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Consolidated Financial Results for the Fiscal Year Ended September 30, 2023 (Under Japanese GAAP)

November 13, 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 of annual general meeting of shareholders: December 22, 2023
 Scheduled date to commence dividend payments: December 25, 2023
 Scheduled date to file annual securities report: December 22, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	11,171	—	3,711	—	3,678	—	2,620	—
September 30, 2022	—	—	—	—	—	—	—	—

Note: Comprehensive income For the fiscal year ended September 30, 2023: ¥2,620 million [— %]
 For the fiscal year ended September 30, 2022: ¥— million [— %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2023	63.83	62.64	27.8	30.6	33.2
September 30, 2022	—	—	—	—	—

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended September 30, 2023: ¥— million
 For the fiscal year ended September 30, 2022: ¥— million

Note: The Company began to prepare consolidated financial statements from the fiscal year ended September 30, 2023. Therefore, figures for the fiscal year ended September 30, 2022 and year-on-year changes for the fiscal year ended September 30, 2023 cannot be shown. In addition, as the fiscal year ended September 30, 2023 is the first year for disclosing consolidated financial statements, return on equity and ratio of ordinary profit to total assets for the fiscal year ended September 30, 2023 have been calculated based on equity and total assets as of September 30, 2023, respectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	12,016	9,445	78.6	223.69
September 30, 2022	—	—	—	—

Reference: Equity

As of September 30, 2023: ¥9,443 million

As of September 30, 2022: ¥— million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2023	3,307	(644)	136	8,278
September 30, 2022	—	—	—	—

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2022	—	0.00	—	9.00	9.00	361	20.1	6.4
Fiscal year ended September 30, 2023	—	0.00	—	13.00	13.00	548	20.4	6.8
Fiscal year ending September 30, 2024 (Forecast)	—	0.00	—	16.00	16.00		—	

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(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, 2024	13,800	23.5	4,800	29.3	4,800	30.5	3,250	24.0	76.98

*** 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) 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

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

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

As of September 30, 2023	42,218,600 shares
As of September 30, 2022	40,190,000 shares

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

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

- (iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2023	41,056,701 shares
Fiscal year ended September 30, 2022	40,155,400 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	10,201	29.0	3,756	41.0	3,724	39.4	2,646	47.3
September 30, 2022	7,910	29.3	2,663	26.4	2,671	27.7	1,796	25.7

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2023	64.45	62.64
September 30, 2022	44.73	42.09

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2023	11,411	9,458	82.9	223.99
September 30, 2022	7,944	6,464	81.2	160.57

Reference: Equity

As of September 30, 2023: ¥9,456 million

As of September 30, 2022: ¥6,453 million

* Financial results reports are exempt from audit 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 Group at the time of the release of these materials and certain assumptions deemed reasonable, and actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial results forecasts, please see “1. Overview of Business Results, etc. (4) Future Outlook” on page 4 of the Japanese version of the supplementary material.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

As of September 30, 2023

Assets	
Current assets	
Cash and deposits	8,278,003
Notes and accounts receivable - trade	1,231,654
Work in process	156
Prepaid expenses	193,821
Other	310
Allowance for doubtful accounts	(1,862)
Total current assets	9,702,083
Non-current assets	
Property, plant and equipment	
Buildings, net	102,065
Tools, furniture and fixtures, net	59,398
Total property, plant and equipment	161,463
Intangible assets	
Goodwill	1,167,485
Other	324,700
Total intangible assets	1,492,186
Investments and other assets	
Investment securities	200,000
Deferred tax assets	177,571
Other	282,735
Total investments and other assets	660,307
Total non-current assets	2,313,956
Total assets	12,016,040
Liabilities	
Current liabilities	
Accounts payable - trade	170,306
Accounts payable - other	269,236
Accrued expenses	257,671
Income taxes payable	671,838
Accrued consumption taxes	254,287
Contract liabilities	586,966
Provision for bonuses	204,823
Other	49,038
Total current liabilities	2,464,168
Non-current liabilities	
Deferred tax liabilities	106,137
Total non-current liabilities	106,137
Total liabilities	2,570,306
Net assets	
Shareholders' equity	
Share capital	447,718
Capital surplus	437,718
Retained earnings	8,558,704
Treasury shares	(226)
Total shareholders' equity	9,443,915
Share acquisition rights	1,818
Total net assets	9,445,733
Total liabilities and net assets	12,016,040

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

(Thousands of yen)

	Fiscal year ended September 30, 2023
Net sales	11,171,752
Cost of sales	2,958,755
Gross profit	8,212,996
Selling, general and administrative expenses	4,501,988
Operating profit	3,711,007
Non-operating income	
Interest income	56
Interest on securities	3,140
Miscellaneous income	754
Total non-operating income	3,950
Non-operating expenses	
Interest expenses	38
Share issuance costs	6,926
Listing expenses	28,480
Other	735
Total non-operating expenses	36,180
Ordinary profit	3,678,778
Extraordinary income	
Gain on sale of non-current assets	107
Total extraordinary income	107
Extraordinary losses	
Loss on step acquisitions	36,663
Total extraordinary losses	36,663
Profit before income taxes	3,642,221
Income taxes - current	1,054,268
Income taxes - deferred	(32,824)
Total income taxes	1,021,444
Profit	2,620,777
Profit attributable to owners of parent	2,620,777

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended September 30, 2023
Profit	2,620,777
Comprehensive income	2,620,777
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	2,620,777
Comprehensive income attributable to non-controlling interests	—

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	88,221	78,221	6,299,635	(226)	6,465,851
Changes during period					
Issuance of new shares	359,497	359,497			718,994
Dividends of surplus			(361,709)		(361,709)
Profit attributable to owners of parent			2,620,777		2,620,777
Net changes in items other than shareholders' equity					
Total changes during period	359,497	359,497	2,259,068	–	2,978,063
Balance at end of period	447,718	437,718	8,558,704	(226)	9,443,915

	Share acquisition rights	Total net assets
Balance at beginning of period	10,803	6,476,655
Changes during period		
Issuance of new shares		718,994
Dividends of surplus		(361,709)
Profit attributable to owners of parent		2,620,777
Net changes in items other than shareholders' equity	(8,984)	(8,984)
Total changes during period	(8,984)	2,969,078
Balance at end of period	1,818	9,445,733

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2023
Cash flows from operating activities	
Profit before income taxes	3,642,221
Depreciation	182,984
Amortization of goodwill	129,720
Loss (gain) on step acquisitions	36,663
Increase (decrease) in allowance for doubtful accounts	1,365
Increase (decrease) in provision for bonuses	55,132
Interest and dividend income	(3,196)
Interest expenses	38
Share issuance costs	6,926
Listing expenses	28,480
Gain on sale of non-current assets	(107)
Loss on retirement of non-current assets	84
Decrease (increase) in trade receivables	(177,781)
Decrease (increase) in inventories	3,184
Increase (decrease) in trade payables	65,766
Decrease (increase) in prepaid expenses	(13,928)
Increase (decrease) in accounts payable - other	42,317
Increase (decrease) in accrued expenses	45,571
Increase (decrease) in accrued consumption taxes	112,014
Increase (decrease) in contract liabilities	53,876
Other, net	100,144
Subtotal	4,311,479
Interest and dividends received	3,196
Interest paid	(38)
Income taxes paid	(1,006,729)
Net cash provided by (used in) operating activities	3,307,907
Cash flows from investing activities	
Purchase of property, plant and equipment	(28,561)
Proceeds from sale of property, plant and equipment	239
Purchase of intangible assets	(1,600)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(612,109)
Proceeds from refund of leasehold and guarantee deposits	20
Payments of leasehold and guarantee deposits	(2,697)
Net cash provided by (used in) investing activities	(644,708)
Cash flows from financing activities	
Repayments of long-term borrowings	(178,085)
Payments for issuance of shares	(6,926)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	710,010
Payments of listing expenses	(28,480)
Dividends paid	(360,333)
Net cash provided by (used in) financing activities	136,184
Net increase (decrease) in cash and cash equivalents	2,799,384
Cash and cash equivalents at beginning of period	5,478,619
Cash and cash equivalents at end of period	8,278,003

(Segment information, etc.)**1. Summary of reportable segments**

The Group's reportable segments are components of the Group for which separate financial information is available and that are subject to periodic review by the Board of Directors to make decisions on the distribution of management resources and evaluate business performance.

The reportable segments of the Company consist of the Visualizing Engine Business, the Customer Rings Business, and the Talent Palette Business.

The Visualizing Engine Business offers the Visualizing Engine, which supports customer marketing with text mining analysis of massive amounts of consumer feedback, such as surveys, call logs, and social media. Customer Rings Business offers a marketing automation system that automates the analysis and segmentation based on customer information and purchase histories and a tool for customer relationship management (CRM). The Talent Palette Business offers a scientific personnel management platform that applies marketing approach to the HR field; collects, analyzes, and visualizes personnel information; and realizes optimal placement, resignation prevention, and efficient hiring.

2. Calculation method of net sales, profit (loss), assets, liabilities, and other items by reportable segment

The accounting method for reportable segments complies with the accounting policy adopted for the preparation of the consolidated financial statements. Segment profit is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Thousands of yen)

	Reportable segment				Adjustment	Amount recorded in consolidated financial statements
	Visualizing Engine Business	Customer Rings Business	Talent Palette Business	Total		
Net sales						
Goods or services transferred at a point in time	74,191	52,590	1,091,838	1,218,619	—	1,218,619
Goods or services transferred over time	1,741,652	1,636,844	6,574,636	9,953,133	—	9,953,133
Revenue from contracts with customers	1,815,843	1,689,434	7,666,474	11,171,752	—	11,171,752
Other revenue	—	—	—	—	—	—
Net sales to outside customers	1,815,843	1,689,434	7,666,474	11,171,752	—	11,171,752
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	1,815,843	1,689,434	7,666,474	11,171,752	—	11,171,752
Segment profit	954,814	508,735	3,186,308	4,649,859	(938,851)	3,711,007
Segment assets	201,390	194,188	3,027,614	3,423,194	8,592,845	12,016,040
Other items						
Depreciation	4,890	6,963	161,923	173,777	9,206	182,984
Amortization of goodwill	—	—	129,720	129,720	—	129,720
Increase in property, plant and equipment and intangible assets	1,522	3,294	1,756,440	1,761,257	14,578	1,775,836

- (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 consolidated statements of income.