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Consolidated Financial Results for the Nine Months Ended June 30, 2023 (Under Japanese GAAP)

August 14, 2023

Company name: Plus Alpha Consulting Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4071
 URL: <https://www.pa-consul.co.jp>
 Representative: Katsuya Mimuro, Representative Director and President
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 Telephone: +81-3-6432-0427
 Scheduled date to file quarterly securities report: August 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the nine months ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2023	8,047	–	2,565	–	2,568	–	1,792	–
June 30, 2022	–	–	–	–	–	–	–	–

Note: Comprehensive income For the nine months ended June 30, 2023: ¥1,792 million [– %]
 For the nine months ended June 30, 2022: ¥– million [– %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2023	43.89	42.39
June 30, 2022	–	–

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures for the nine months ended June 30, 2022, and year-on-year changes for the nine months ended June 30, 2023, cannot be shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	10,477	8,352	79.7
September 30, 2022	–	–	–

Reference: Equity
 As of June 30, 2023: ¥8,347 million
 As of September 30, 2022: ¥– million

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures as of September 30, 2022 cannot be shown.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	–	0.00	–	9.00	9.00
Fiscal year ending September 30, 2023	–	0.00	–		
Fiscal year ending September 30, 2023 (Forecast)				13.00	13.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2023	11,000	39.0	3,700	38.9	3,650	36.6	2,650	47.5	63.91

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Grow Up Co., Ltd.)

Excluded: – companies (–)

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

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

As of June 30, 2023	41,461,800 shares
As of September 30, 2022	40,190,000 shares

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

As of June 30, 2023	93 shares
As of September 30, 2022	93 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2023	40,828,071 shares
Nine months ended June 30, 2022	40,143,989 shares

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

The financial results forecasts and other forward-looking statements herein are based on information available to the Company at the time of the release of these materials and certain assumptions deemed reasonable, and actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial results forecasts, please see “1. Qualitative Information on Quarterly Financial Results for the Period Under Review (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Japanese version of the supplementary material.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

As of June 30, 2023

Assets	
Current assets	
Cash and deposits	6,747,537
Notes and accounts receivable - trade	1,080,281
Work in process	3,355
Other	269,727
Allowance for doubtful accounts	(380)
Total current assets	8,100,521
Non-current assets	
Property, plant and equipment	167,776
Intangible assets	
Goodwill	1,199,916
Other	355,926
Total intangible assets	1,555,842
Investments and other assets	
Other	654,734
Allowance for doubtful accounts	(1,425)
Total investments and other assets	653,308
Total non-current assets	2,376,928
Total assets	10,477,449
Liabilities	
Current liabilities	
Accounts payable - trade	174,458
Income taxes payable	352,645
Provision for bonuses	102,293
Other	1,377,527
Total current liabilities	2,006,925
Non-current liabilities	
Deferred tax liabilities	118,416
Total non-current liabilities	118,416
Total liabilities	2,125,342
Net assets	
Shareholders' equity	
Share capital	313,812
Capital surplus	303,812
Retained earnings	7,729,958
Treasury shares	(226)
Total shareholders' equity	8,347,357
Share acquisition rights	4,750
Total net assets	8,352,107
Total liabilities and net assets	10,477,449

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
 Quarterly Consolidated Statements of Income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2023
Net sales	8,047,632
Cost of sales	2,156,333
Gross profit	5,891,299
Selling, general and administrative expenses	3,326,035
Operating profit	2,565,263
Non-operating income	
Interest income	24
Interest on securities	3,140
Other	277
Total non-operating income	3,442
Non-operating expenses	
Interest expenses	38
Commission expenses	376
Foreign exchange losses	192
Other	84
Total non-operating expenses	691
Ordinary profit	2,568,014
Extraordinary losses	
Loss on step acquisitions	36,663
Total extraordinary losses	36,663
Profit before income taxes	2,531,351
Income taxes - current	755,211
Income taxes - deferred	(15,892)
Total income taxes	739,319
Profit	1,792,031
Profit attributable to owners of parent	1,792,031

Quarterly Consolidated Statements of Comprehensive Income (cumulative)
(Thousands of yen)

	Nine months ended June 30, 2023
Profit	1,792,031
Comprehensive income	1,792,031
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,792,031
Comprehensive income attributable to non-controlling interests	—

(Segment information, etc.)

[Segment information]

Nine months ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

1. Information on net sales and profit (loss) by reportable segment and information on disaggregation of revenue
(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Visualizing Engine Business	Customer Rings Business	Talent Palette Business	Total		
Net sales						
Goods or services transferred at a point in time	53,891	37,215	778,274	869,380	–	869,380
Goods or services transferred over time	1,296,378	1,199,147	4,682,725	7,178,251	–	7,178,251
Revenue from contracts with customers	1,350,269	1,236,362	5,461,000	8,047,632	–	8,047,632
Other revenue	–	–	–	–	–	–
Net sales to outside customers	1,350,269	1,236,362	5,461,000	8,047,632	–	8,047,632
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	1,350,269	1,236,362	5,461,000	8,047,632	–	8,047,632
Segment profit	731,047	369,683	2,166,836	3,267,567	(702,303)	2,565,263

- (Notes) 1. The adjustments to segment profit are corporate expenses that have not been allocated to reportable segments, and are mainly general and administrative expenses that do not belong to any reportable segment.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment
(Material change in goodwill amount)

Goodwill was incurred in the Talent Palette Business due to Grow Up Co., Ltd. becoming a consolidated subsidiary following the acquisition of its shares. The increase in the amount of goodwill caused by this event was ¥1,297,206 thousand for the nine months ended June 30, 2023.