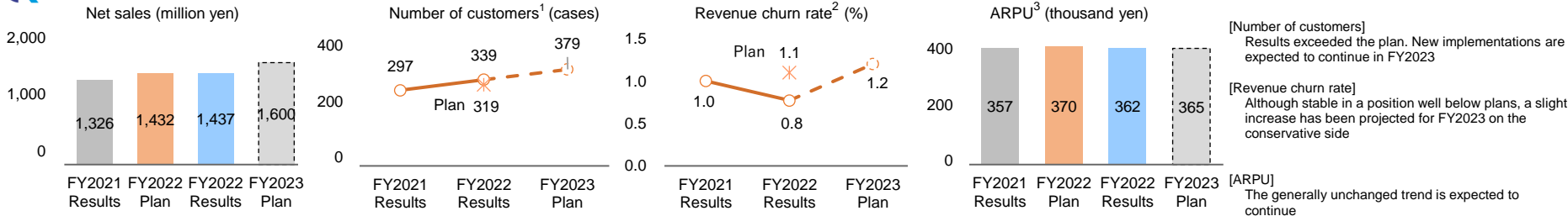
Note 3: Figures calculated by dividing the average monthly amount of calculations that caused reductions in each fiscal year by the average monthly billed amounts for the previous month

Progress of plans in each business

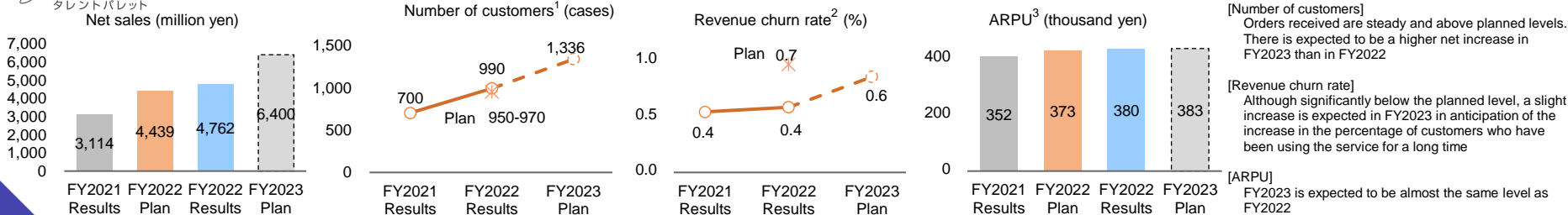
見える化エンジン



CustomerRings



Talent Palette



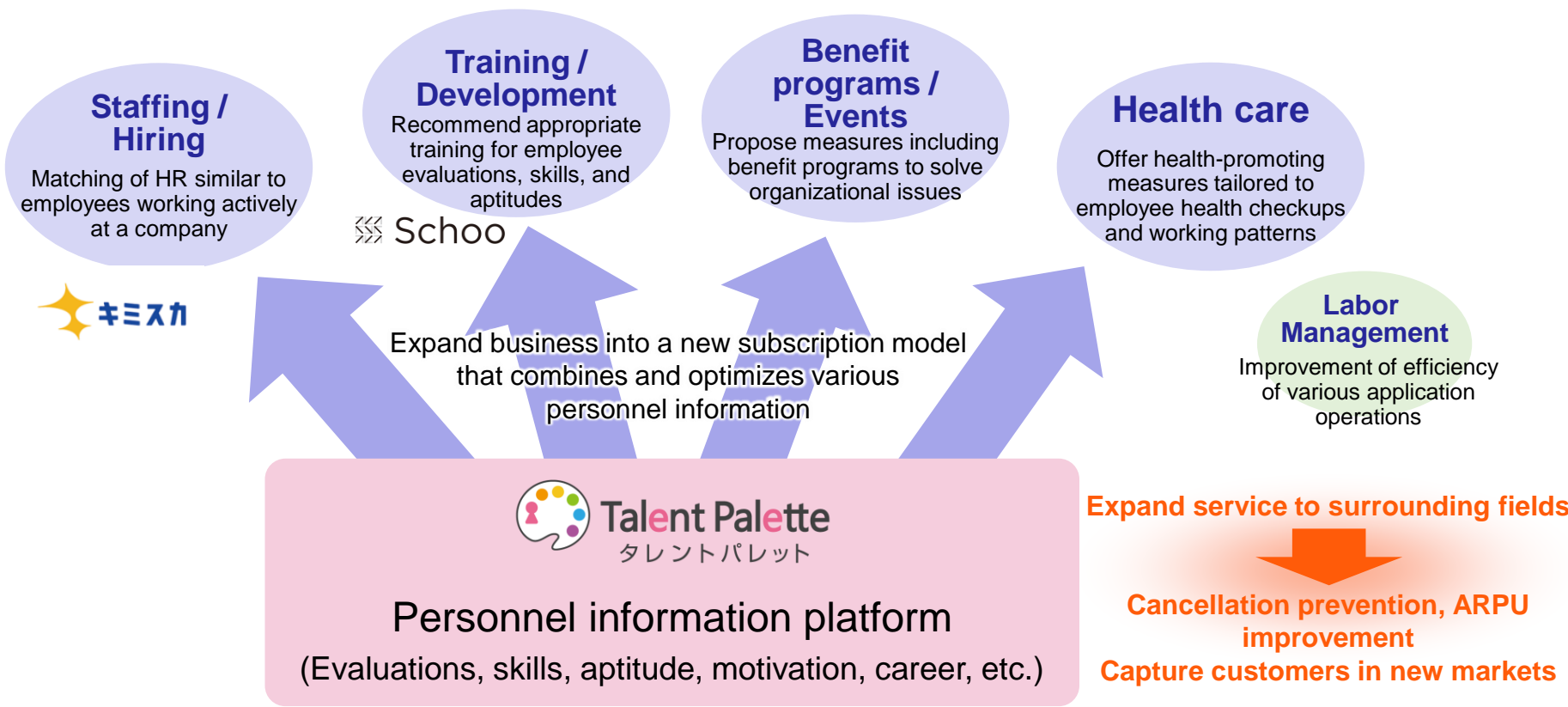
Note 1: Figures as of the end of each fiscal year.

Note 2: Figures calculated by dividing the average monthly billed amounts for each fiscal year by the average number of contracts for the period.

Note 3: Figures calculated by dividing the average monthly amount of calculations that caused reductions in each fiscal year by the average monthly billed amounts for the previous month

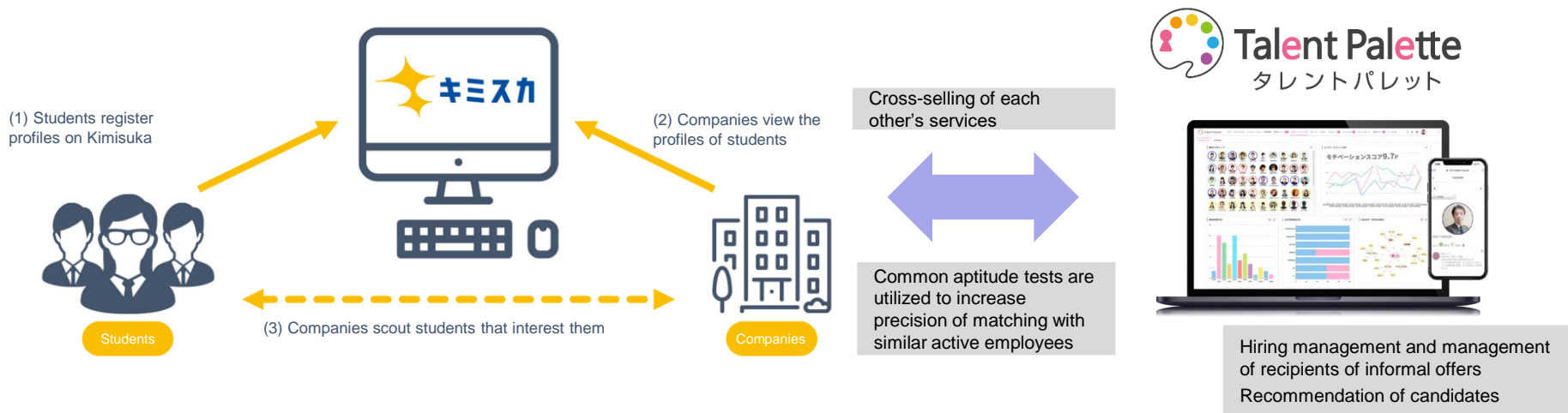
Medium-term development of Talent Palette Business Expand services to sectors surrounding HR

- 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



Medium-term development of Talent Palette Business Expand services to sectors surrounding HR

- 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

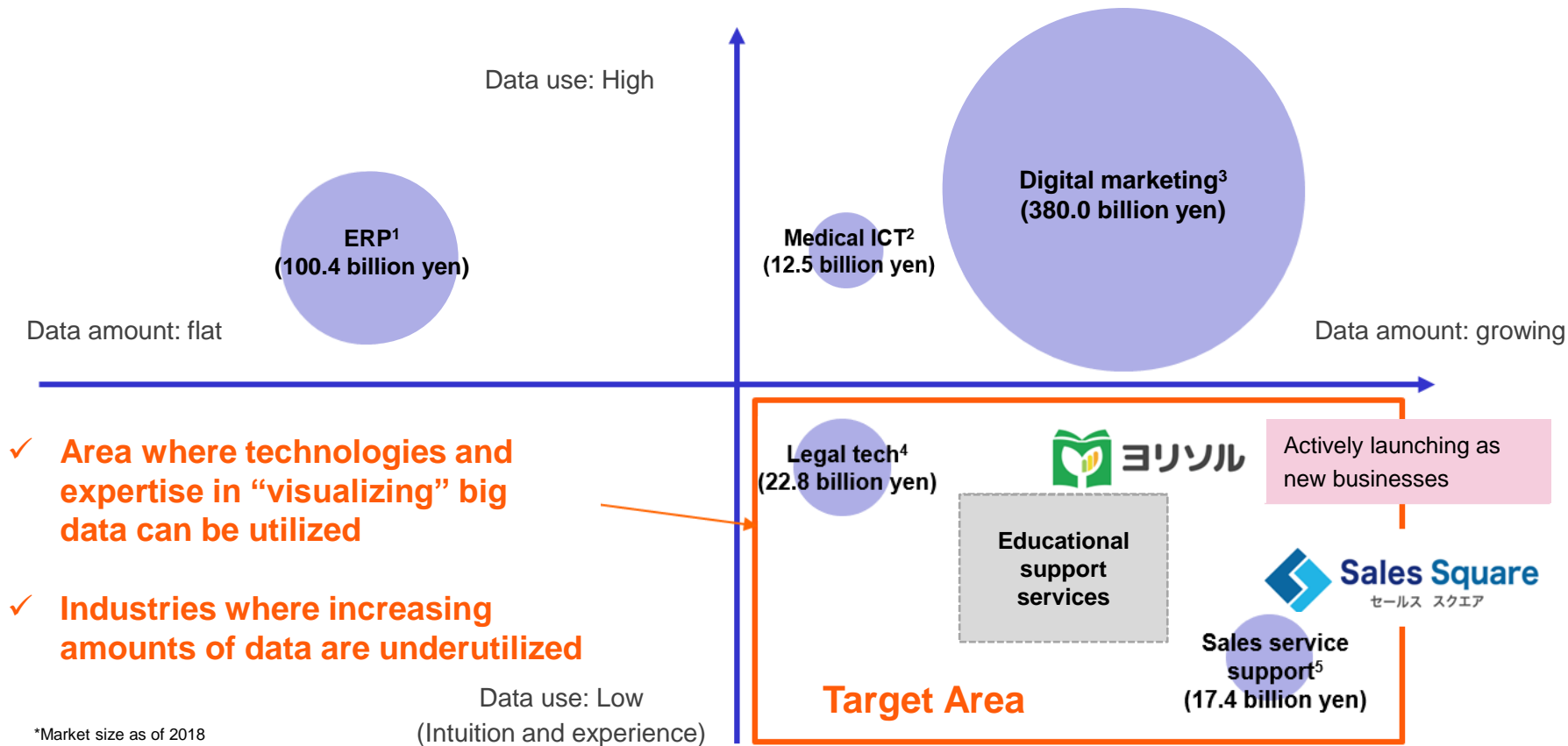
(3) Sharing of knowhow on functional development and the hiring business

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.

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

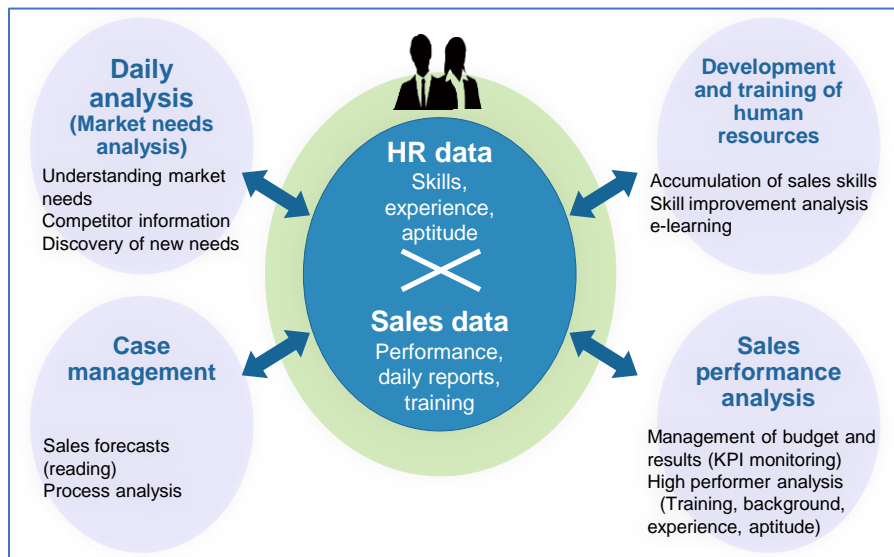
Note 5: “Integrated Marketing Support Market 2020,” ITR

Operation of New Businesses Start of trial introduction in two new businesses



Sales Square

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)

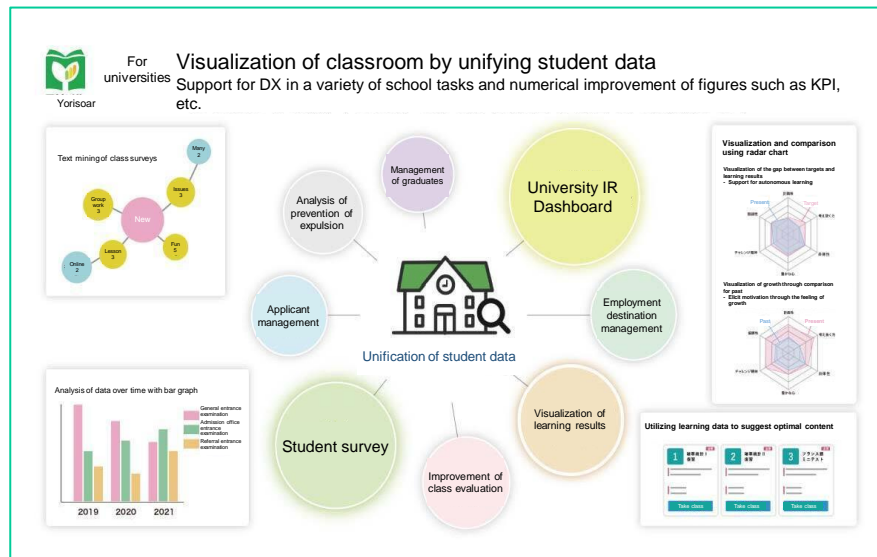
Manufacturing marketing department (tens of people) Operational reform, case management, task management

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

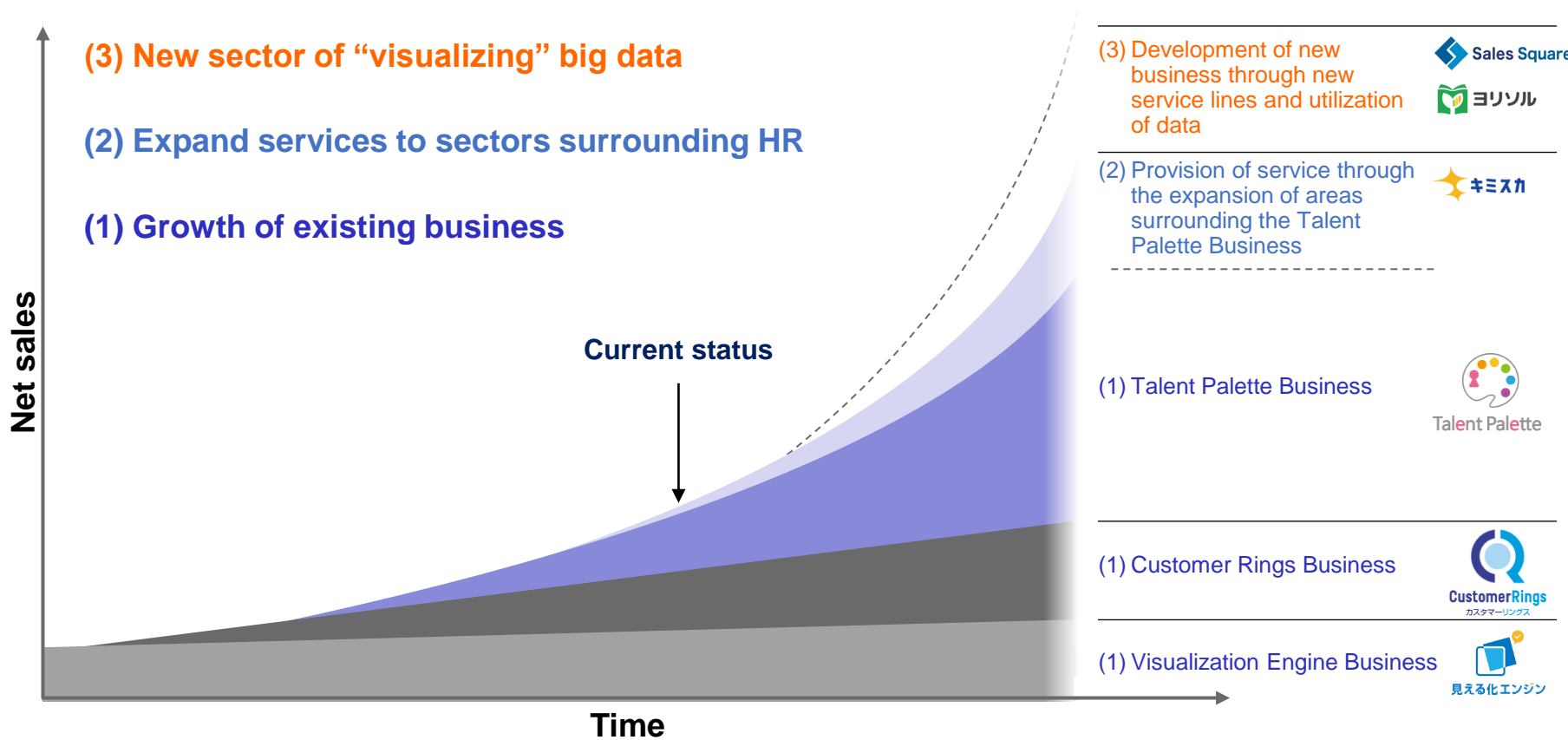
Capabilities to develop multiple businesses and create new businesses based on the SaaS business foundations

Rapid launch of new businesses such as Talent Palette by utilizing approximately 16 years of accumulated expertise in the SaaS business



Aiming for continued growth through expansion of existing business and creation of new business

- We aim for continued growth by combining three business approaches.



Corporate Highlights

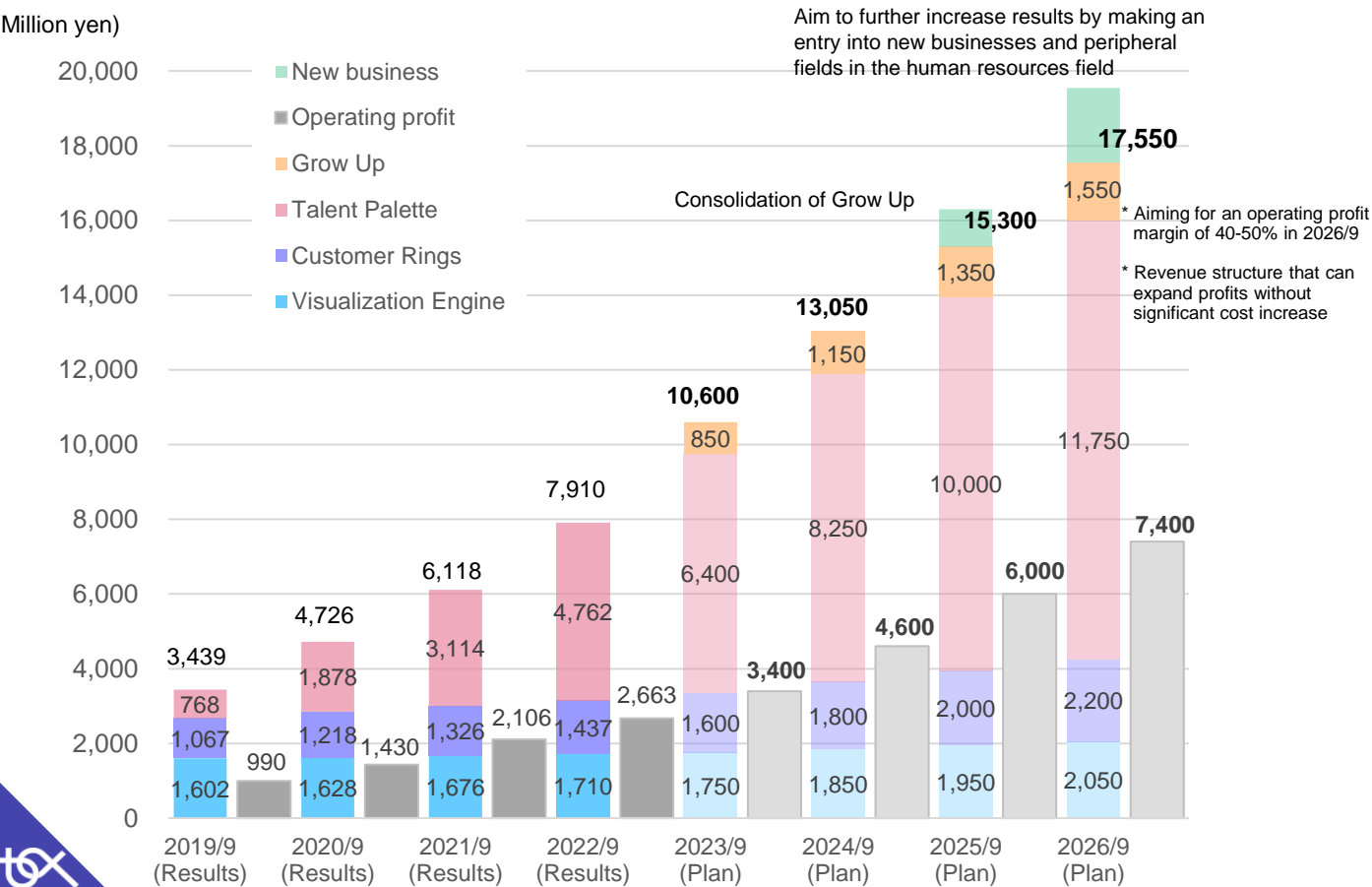
- 1 High value-added service with data mining as a backbone
- 2 Expansion of markets covered with the shift to the cloud providing a tailwind
- 3 Potential for high growth of Talent Palette creating new markets in the personnel area
- 4 Growth strategies of each business and operations aimed at development of new markets and services
- 5 Medium-term growth image**

Medium-term growth image

Aiming for continued growth through expansion of existing business and creation of new business

- Sales of 17.5 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 (cases)

	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

Medium-term growth image

Comparison with previous medium-term growth image (disclosed on November 12, 2021)

Key points in the revision of the medium-term growth image

- Visualization Engine: Conservative revision incorporating the possibility of the impact of COVID-19 being protracted
- Customer Rings: Reflection of the increase in the number of customers due to steady acquisition of new customers
- Talent Palette: Reflection of the increase in the number of customers due to continued acquisition of new customers and stably low cancellations
- Grow Up: Added due to falling under scope of consolidation from FY 2023/9

(Unites: million yen)		2022/9 Results*2	2023/9 (Plan)	2024/9 (Plan)	2025/9 (Plan)	2026/9 (Plan)
Visualization Engine sales	This plan (Previous plan)	1,710 1,779	1,750 1,925	1,850 2,075	1,950 2,250	2,050 –
Customer Rings sales	This plan (Previous plan)	1,437 1,432	1,600 1,575	1,800 1,725	2,000 1,850	2,200 –
Talent Palette sales	This plan (Previous plan)	4,762 4,439	6,400 6,000	8,250 7,500	10,000 9,000	11,750 –
Grow Up sales	This plan (Previous plan)	– –	850 –	1,150 –	1,350 –	1,550 –
Sales*2*3	This plan (Previous plan)	7,910 7,650	10,600 9,500	13,050 11,300	15,300 13,100	17,550 –
Operating profit*2	This plan (Previous plan)	2,663 2,500	3,400 3,500	4,600 4,500	6,000 5,500	7,400 –

*1 The previous plan is the medium-term growth image shown in the financial results briefing materials disclosed on November 12, 2021.

*2 The previous plan and FY2022/9 (results) are non-consolidated performance, and the figures for this plan are consolidated performance.

*3 The further addition of sales due to future entry into new businesses and peripheral fields in the human resources field are not included in the above figures.

III. Risk and Controls

Major risks and countermeasures

	Major risks	Probability	Impact	Countermeasures
Market trends	The SaaS-type service provided by the Company remain in high demand regardless of the size of company, but the Company's business and performance may be affected if economic conditions and trends in the economy change and the investment mindset of clients recedes.	Medium-term	Medium	We will build a business model resilient to fluctuations in the external environment by entering multiple business areas.
Competition	In some areas of business where the Company operates, there are rival companies with funding and branding power, and new players may also emerge. The Company's business and performance may be affected if competition with these companies intensifies.	Medium-term	Large	In addition to providing services tailored to customers' needs through the utilization of proprietary visualization technology, we will work to differentiate our services by leveraging our strengths in past experience and accomplishments, internal know-how, etc..
Response to technological innovation	It is an industry with a high frequency of development of new technologies and launches of new services based on these, and the Company's competitiveness may be reduced if our response to technological innovation is delayed for some reason. Furthermore, the Company's business and performance may be affected if unscheduled development expenses, etc. arise.	Medium-term	Medium	In order to flexibly respond to new trends, we will build a system enabling the tracking of the latest technology trends and changes in the environment, and also endeavor to acquire talented personnel and provide employee training, etc.
Investment in new business	Although we actively develop new businesses, a certain amount of investment is required until stable revenue is produced, and this may lower profitability. Furthermore, the Company's business and performance may be affected if new business does not proceed as planned and investment cannot be adequately recovered.	Long-term	Low	In addition to adequately observing and analyzing market trends concerning new businesses, and making decisions with careful consideration for business plans, etc., we will make decisions on tolerable risks while considering the balance with revenue from existing businesses.
System trouble	Service infrastructure is dependent on networks and systems inside and outside the Company, and reputation may be significantly reduced and the Company's business and performance may be affected if a fire, an accident, an increase in system load due to increased access or a large program failure has a significant effect on operation of the Company's services.	Short-term	Medium	We are strengthening the system management structure such as expanding server facilities and strengthening information security in order to provide stable service.
Information management system	The Company handles clients' confidential information and personal information, and the Company's business and performance may be affected due to a loss of the Company's social reputation or the occurrence of claims for compensation for damages if important information assets are externally leaked.	Short-term	Large	We have acquired ISMS and Privacy Mark certification, established an information security policy, and appropriately management and protect information assets in accordance with the policy.

* Details and information on other risks are stated in the section on "Business and Other Risks" in Annual Securities Reports.

IV. Appendix

Characteristics of Visualization Engine



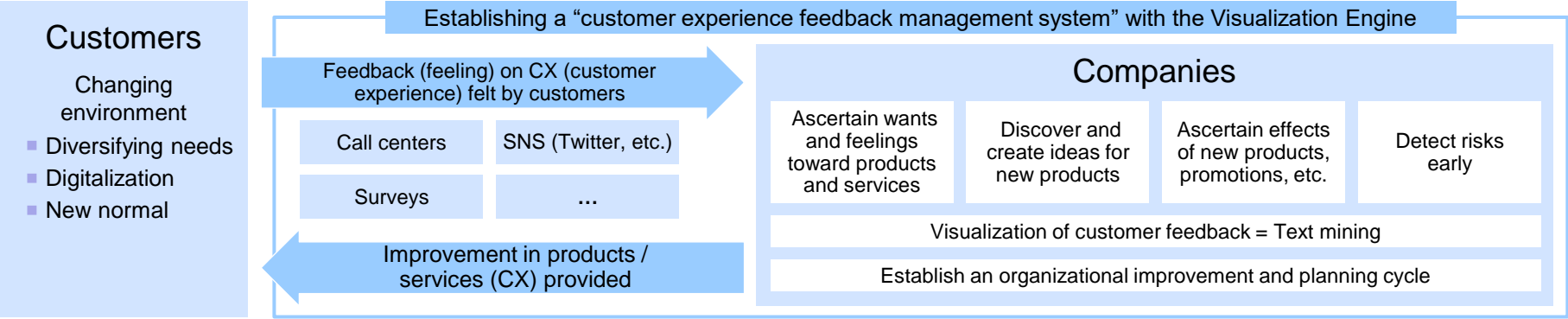
Service characteristics

- 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

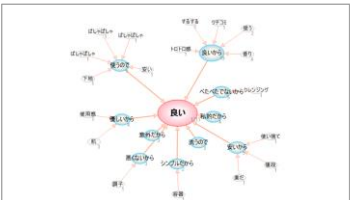


- Text mining analysis of massive amounts of customer feedback from social media such as Twitter, call logs, and even surveys
- Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support for customer feedback-oriented improvement activities on a companywide basis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

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



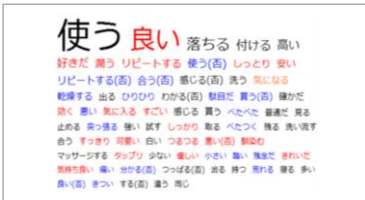
Visualized output of customer thoughts and wants (proprietary text mining technology)



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)

Characteristics of Customer Rings

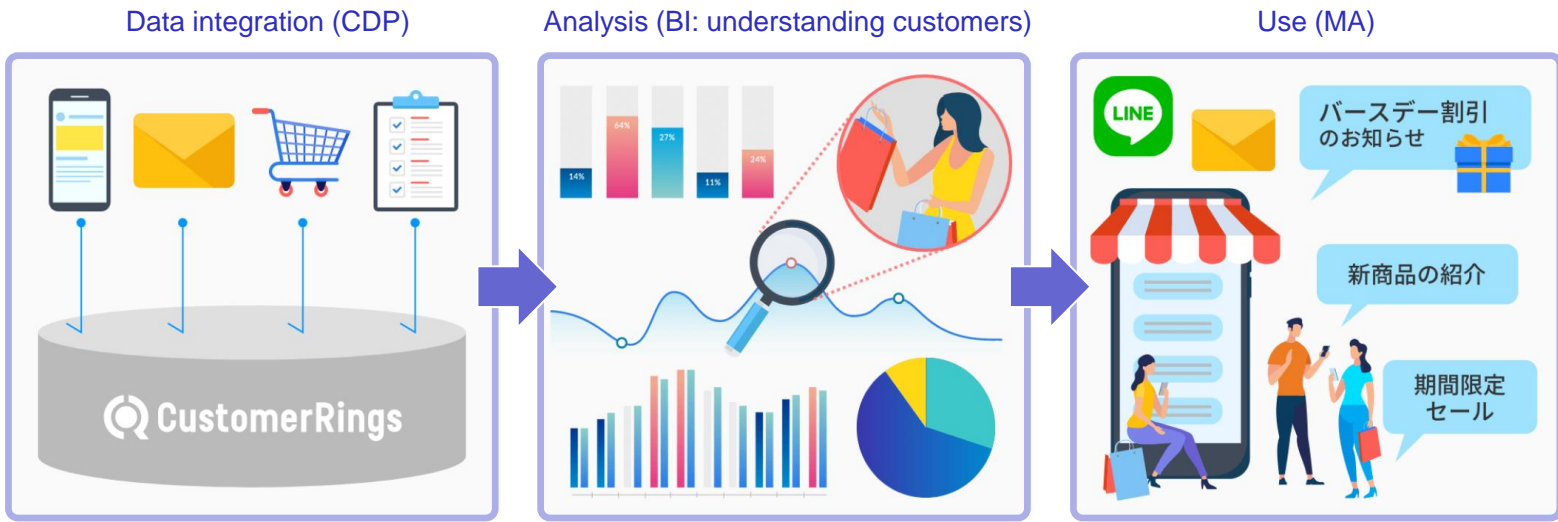
Service characteristics

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



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

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



Automation (allows users to focus on more creative work)

Characteristics of Talent Palette



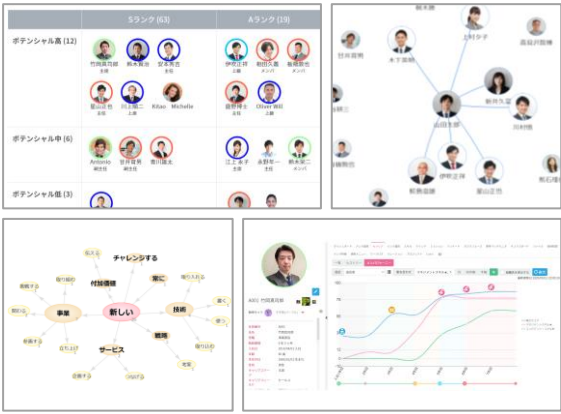
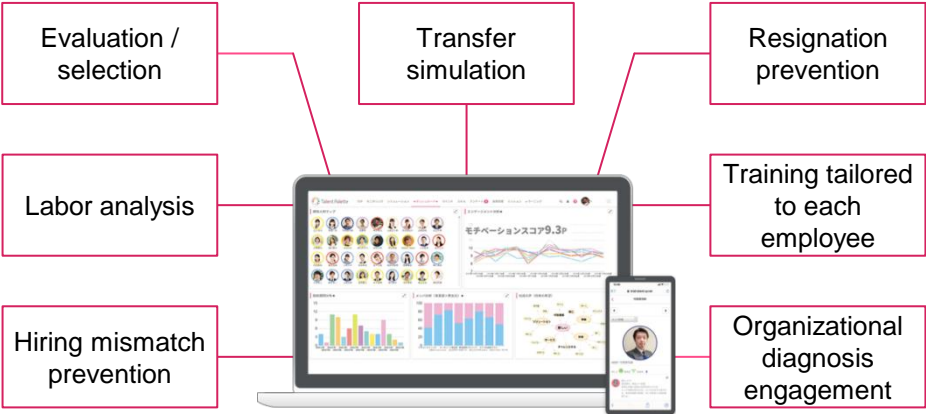
Service characteristics

- 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 resources utilization 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)

Precautionary Statement on Forward-looking Statements

- The materials and information provided in this presentation contain forward-looking statements.
- These are based on projections, forecasts and suppositions attended with risk, and effectively contain uncertainties that may bring about results that differ from these statements
- These risks and uncertainties include but are not limited to domestic and overseas economic conditions and industry trends related to the Company. Furthermore we endeavor to maintain and strengthen competitiveness through steps such as analysis of the business environment and market trends, but are unable to eliminate the above risks and uncertainties.

We intend to disclose the update to the “Business Plan and Matters Related to Growth Potential” after the announcement of financial results.

The next update is scheduled after the announcement of financial results in November 2023.