Fiscal Year Ending September 30, 2023 Financial Results Briefing Materials

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

November 13, 2023

Contents

01 Company outline

02 Overview of Talent Palette Business

03 Growth strategy

04 Latest topics

05 Financial results for the fiscal year ended September 30, 2023

06 Earnings forecasts for the fiscal year ending September 30, 2024

07 Reference materials

01 Company outline

Company outline

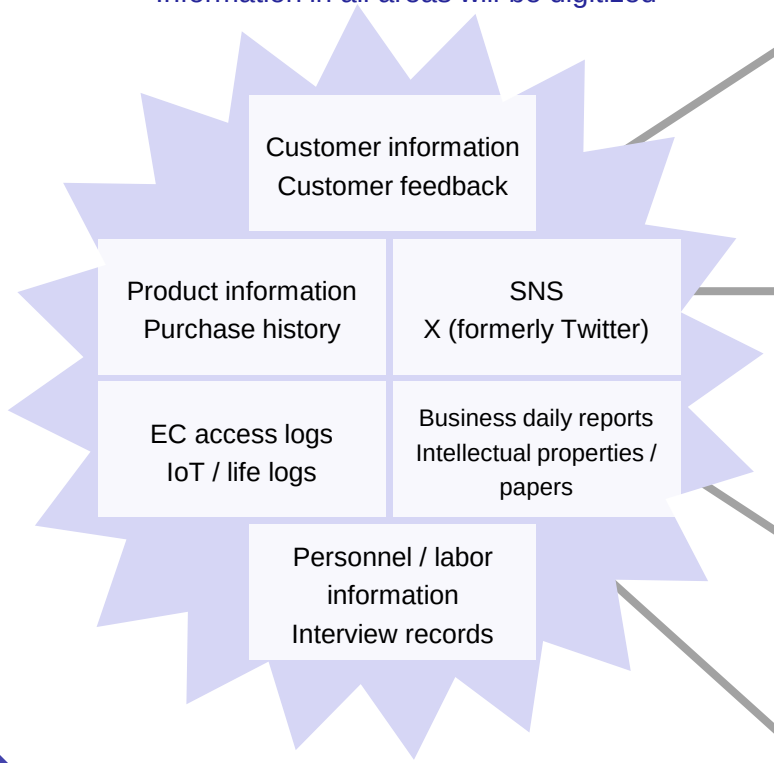
Company name	Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Prime: 4071)
Representative	Katsuya Mimuro, Representative Director and President
Headquarters location	25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
Osaka Branch	13F Osaka Nakanoshima Building, 2-2-2 Nakanoshima, Kita-ku, Osaka-shi, Osaka
Fukuoka Branch	4F Grand Cabin Tenjin-minami, 3-3-33 Yakuin, Chuo-ku, Fukuoka-shi, Fukuoka
Consolidated subsidiary	Grow Up Co., Ltd.
Established	December 25, 2006
Capital	447,718 thousand yen (as of September 30, 2023)
Business content	Providing cloud services for data analysis platforms
Number of employees	305 consolidated (as of September 30, 2023)
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



Visualize

enormous information through technology

Text mining
Data mining
Natural language processing
AI / machine learning
+
Consulting Operational knowledge

Serving various sectors

Marketing area

Visualization of customer feedback

見える化エンジン

CRM area

Visualizing client information and actions

CustomerRings カスタマーリングス

HR/personnel area

Visualizing personnel information / employees

Talent Palette タレントパレット　キミスカ

New business

Education/Sales area

ヨリソル　Sales Square

Main services

Developing profitable SaaS businesses in multiple areas

Marketing solutions

Text mining analysis for the use of customer feedback data from call logs, X (formerly 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

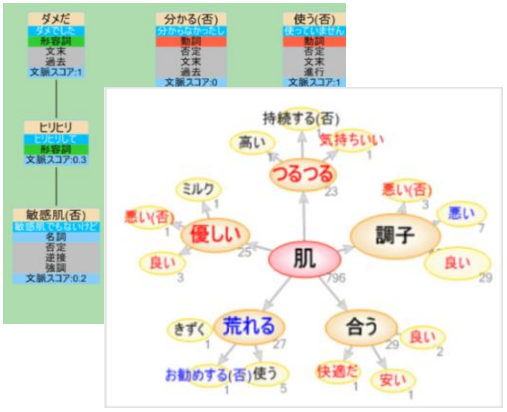
Language processing technologies	Visualized mining technologies	Mass data analysis expertise	Industrial / operational knowledge	Utilization support consulting

Business strengths

Advanced technologies to visualize big data for practical use

見える化エンジン

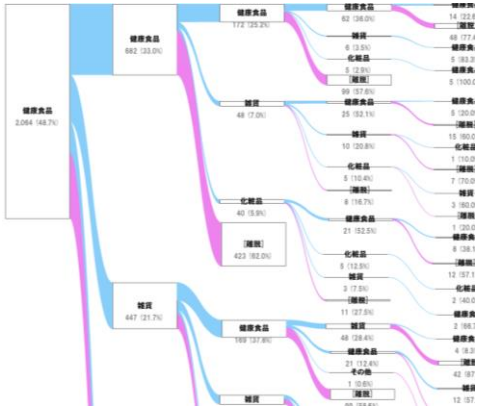
Syntax analysis, word maps



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

CustomerRings カスタマーリングス

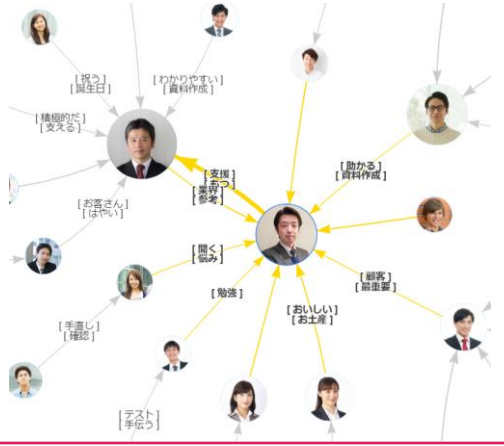
Purchasing pattern analysis



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

Talent Palette タレントパレット

Employee network diagram

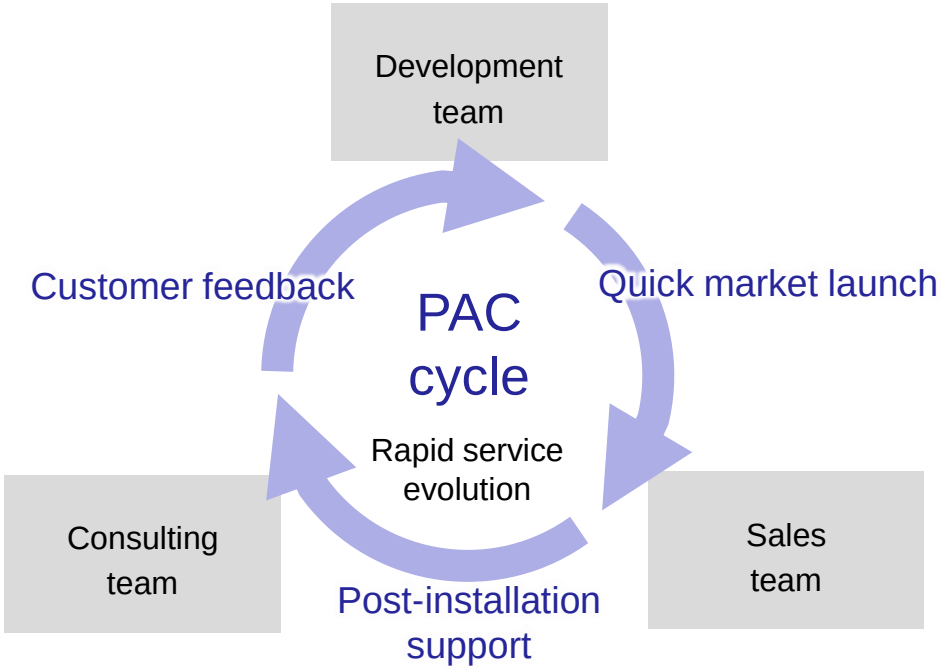


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

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



Culture and framework to support the PAC cycle

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

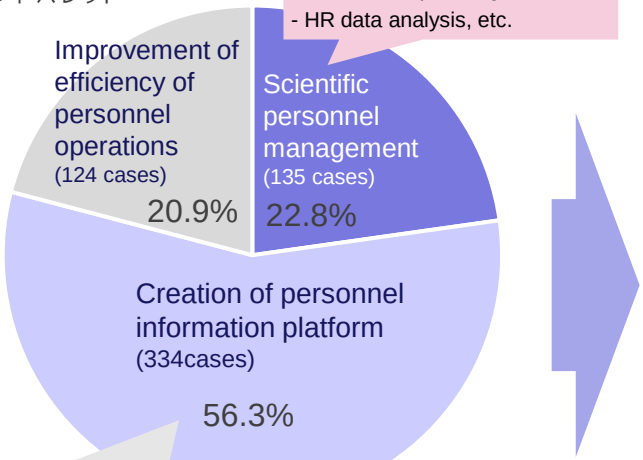
Business strengths

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

Realizing increased added value of services by leveraging enterprise consulting capabilities
Over 4,700 functions installed as standard over approximately seven years through consulting for a variety of leading companies

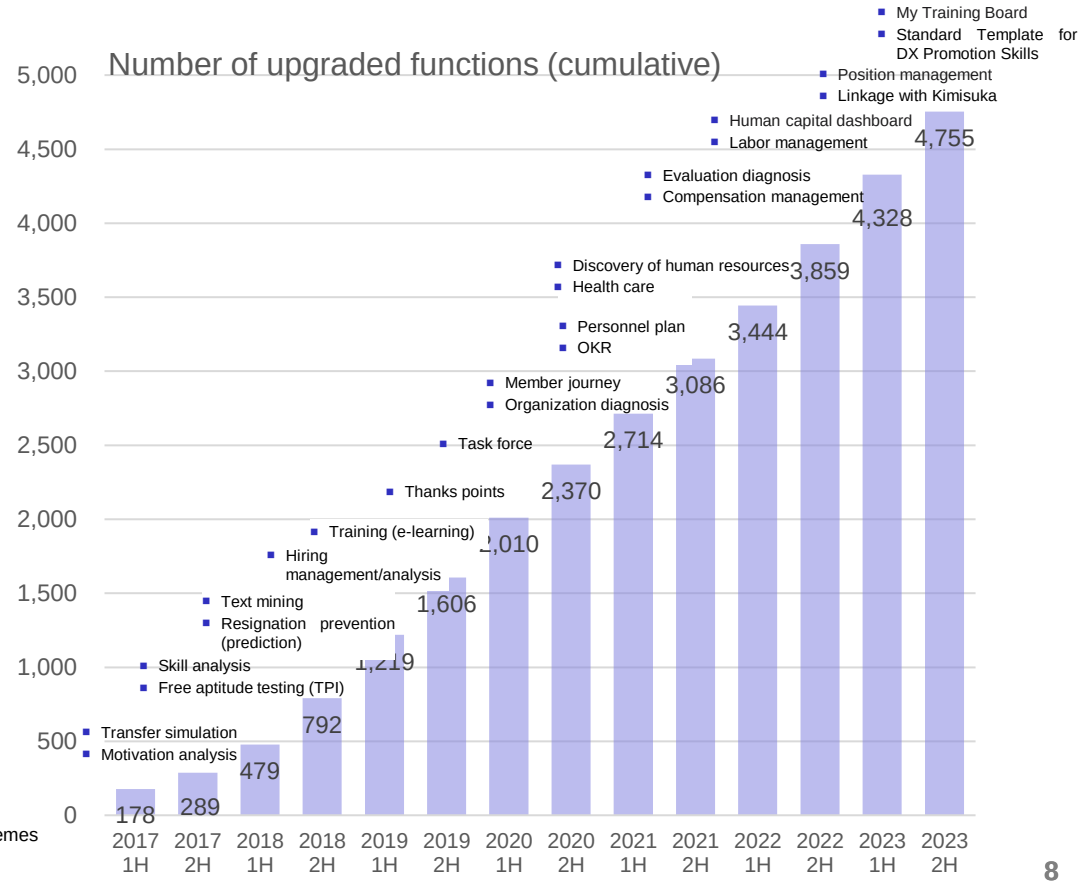
Talent Palette
タレントパレット

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



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

Approximately 80% of the approx. 400 annual consulting projects and approx. 600 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 more than ten years of accumulated expertise in the SaaS business

Accumulated SaaS expertise through existing services

Highly profitable business

見える化エンジン

Stable growth business

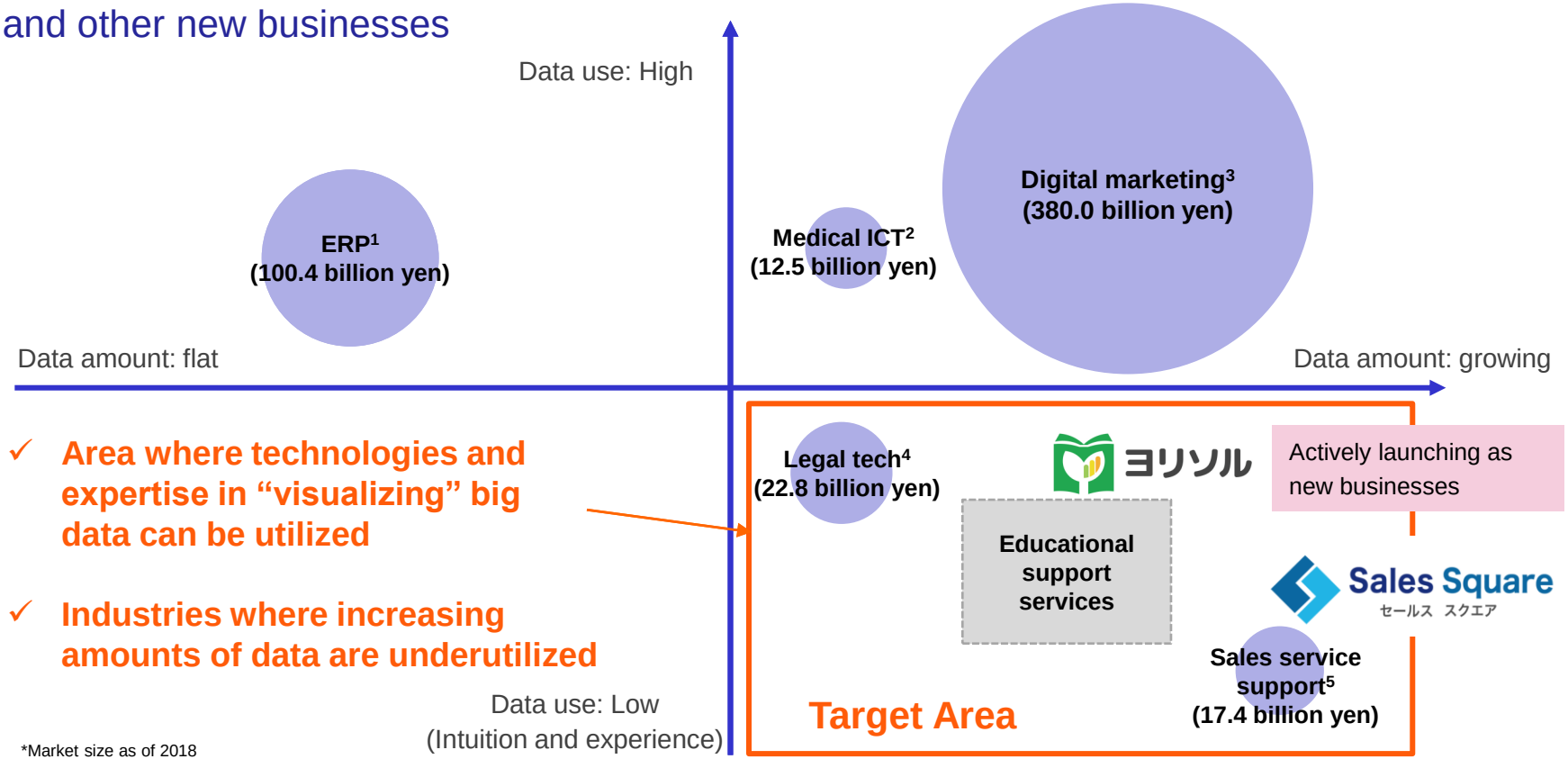
CustomerRings カスタマーリングス

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



- ✓ **Area where technologies and expertise in “visualizing” big data can be utilized**
- ✓ **Industries where increasing amounts of data are underutilized**

*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

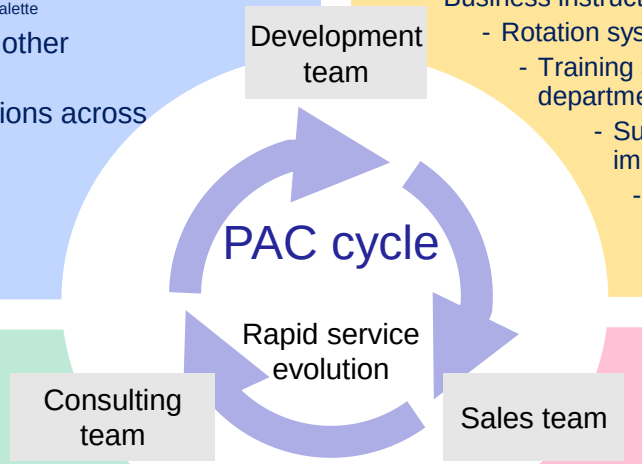
Initiatives to improve the human capital of PAC

Communication measures

- Thanks Points system * Standard function of Talent Palette
  Cultivation of culture for sending each other messages of thanks
- A committee active outside main operations across divisions
  20 teams are currently active
- Employee travel
  Original travel planned by employees

Human resource development

- Business instruction system for new employees
- Rotation system for understanding of other teams
- Training system implemented by occupation across departments
- Support system for book purchases and self-improvement
- Implementation of online education
  *Utilization of Talent Palette
- “Training for Learning Culture” for new employees



Penetration of strategy

- Strategy meetings
  (held once every six months)
  A total of five days by business, all employees can participate
- Overall meeting (held monthly)
  Sharing of company measures and department measures
- “Penguin Contest” for new businesses
  22 people participated in FY2023

Workplace environment

- Flexible work styles with flex time system
- Refresh holiday system enabling long holidays to be taken
- Measures for promoting employee communication (active support of activities outside operations such as sports activities)
- Improvement of refresh spaces (provision of light meals, etc.)

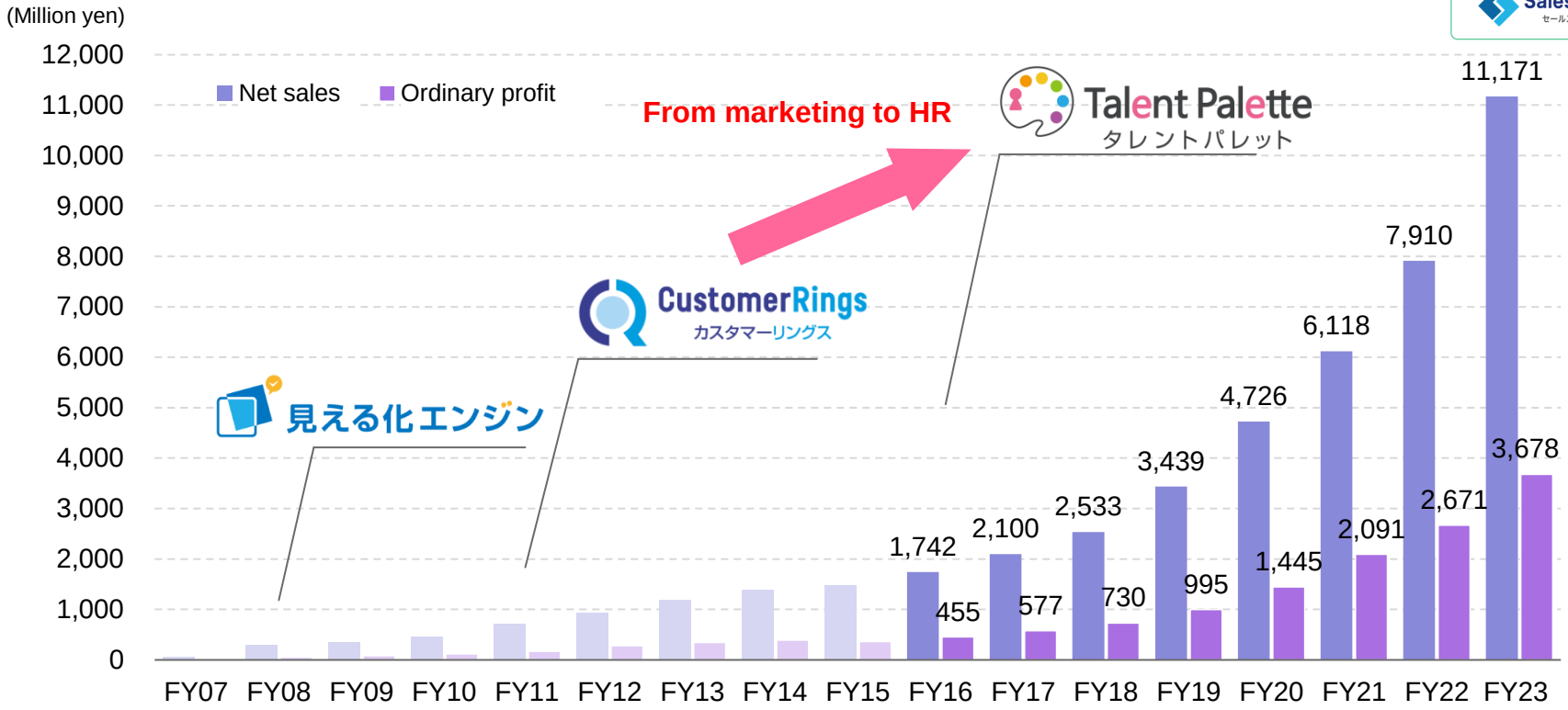
★ Employee awareness survey score (Company vision: 4.4/5.0), company atmosphere: 4.11/5.0, benefits: 4.2/5.0)
★ Annual turnover rate: 5.7%

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

New businesses
ヨリソル
Sales Square セールス スクエア



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 lowing 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.

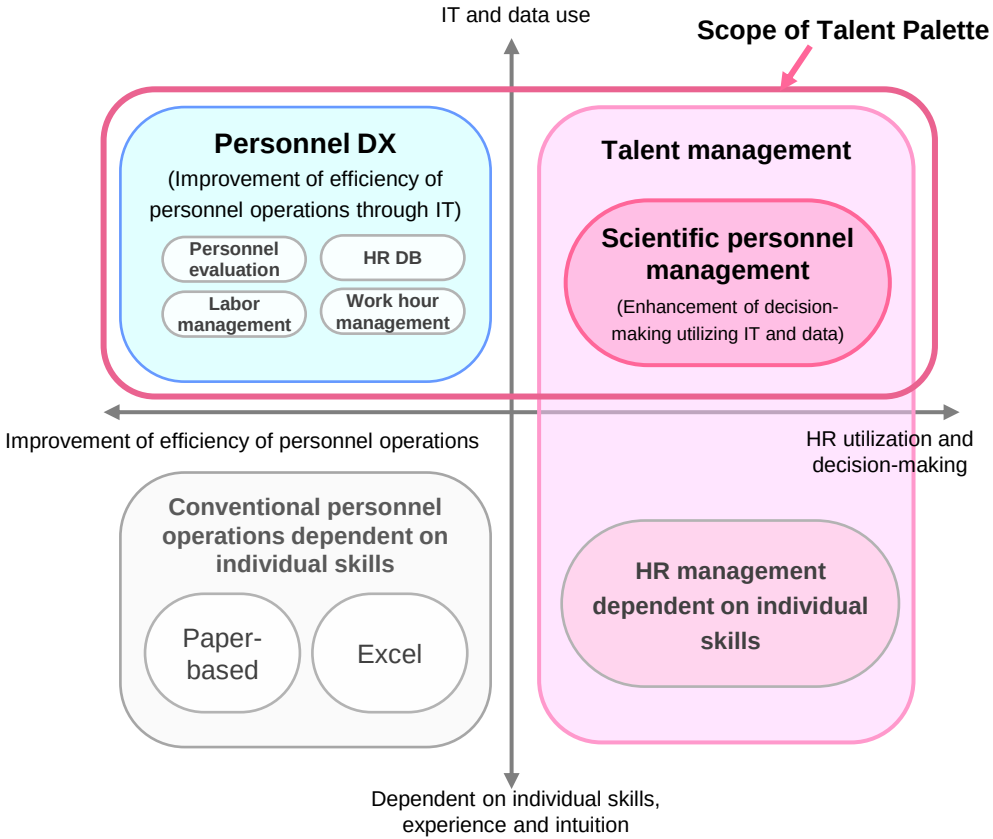
⇒ **Based on this trend, the HRTech cloud market is expected to grow by +32.2% year on year in FY2022.** (Research by Deloitte Tohmatsu MIC Research Institute Co., Ltd.)

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.

Marketing strategy	HR / personnel strategy
Ascertain customer needs	Ascertain employee needs Self-reporting, ES surveys
Develop loyal customers	Develop employee skills Succession planning
Prevent customer defection	Prevent employee resignations Motivation management
Capture new customers	Employee hiring activities
Visualizing customers	Visualizing employees



Characteristics of Talent Palette

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

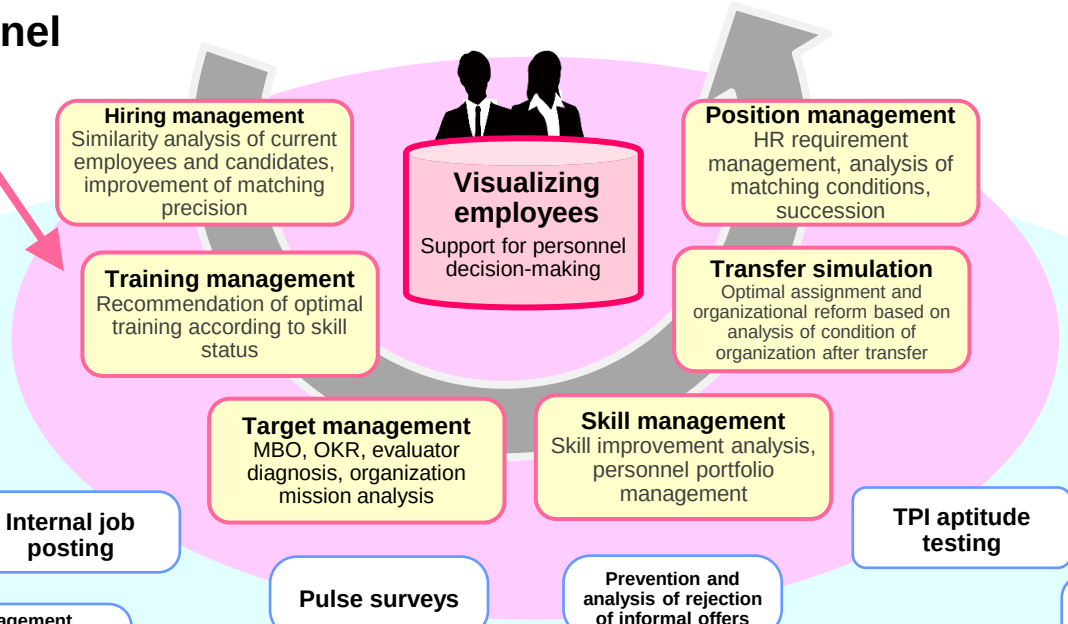
For enterprises, we differentiate with scientific personnel functions through the utilization of data, and for small and medium businesses, we integrate tools required for personnel management and realize the improvement of efficiency of personnel DX through IT

Scientific personnel management

Enhancement of decision-making utilizing IT and data

Personnel DX

Improvement of personnel operations using IT



Visualizing employees
Support for personnel decision-making

Hiring management
Similarity analysis of current employees and candidates, improvement of matching precision

Position management
HR requirement management, analysis of matching conditions, succession

Training management
Recommendation of optimal training according to skill status

Transfer simulation
Optimal assignment and organizational reform based on analysis of condition of organization after transfer

Target management
MBO, OKR, evaluator diagnosis, organization mission analysis

Skill management
Skill improvement analysis, personnel portfolio management

Safety confirmation
Swift and smooth implementation of safety confirmation in the event of a disaster

Stress checks
Support for stress checks that are mandated to be conducted once per year

Internal job posting

Pulse surveys

Prevention and analysis of rejection of informal offers

TPI aptitude testing

Direct recruiting
Enabling direct scouting of students matching the company

Thanks points
Increasing engagement through employees expressing gratitude to each other

Surveys
Visualization of employees' opinions through free question setting and text mining

Labor management
Various procedures when joining and leaving the company, My Number management and year-end adjustment

Health management
Central management of data on employee health status, lifestyle habit checks and health diagnosis

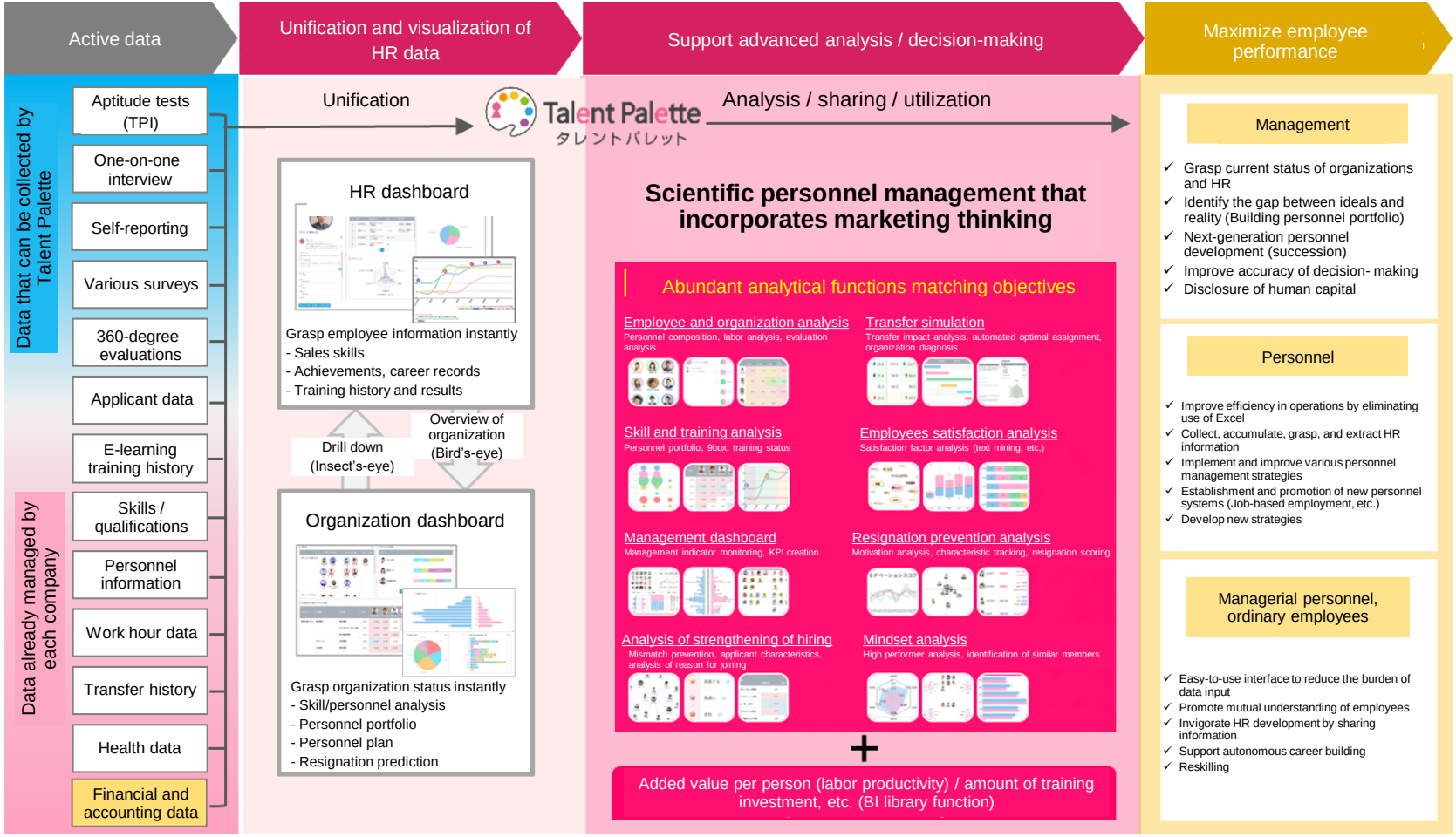
Personnel FAQ
Creation of knowledge on systems and procedures in the Personnel and General Affairs Division

Organization diagnosis
Recommendation of improvement measures by identifying organizational characteristics and issues based on surveys

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



Companies Implementing of Talent Palette

Talent Management System Chosen by Leading Companies

202310-2

Manufacturers (lifestyle, parts, chemicals, pharmaceuticals, construction, other)

Finance (banking, life and non-life insurance, credit cards, leasing)

Public infrastructure (power, gas, etc.), communications, transportation, local government, other

Distribution, retail, restaurants, real estate, services, medical, nursing, welfare, education

IT, system development, call centers, entertainment

Staffing, advertising, mass media, specialized services

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

- Scientific personnel management
- Human capital management
- Personnel DX
- Shift to Job- based employment
- Reskilling Autonomous career building
- Becoming a holding company

Strengths of Talent Palette

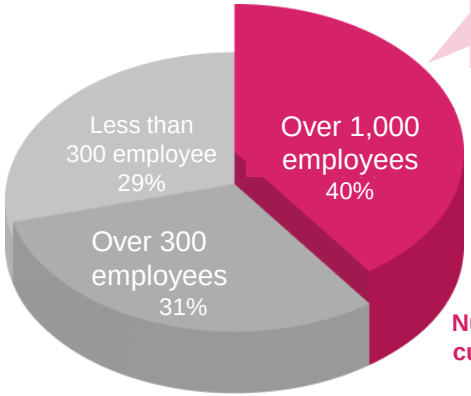
Enterprise penetration and high evaluation

The percentage of implementation in large enterprises with 1,000 of more employees (on a contract basis) is approximately 40%

Detailed functions and advanced consulting for enterprises are highly regarded

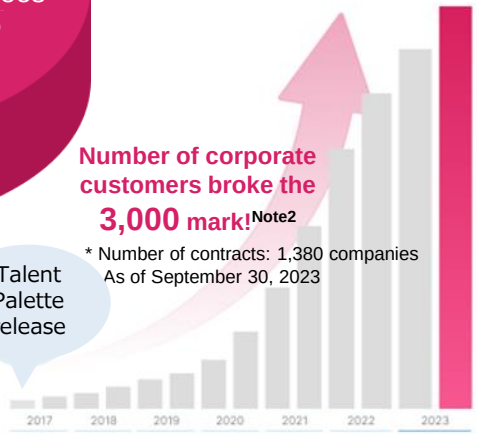
Percentage of contracts by plan

As of September 30, 2023



The service is highly regarded among enterprise user with 1,000 or more employees and implementations are progressing

大手・中堅企業 売上高（社員数300人以上） シェア No.1 Note1



Number of corporate customers broke the 3,000 mark! Note2

* Number of contracts: 1,380 companies
As of September 30, 2023

Note 1: 2022 Forecast of Personnel and Assignment Cloud Market Deloitte Tomatsu MIC Research Institute Co., Ltd. “HRTech Cloud Market Facts and Outlook FY2021”

Note 2: Approximately 3,000 companies are using this service, taking in accounts of single contracts consisting multiple companies’ usage.

Features highly appreciated by large enterprises

- Analysis functions specializing in diverse HR measures
- Specialized functions adapted to complex personnel management procedures
- An infrastructure that can withstand simultaneous access by tens of thousands of employees
- Speedy development and frequent updates of required functions
- Functions enabling flexible data links with customers’ core systems and provision of technical support
- Advanced consulting and devoted concierge services

Extensive analytical function and detailed function

Rapid development system and interoperability

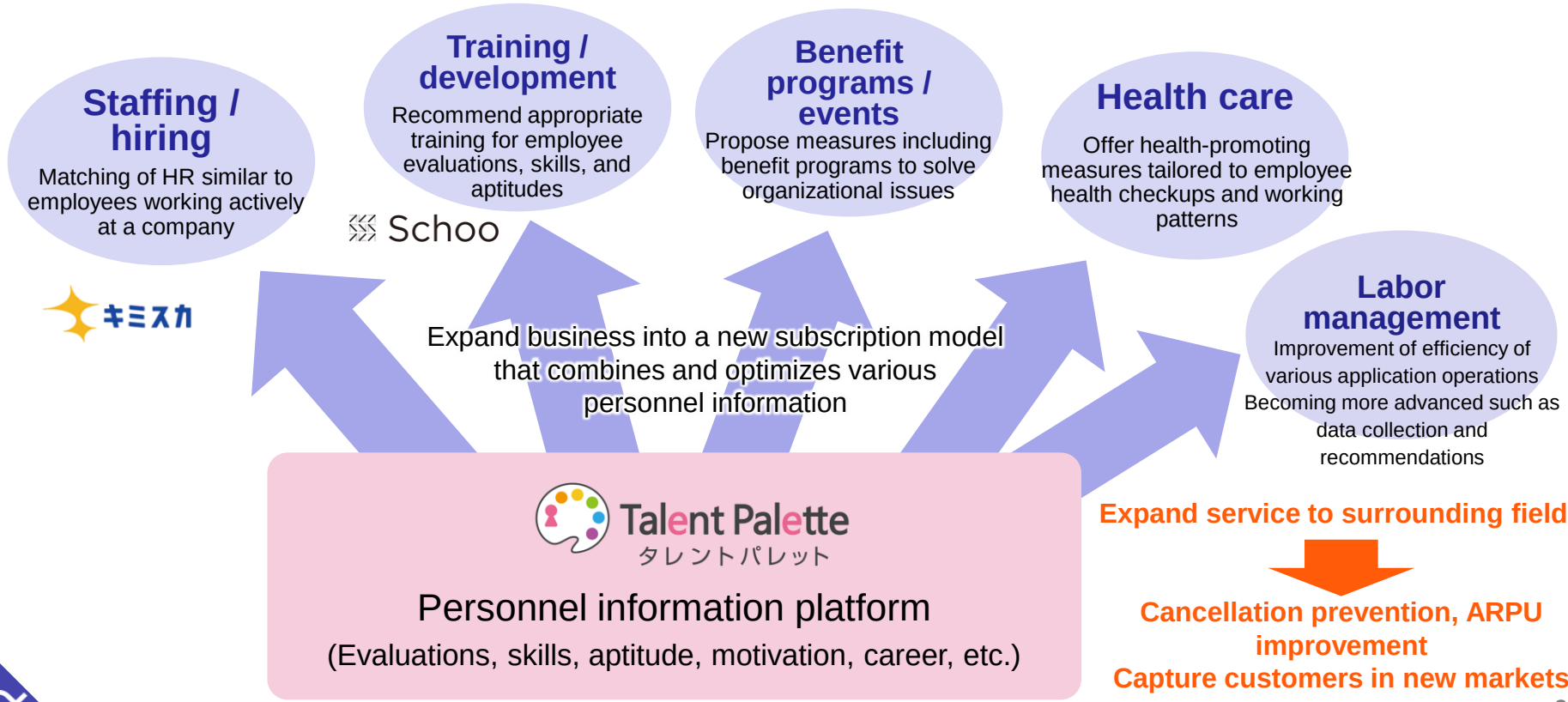
Consulting and concierge services

03 Growth strategy

Further development of Talent Palette Business

Expand services to sectors surrounding HR

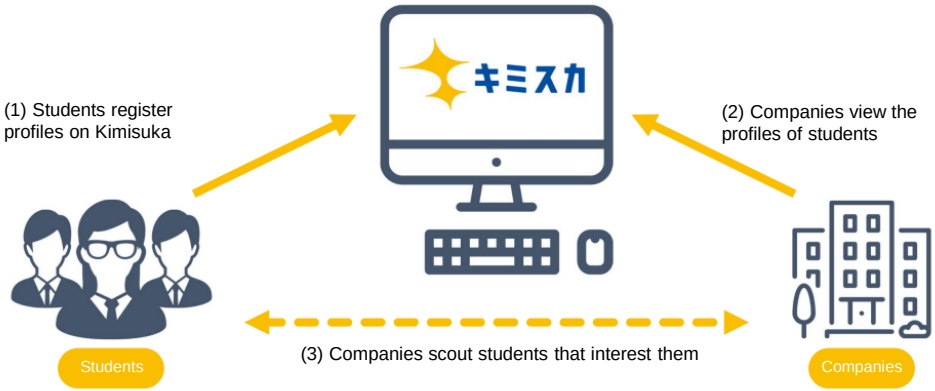
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel.
We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies



Further development of Talent Palette Business

Staffing / Hiring

Entry into hiring business through new graduate area by making Grow Up a subsidiary



Cross-selling of each other's services

Common aptitude tests are utilized to increase precision of matching with similar active employees

Hiring management and management of recipients of informal offers

Recommendation of candidates

(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

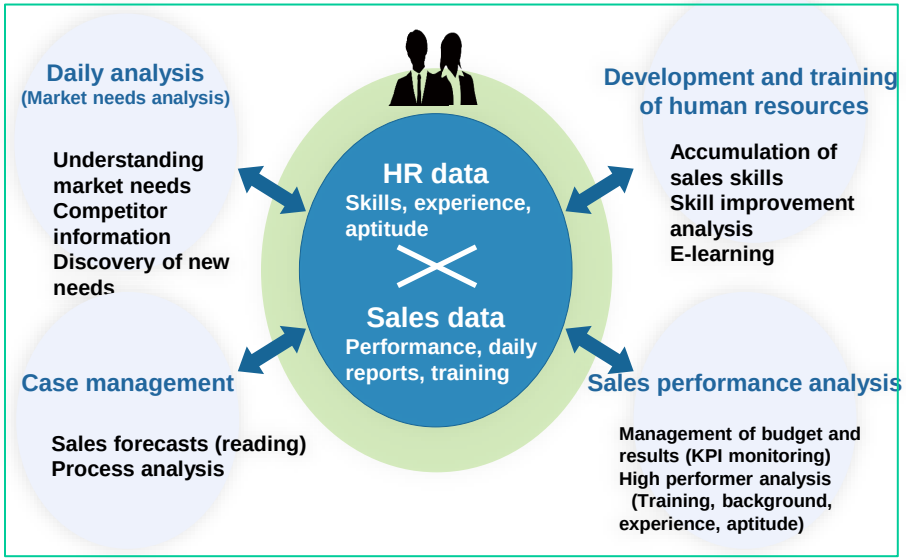
Functional development and sharing of knowhow for accelerating expansion in the hiring area through a high level of coordination of each other's services

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

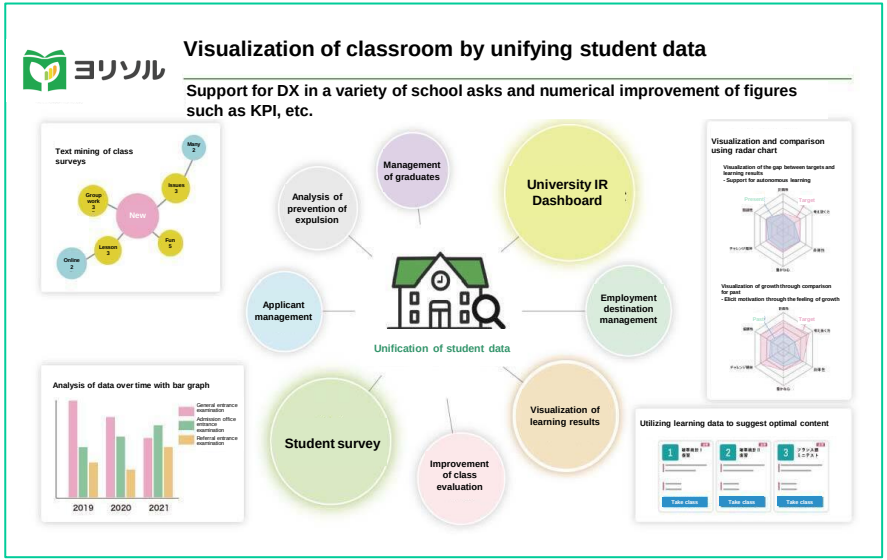


Start of full implementation (including trial implementation)

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 (several hundred people) Daily analysis, case management, skill visualization

Yorisoar

School management system supporting visualization of classrooms and university IR



Incorporated educational institution (several thousand people): LMS, learning portfolio, teaching staff portfolio
National university (several thousand people): Learning portfolio, university IR General incorporated foundation
Private university (several thousand people): Survey analysis, text mining
General incorporated foundation (several thousand people): LMS, learning analytics, graduate management
Vocational school (several hundred people): Management of applications from applicants, student management, data analysis
Private integrated junior and senior high school (several hundred people): Student and staff management, portfolio, data analysis
etc.

04 Latest topics

Latest topics

(1) Reorganization and change of disclosure segments

(2) Full-scale implementation of Yorisoar, a new solution aimed at the education market

(3) Case of implementation of Talent Palette by an enterprise (Mitsubishi Heavy Industries)

(4) Services promoting utilization of TP staff dispatch service

(5) Comprehensive business partnership with Insource Co. in the area of training

Topic (1): Reorganization and change of disclosure segments

Transition to a division system to create new value through mutual use of resources and synergies by dividing marketing and HR

<Department system>

- 見える化エンジン
- CustomerRings カスタマーリングス
- Talent Palette タレントパレット

<Division system> From October 1, 2023

Marketing Solutions	見える化エンジン CustomerRings カスタマーリングス
HR Solutions	Talent Palette タレントパレット ヨリソル キミスカ

The Company intends to change disclosure of segment information to the division system from the first quarter of the year ending September 2024.

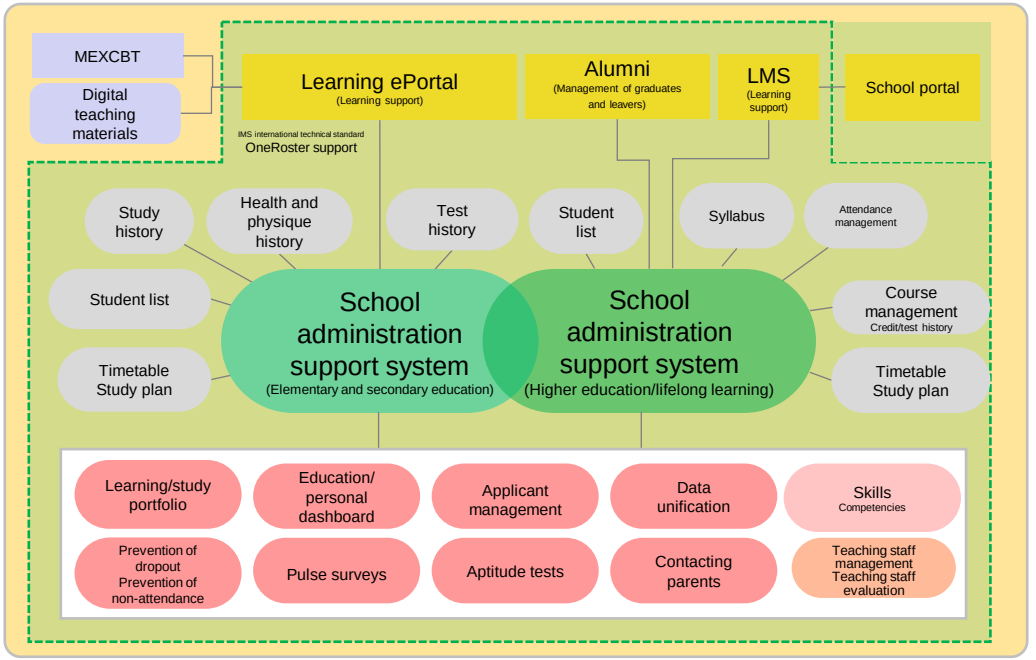
Topic (2): Full-scale implementation of Yorisoar, a new solution

Visualization by central management of information on teachers, students and parents, and promotion of educational data use and utilization

Aim for a total solution enabling centralized management of learning history, class evaluation, curriculum and school administration

ヨリソル

Integrated school management system realizing educational DX and visualization of educational data



Topic (2): Full-scale implementation of Yorisoar, a new solution

Implementation is widely progressing in advanced educational institutions including universities, private academies, vocational schools, junior high schools and high schools

Universities

奈良女子大学 Nara Women's University

帝塚山学院大学

日本で唯一の生産工学部 日本大学生産工学部

Objectives

◎ Visualization of study results (analysis of individual learners)
◎ University IR (analysis of entire school)

Junior high schools and high schools

花と歴史ある学び舎 学校法人 緑ヶ丘学院

学校法人 岩田学園 岩田中学校・高等学校

Objectives

◎ Learning portfolio (analysis of individual learners)
◎ Educational dashboard (analysis of entire school)

Private academies and vocational schools

学校法人 河原学園

活力ある社会をめざして 株式会社 類設計室

JFAEL

映像テクノアカデミア

sulliVan

Objectives

◎ Data unification from applicants to graduates
◎ LMS and learning support

*Schools' logos are shown here with permission. (In no particular order)

Topic (3): Case of implementation of Talent Palette by an enterprise (Mitsubishi Heavy Industries)

Mitsubishi Heavy Industries decided to implement Talent Palette for the utilization of personnel through optimal assignment of personnel across the Group (8 domestic group companies, approx. 40,000 personnel)

- ✓ Our Talent Palette environment was created as a data utilization platform for approximately 40,000 personnel including 8 group companies
- ✓ In addition to enabling searching and analysis of personnel throughout the group, it provides an organization dashboard for line managers enabling visualization of information on employees under their control
- ✓ In future, there are plans to expand the scope of utilization to optimal assignment of personnel across the group by offering internal positions and utilizing human resource data

Topic (4): Services promoting utilization of TP staff dispatch service

Implementation of a service dispatching personnel who have learned how to configure and perform analysis with Talent Palette to companies that have adopted the system
Supporting maximization of utilization of tools in user companies and focus on strategic tasks with limited resources

Main service details

- Support when implementing Talent Palette
- Support from maintenance to operation of Talent Palette
- Back-office operational support utilizing Excel
- Support for other general tasks

Talent Palette
タレントパレット

× COCOO

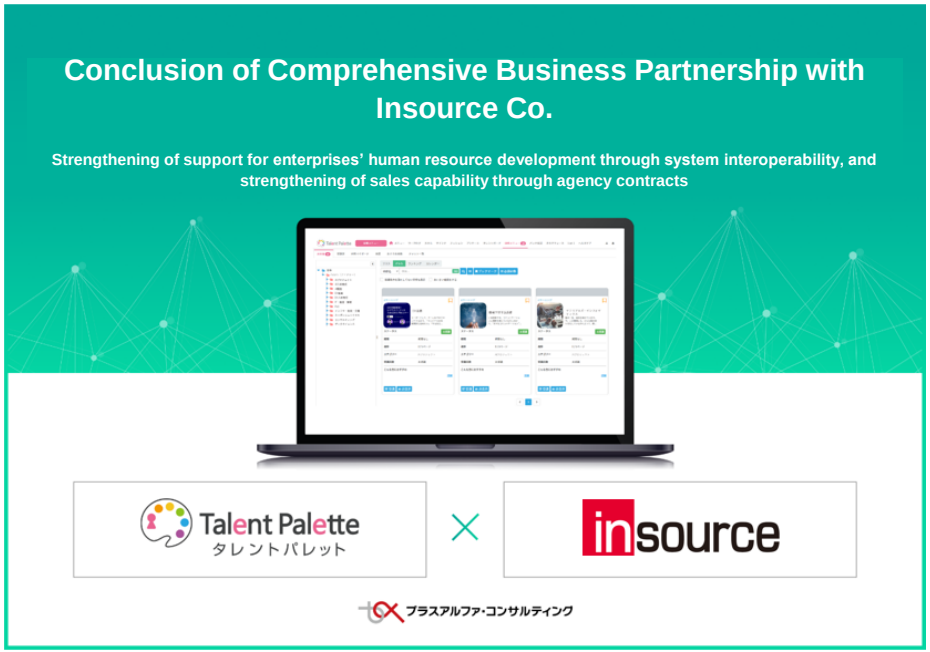
Dispatching dedicated Talent Palette staff to shift from menial tasks to creative tasks

- ✓ Develop staff with skills for utilizing tools through an excellent training system, and dispatch them to be on duty at user companies
- ✓ Eliminates shortages in operating resources, and also enables speedy operation for quickly resolving issues on the spot

*This service is provided through a partnership with COCOO Corp.

Topic (5): Comprehensive business partnership with Insource Co. in the area of training

Strengthening Talent Palette's human resource development support functions by linking with various training content provided by Insource Co. supporting the resolution of organizations' issues with the power of "education" and "IT".



- ✓ Needs for human resource development are rising more than in the past due to factors such as reskilling of existing human resources in response to changes in industrial structure such as digital transformation of operations and the shift from hardware to software.
- ✓ To respond to such heightened human resource development needs, we started linking the training management functions of Talent Palette with the training content of Insource Co., which has provided enterprise human resource development services for the past 20 years.
- ✓ Managing training developed in-house and external training including Insource's training together on Talent Palette enables the improvement of convenience and utilization in various analysis
- ✓ Furthermore, here are also plans to make proposals and sales centered on the 20,000 existing customers of Insource, including Talent Palette, Customer Rings and Visualization Engine

05 Financial results for the fiscal year ended September 30, 2023

Highlights

Consolidated basis

Overview

- Net sales and operating profit reached the targets revised upward on July 7, 2023
- Talent Palette continued to perform well, and net sales was higher than anticipated due to increases in the number of customers and ARPU
- Visualization Engine, Customer Rings and Kimisuka exceeded plans, steadily exceeding their sales targets

Financial results for the fiscal year ended September 30, 2023

- Consolidated financial results for the year ended September 30, 2023 showed a **41.2**% increase in net sales and an **39.3**% increase in operating profit from the previous fiscal year, with an operating profit margin of **33.2**%
- The increase in the number of customers, the revenue churn rate kept low and the stable rise of revenue per user of Talent Palette resulted in a favorable MRR of **548** million yen (up **43.3**% year on year)
- Grow Up also contributed to performance more than initially anticipated, and the operating profit margin after amortization of goodwill, etc. remained high

Earnings forecasts for the fiscal year ending September 30, 2024

- We forecast net sales of **13,800** million yen (up **23.5**% year on year) and operating profit of **4,800** million yen (operating profit margin of **34.8**%)
- 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

Financial results highlights

Consolidated basis

- Net sales increased by 41.2% and operating profit increased by 39.3% in the fiscal year ended September 30, 2023
- The consolidation of Grow Up contributed to the expansion of net sales, and profit also exceeded initial anticipations, with the operating profit margin after amortization of goodwill, etc., remaining at the high level of 33.2%

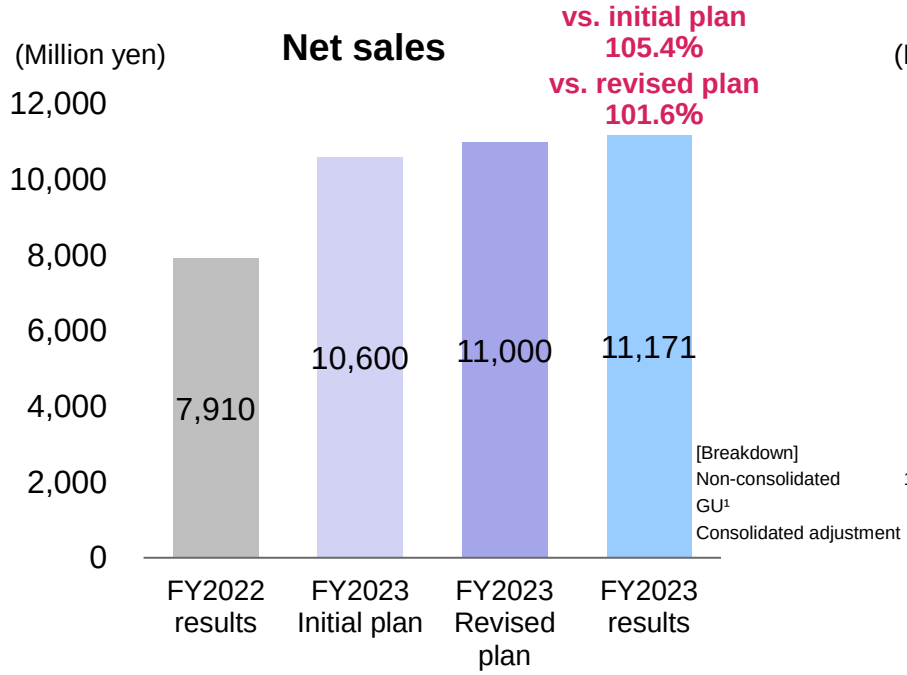
<Full-year>

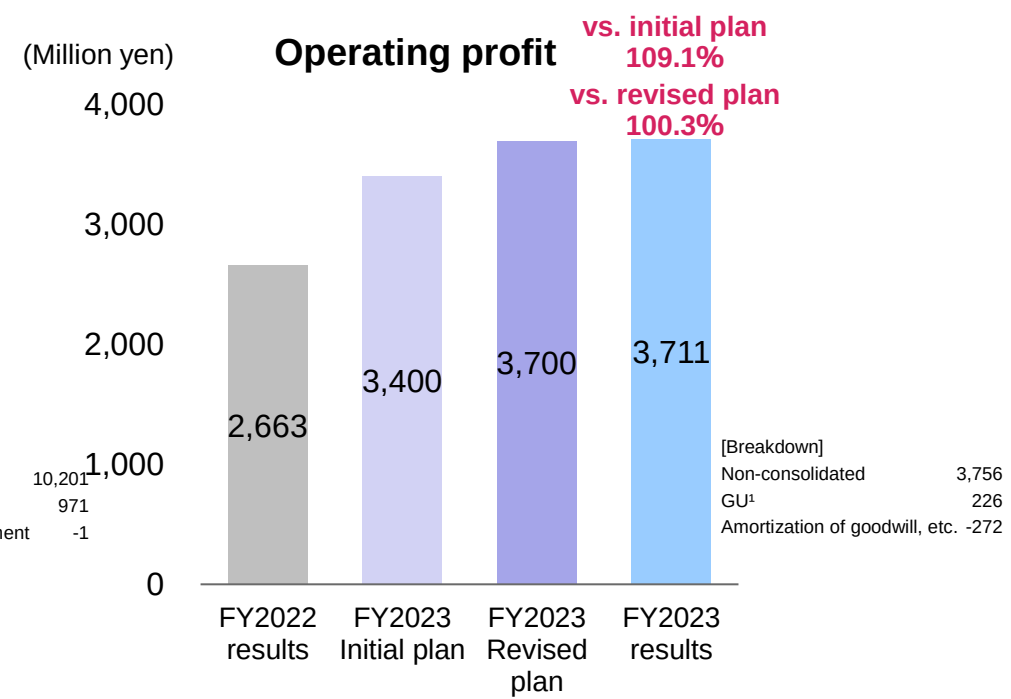
Net sales	**11,171**	million yen	YoY change	**41.2**	% up
Operating profit	**3,711**	million yen	YoY change	**39.3**	% up
Ordinary profit margin	**33.2**	%	YoY change	**0.5**	points down
Ordinary profit	**3,678**	million yen	YoY change	**37.7**	% up
Profit	**2,620**	million yen	YoY change	**45.9**	% up

Comparison with full year plan for the year ended September 30, 2023

Consolidated basis

- Both net sales and operating profit progressed steadily, reaching the plan revised upward (July 7, 2023)
- Net sales were 105.4% of the initial plan, and operating profit was 109.1% of the initial plan
- Net sales were 101.6% of the revised plan, and operating profit was 100.3% of the revised plan





Note 1: Grow Up

Financial results summary

Consolidated basis

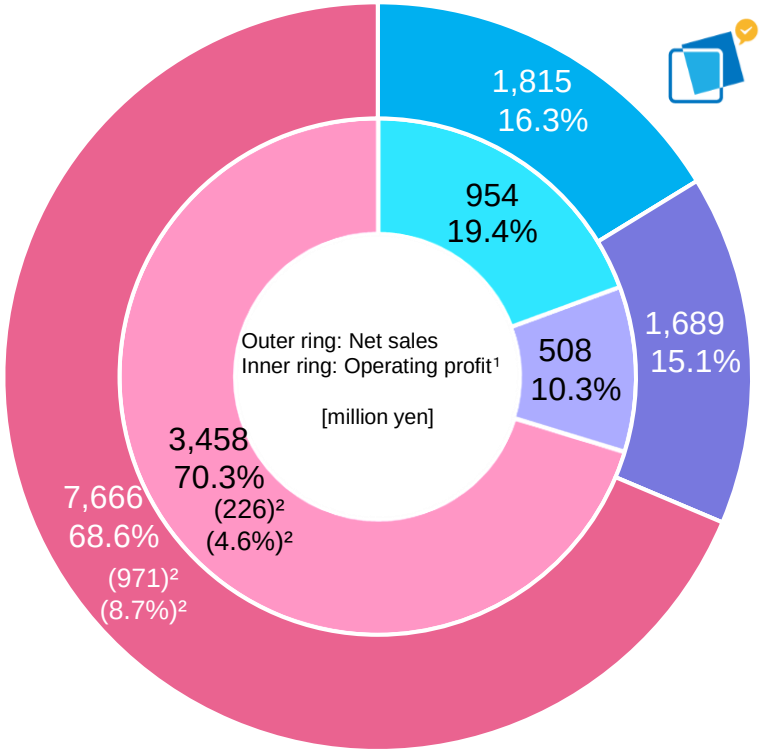
- Performance was steady for the full year, with a 41.2% increase in net sales, a 39.3% increase in operating profit and an operating profit margin of 33.2%
- Performance was also steady in 4Q, with a 41.4% increase in net sales, a 34.9% increase in operating profit and an operating profit margin of 36.7%

Million yen	FY2023 (Jul.-Sep.)			FY2023 (Oct.-Sep.)			FY2023 (Oct.-Sep.)	
	4Q (Jul.-Sep.)			Full year (Oct.-Sep.)			Full year (Oct.-Sep.)	
	FY2022 results	FY2023 results	YoY	FY2022 results	FY2023 results	YoY	Revised plan	Achievement
Net sales	2,210	**3,124**	41.4%	7,910	**11,171**	41.2%	11,000	101.6%
Cost of sales	574	**802**	39.7%	2,226	**2,958**	32.9%		
Gross profit	1,635	**2,321**	41.9%	5,683	**8,212**	44.5%		
Selling, general and administrative expenses	786	**1,175**	49.5%	3,020	**4,501**	49.1%		
Operating profit	849	**1,145**	34.9%	2,663	**3,711**	39.3%	3,700	100.3%
Operating profit margin	*38.4%*	***36.7%***	-	*33.7%*	***33.2%***	-	*33.6%*	-
Ordinary profit	863	**1,110**	28.6%	2,671	**3,678**	37.7%	3,650	100.8%
Profit	605	**828**	36.9%	1,796	**2,620**	45.9%	2,650	98.9%

Financial results for the year ended September 30, 2023 (By segment)

Consolidated basis

- The Talent Palette business including Kimisuka accounted for 68.6% of companywide sales and 70.3% of profit, driving growth
- The high profit margin Talent Palette contributed to the improvement of companywide profitability



見える化エンジン

Talent Palette
タレントパレット

キミスカ

CustomerRings
カスタマーリングス

Note 1: Amount of operating profit of the segment in 4Q of FY2023 (before elimination of shared expenses, before amortization of goodwill, etc.)
Note 2: The figures in parentheses are for Kimisuka (inclusive)

Financial Highlights (Talent Palette)

Non-consolidated basis

- The Talent Palette Business continued to perform well, showing a 40.6% increase in net sales and a 52.0% increase in operating profit

	FY2022		FY2023		YoY change	
Net sales[1]	4,762	million yen	6,696	million yen	**40.6**	% up
Operating profit[2]	2,125	million yen	3,231	million yen	**52.0**	% up
Ordinary profit margin	44.6	%	48.3	%	**3.6**	points up
MRR[3]	383	million yen	548	million yen	**43.3**	% up
Number of customers[4]	990	cases	1,380	cases	**39.4**	% up
Revenue churn rate[5]	0.41	%	0.25	%	**0.16**	points down
ARPU[6]	385	thousand yen	401	thousand yen	**4.0**	% up

Note 1: Results for 4Q of FY2022 and FY2023

Note 2: Amount of operating profit of the segment in 4Q of FY2022 and FY2023 (before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in September 2022 and in September 2023

Note 4: Number of monthly billed contracts as of September 30, 2022 and September 30, 2023

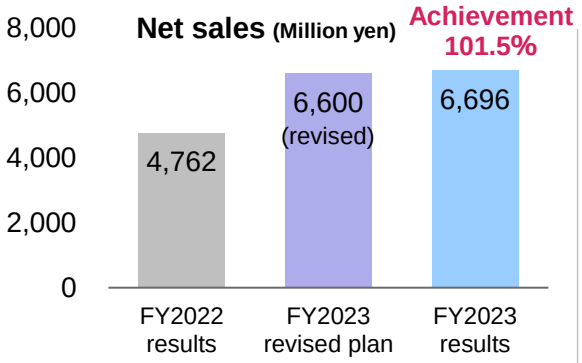
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2022 and September 2023 (average for the past 12 months).
This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month.

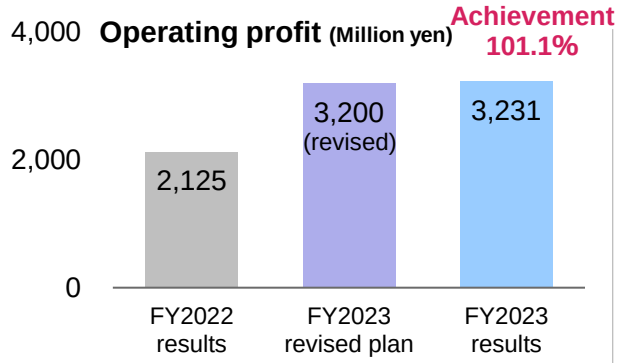
Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 4Q of FY 2022 and 4Q of FY 2023 by the average number of paid billing enterprise users of each month for the same period.

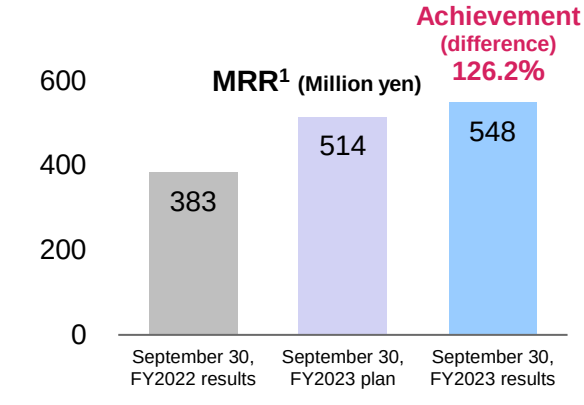
Performance (Talent Palette)

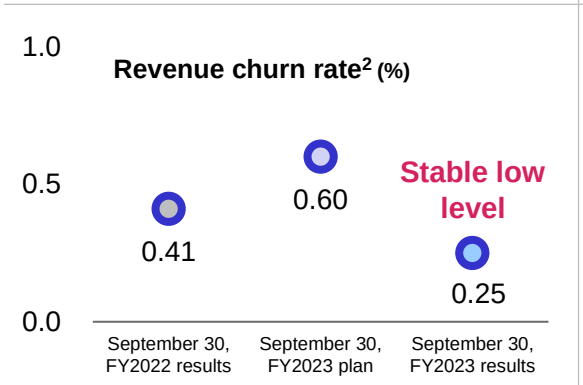
Non-consolidated basis

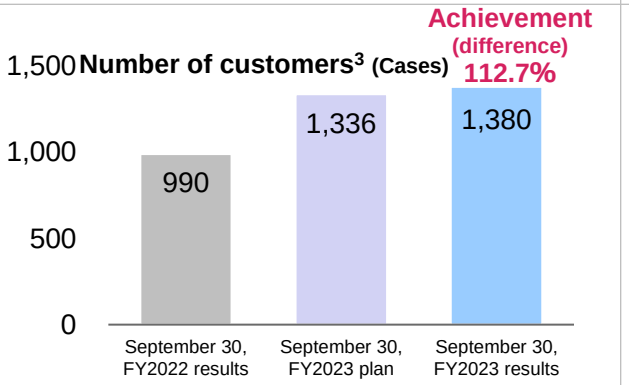
- In Talent Palette, all major KPIs exceeded initial plans
- In addition to the number of customers, an increase in ARPU contributed to increases in net sales and MRR

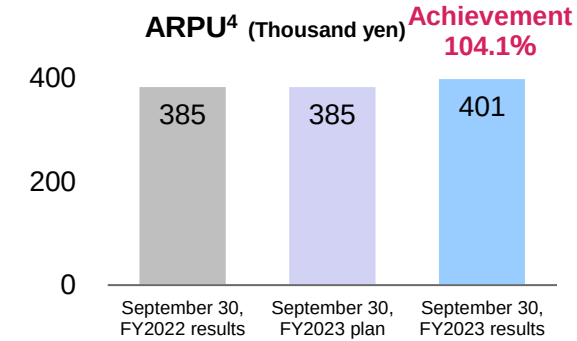












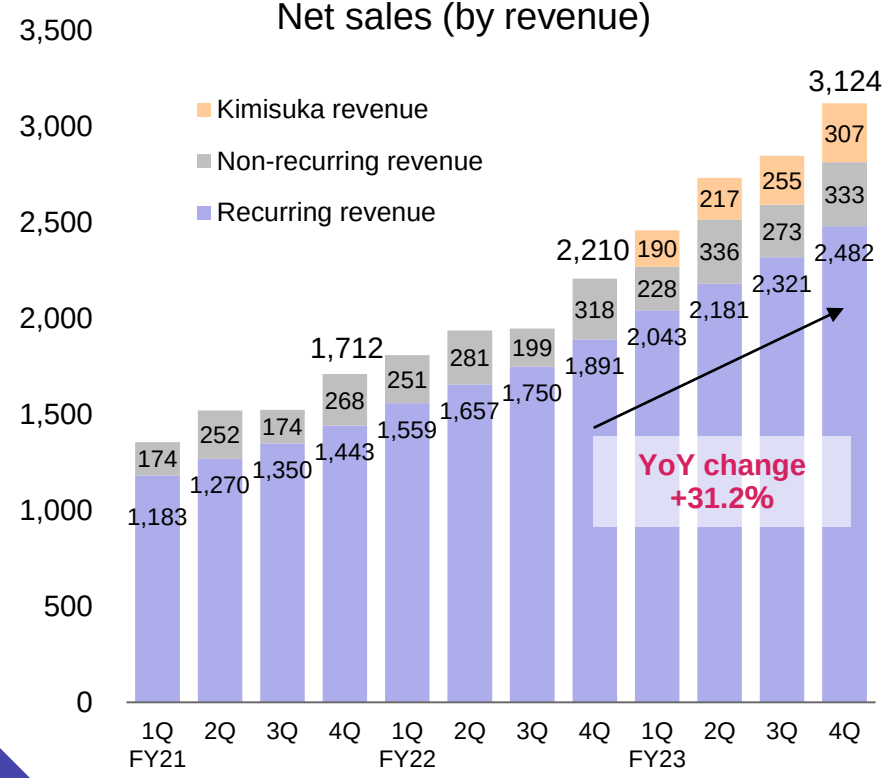
Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)
Note 3: Number of monthly billed contracts
Note 4: Average Revenue Per User. Calculated by dividing MRR by the number of customers at the end of the month.
Note 5: The figures for "September 30 plan" for MRR, revenue churn rate, number of customers and ARPU are based on the figures assumed at the start of the fiscal year.

Net sales trends (Companywide)

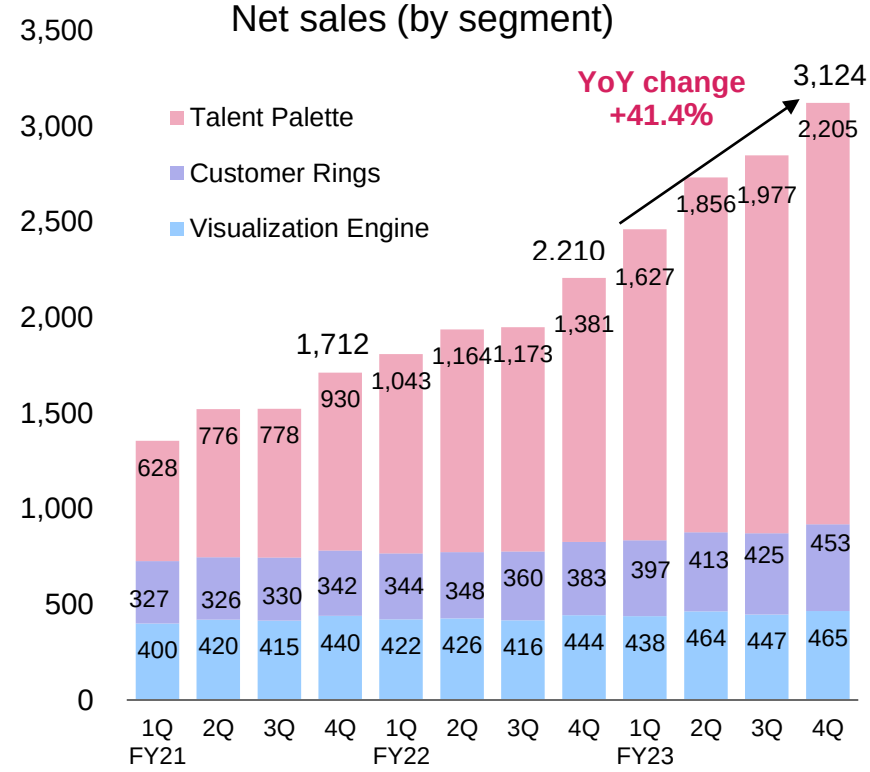
Consolidated basis

- Recurring revenue steadily increased and expanded to 2,482 million yen (+31.2% year on year) in 4Q
- Net sales of all businesses exceeded those of the previous fiscal year, and with the inclusion of Kimisuka, expanded to 3,124 million yen in 4Q (up 41.1% year on year)

(Million yen)



(Million yen)

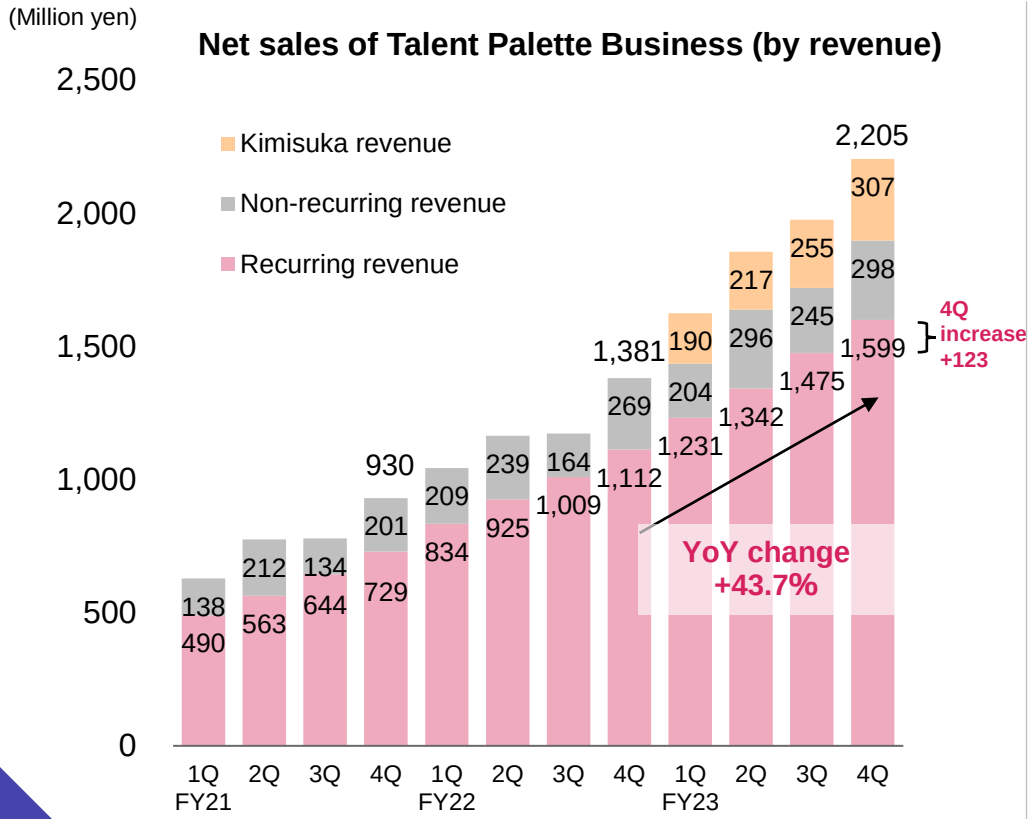


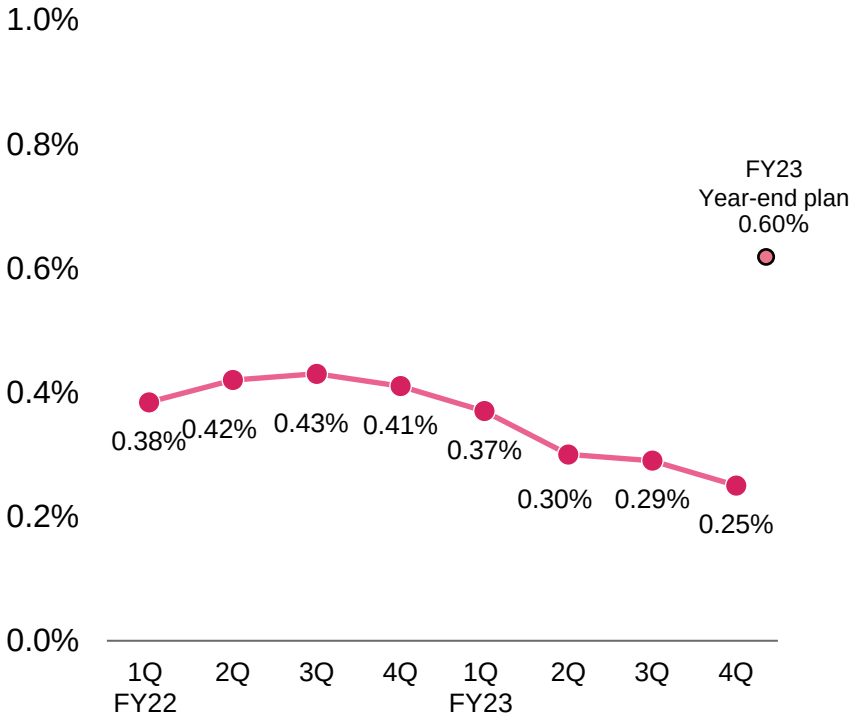
Note 1: Talent Palette Business includes Kimisuka

Net sales trends (Talent Palette Business)

Consolidated basis

- Recurring revenue steadily increased and expanded to 1,599 million yen (+43.7% year on year) in 4Q
- The churn rate was stable at the low level of 0.25%, which was lower than the FY2023 year-end plan of 0.60%



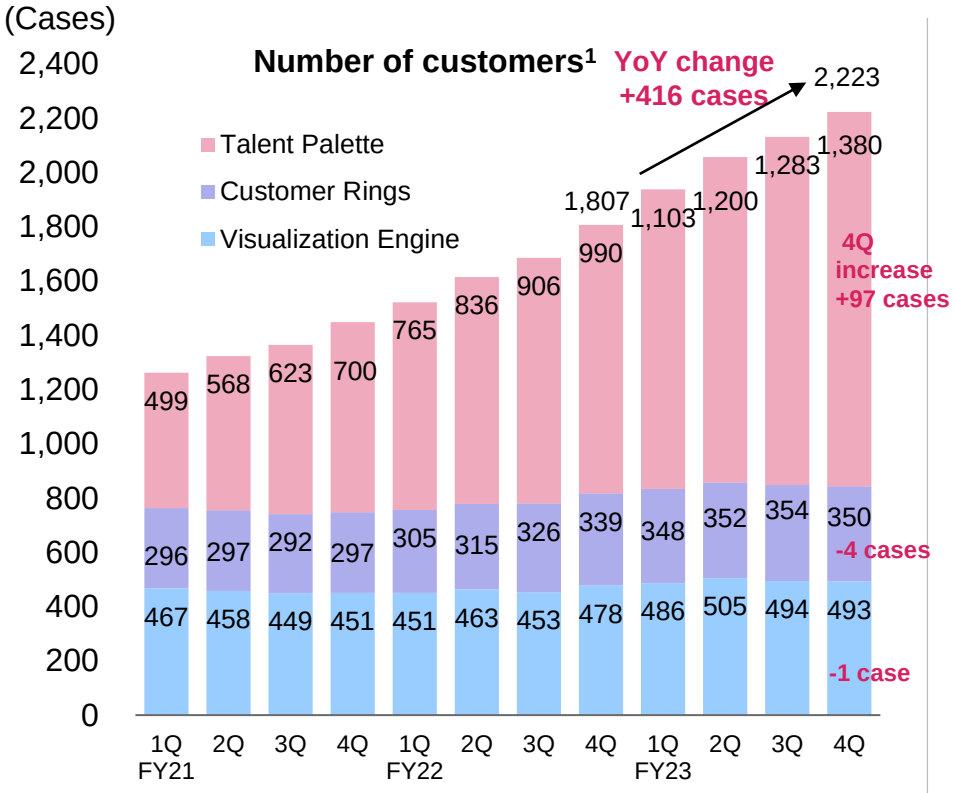


Note 1: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter), excluding Kimisuka

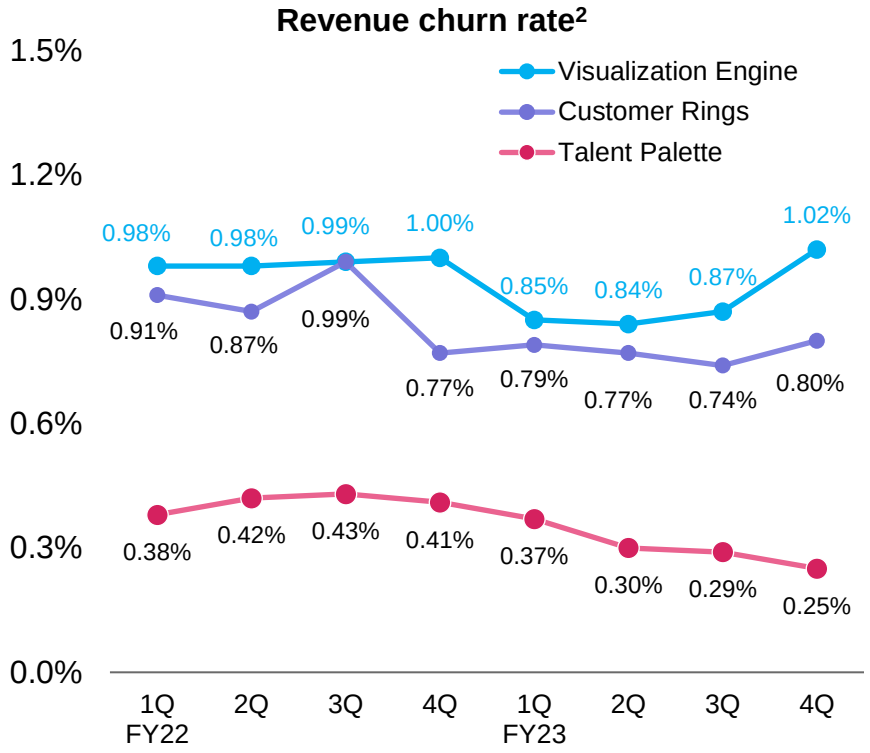
Trends in number of customers and revenue churn rate

Non-consolidated basis

- In Talent Palette, focus continued to be placed on enterprises, and the number of customers steadily grew
- Visualization Engine and Customer Rings remained flat because new orders did not exceed revenue churn



Note 1: Number of monthly billed contracts



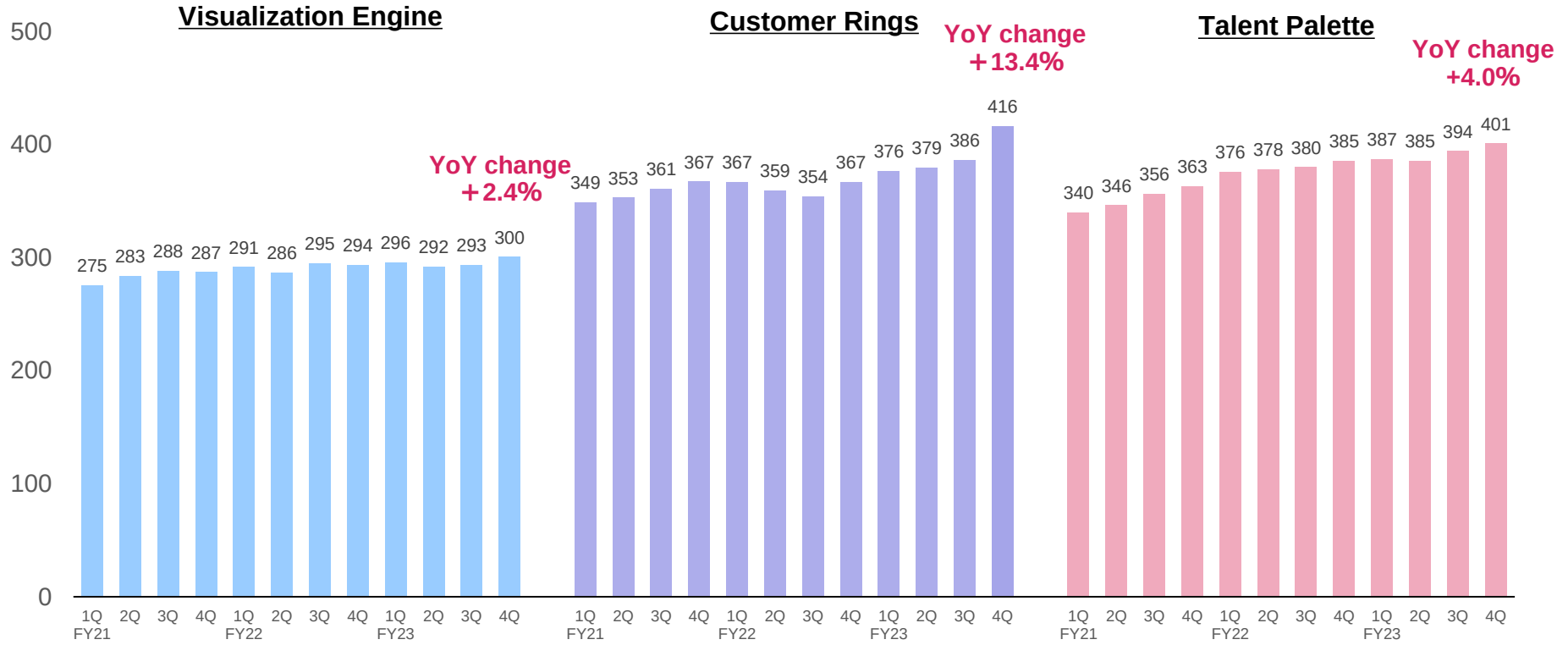
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Trends in average revenue per user (ARPU)

Non-consolidated basis

- ARPU[1] is gradually rising due to factors such as up selling to existing customers in each business
- Pay-as-you-go sales of Customer Rings increased due to increased utilization by 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 FY2023

プラスアルファ コンサルティング

Non-consolidated basis

MRR[1]

Companywide

845 million yen

- Visualization Engine 150 million yen
- Customer Rings 146 million yen
- Talent Palette 548 million yen

MRR growth rate[2]

Companywide

30.8%

- Visualization Engine 8.4%
- Customer Rings 17.4%
- Talent Palette 43.3%

Average monthly revenue churn rate[3]

Companywide

0.50%

- Visualization Engine 1.02%
- Customer Rings 0.80%
- Talent Palette 0.25%

Number of users[4]

Companywide

2,223 companies

- Visualization Engine 493 companies
- Customer Rings 350 companies
- Talent Palette 1,380 companies

Recurring ratio[5]

Companywide

88.1%

- Visualization Engine 95.6%
- Customer Rings 96.6%
- Talent Palette 84.3%

ARPU[6]

Companywide

380 thousand yen

- Visualization Engine 300 thousand yen
- Customer Rings 416 thousand yen
- Talent Palette 401 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in September 2023 (excluding temporary sales)
Note 2: MRR growth rate from September 2022 to September 2023
Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of September 2023 (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, 2023
Note 5: Calculated as dividing total monthly billed amounts for the fourth quarter of the fiscal year ended September 30, 2023 by net sales for the same period.
Note 6: Average Revenue Per User. Calculated as dividing the average MRR for the fourth quarter of the fiscal year ended September 30, 2023 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 same period 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

Consolidated basis

<Full year, consolidated>	FY2022	FY2023	YoY change
Net sales[1]	7,910 million yen	11,171 million yen	41.2 % up
Ordinary profit[2]	2,663 million yen	3,711 million yen	39.3 % up
Ordinary profit	33.7 %	33.2 %	0.5 points down
MRR[3]	646 million yen	845 million yen	30.8 % up
Number of customers[4]	1,807 cases	2,223 cases	416 cases up
Revenue churn rate[5]	0.62 %	0.50 %	0.12 points down
ARPU[6]	358 thousand yen	380 thousand yen	6.4 % up

Note 1: Results for 4Q of FY 2022 and FY 2023

Note 2: Results for 4Q of FY 2022 and FY 2023

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in September 2022 and in September 2023. Excluding Kimisuka.

Note 4: Number of monthly billed contracts as of September 30, 2022 and September 30, 2023. Excluding Kimisuka.

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2022 and September 2023 (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. Excluding Kimisuka.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 4Q of FY 2022 and 4Q of FY 2023 by the average number of paid billing enterprise users of each month for the same period. Excluding Kimisuka.

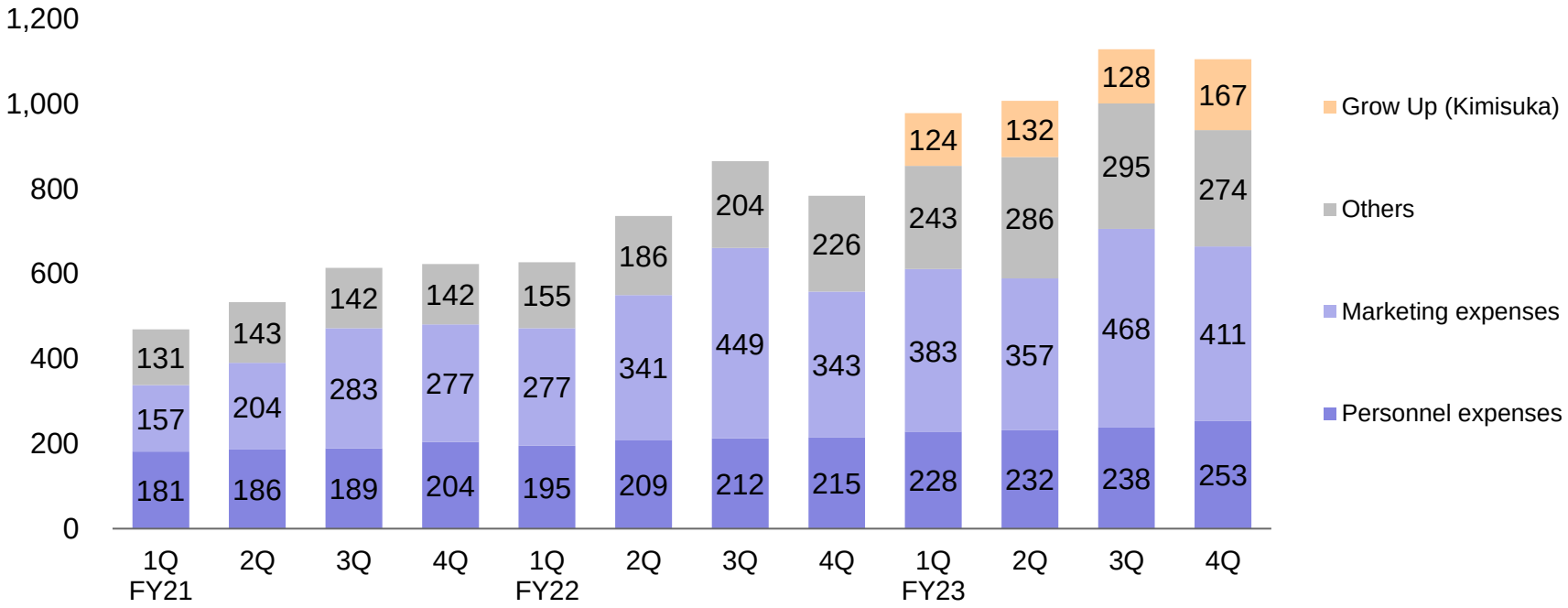
Trends in selling, general and administrative expenses

Consolidated basis

- Marketing expenses were generally in line with the plan throughout the year
- Marketing expenses are being actively implemented for Kimisuka to match the timing of the start of recruitment activities by companies

(Million yen)

Selling, general and administrative expenses[1]

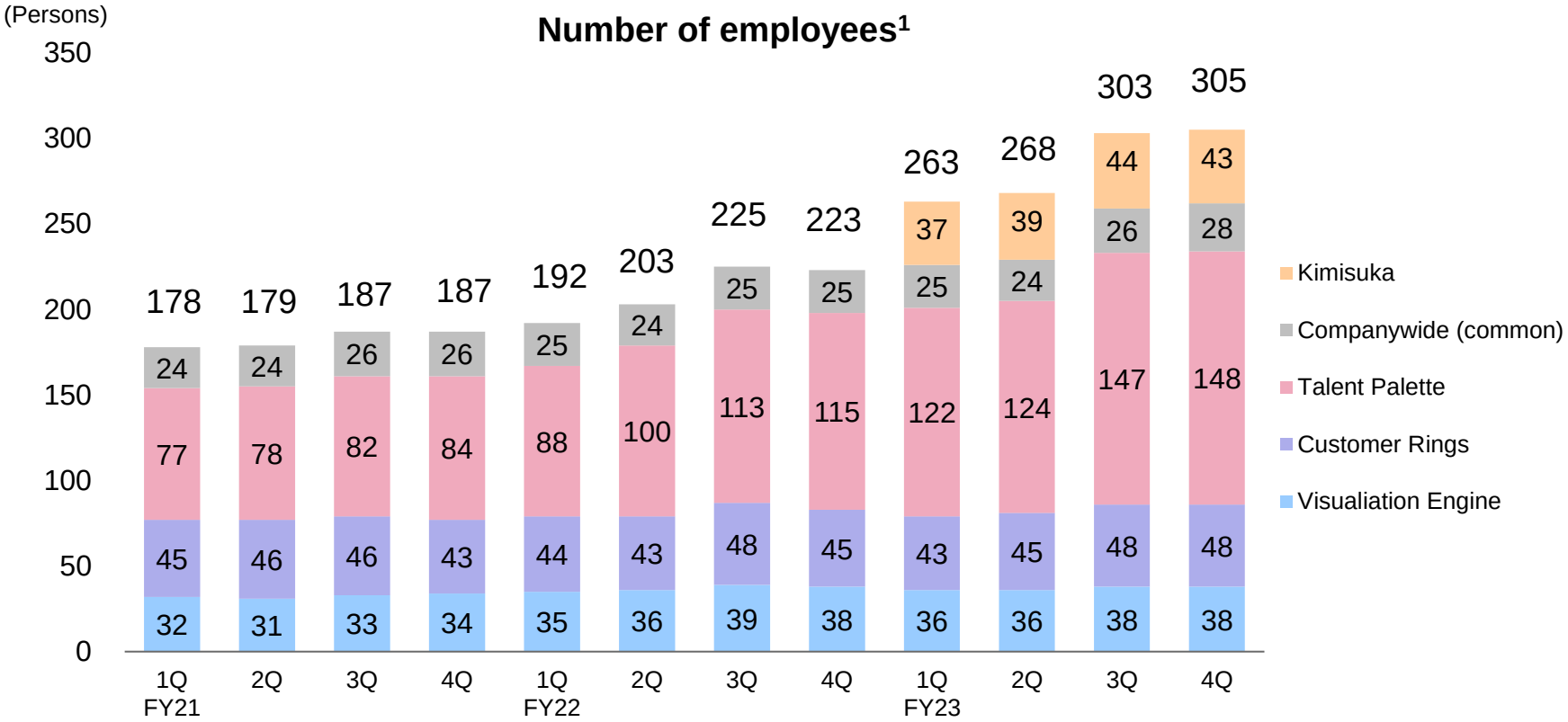


Note 1: Amortization of goodwill, etc. (67 million yen per quarter) is not included in the above figures.

Trends in the number of employees

Consolidated basis

- Increased the number of personnel, especially in consultant positions, due to the need to respond to the increasing number of Talent Palette customers
- The number increased in 3Q including 22 new graduates, and remained almost the same in 4Q



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

Status of Balance Sheets

Consolidated basis

- Net assets increased by 2,981 million yen from the end of the previous fiscal year due to continuously recording profits
- The slim financial structure was maintained, and the equity ratio was maintained at the high level of 78.6%

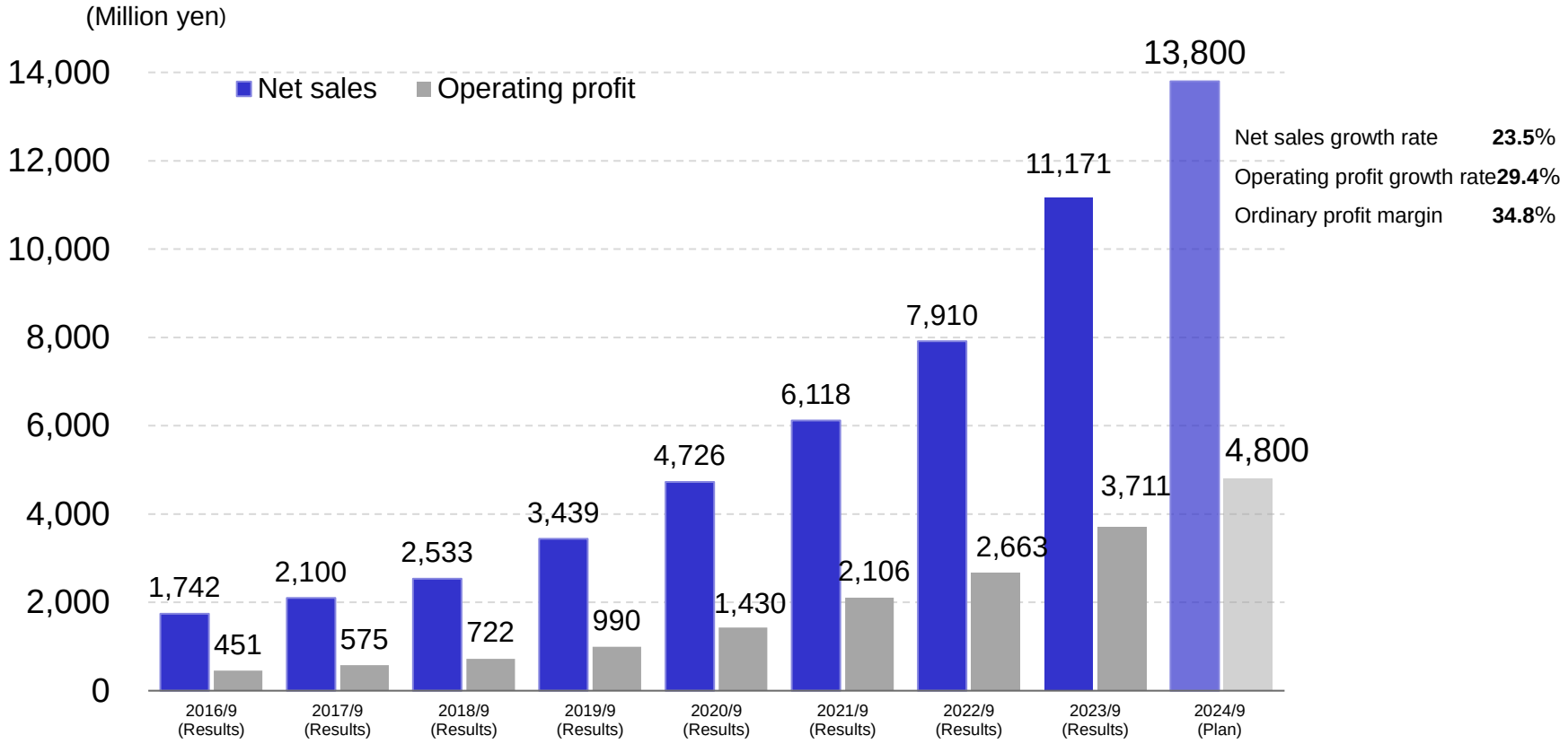
(Million yen)	Sep. 30, 2022	Sep. 30, 2023	Changes from Sep. 30, 2022
Current assets	6,598	**9,702**	up 3,103
(Cash and deposits)	5,478	**8,278**	up 2,799
(Accounts receivable-trade)	941	**1,219**	up 278
Non-current assets	1,345	**2,313**	up 967
Total assets	7,944	**12,016**	up 4,071
Current liabilities	1,480	**2,464**	up 983
Non-current liabilities	0	**106**	up 106
Net assets	6,464	**9,445**	up 2,981
Equity ratio	81.2%	**78.6%**	

06 Earnings forecasts for the fiscal year ending September 30, 2024

Earnings forecasts for the fiscal year ending September 30, 2024

Consolidated basis

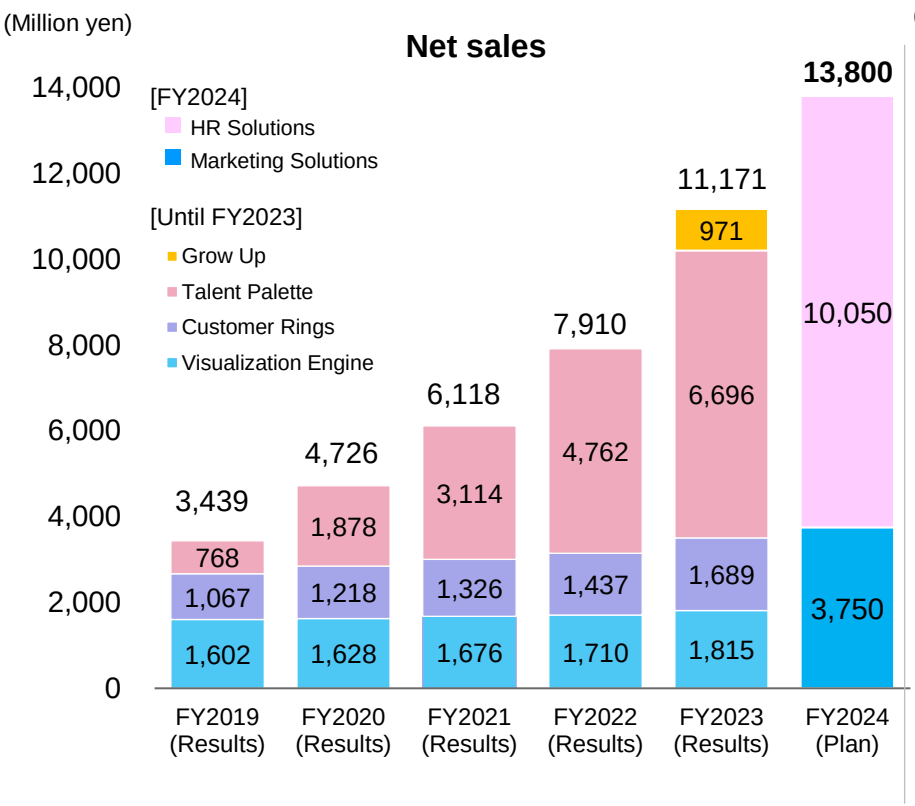
- We are aiming for a 23.5% growth in net sales, 29.4% growth in operating profit and an operating profit margin of 34.8%
- This is an upward revision from the previous medium-term growth image of 13 billion yen in net sales and 4.6 billion yen in operating profit

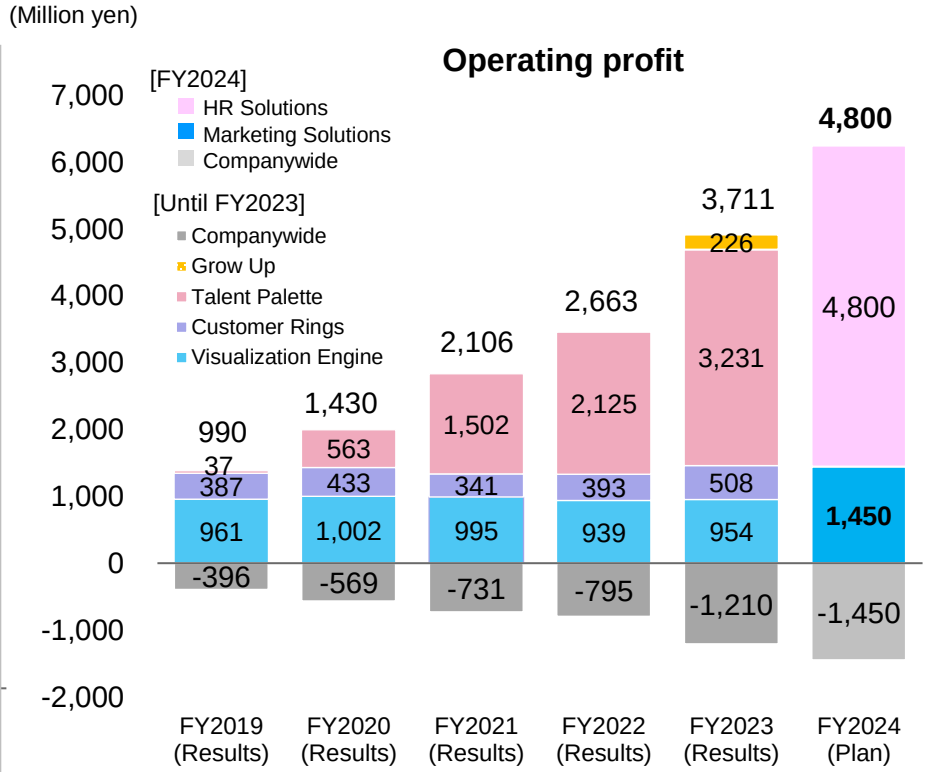


Earnings forecasts for the fiscal year ended September 30, 2024 (By segment)

Consolidated basis

- Companywide growth in revenues and profits is expected to be driven by sales and profit growth in HR Solutions



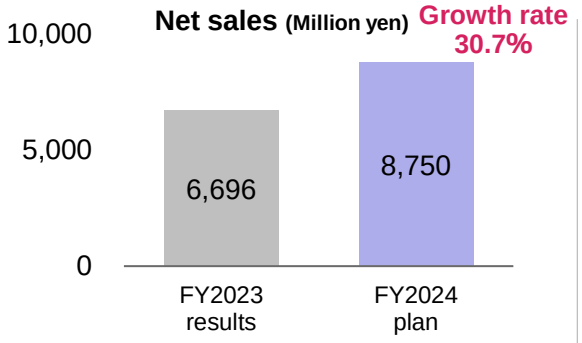


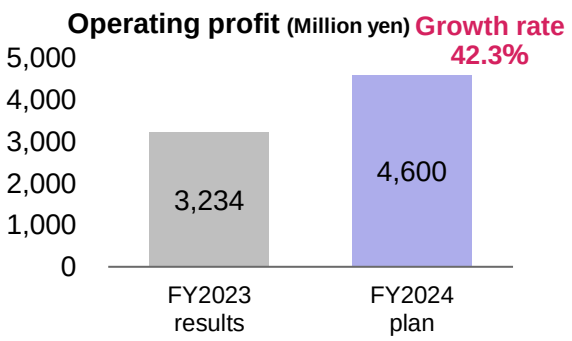
* Amortization of goodwill, etc. is expected to be recorded.

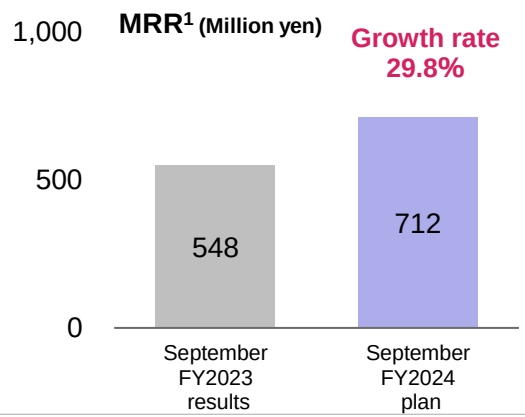
The Company intends to change disclosure of segment information from the first quarter of the year ending September 30, 2024.

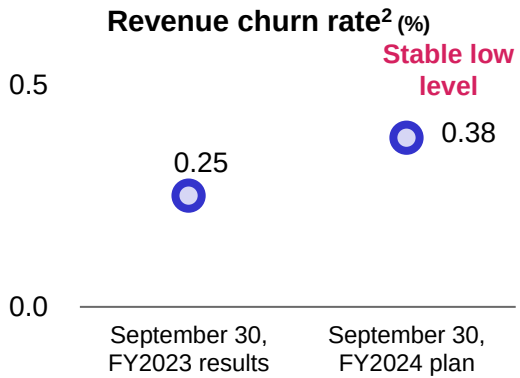
Earnings forecast assumptions (Talent Palette Business)

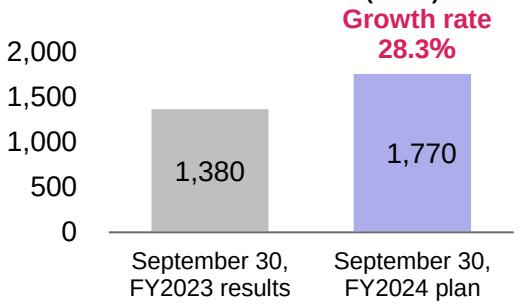
Non-consolidated basis

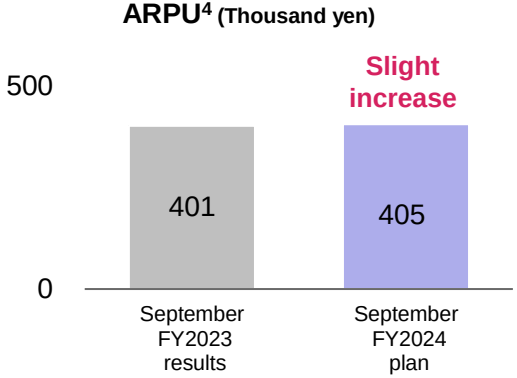










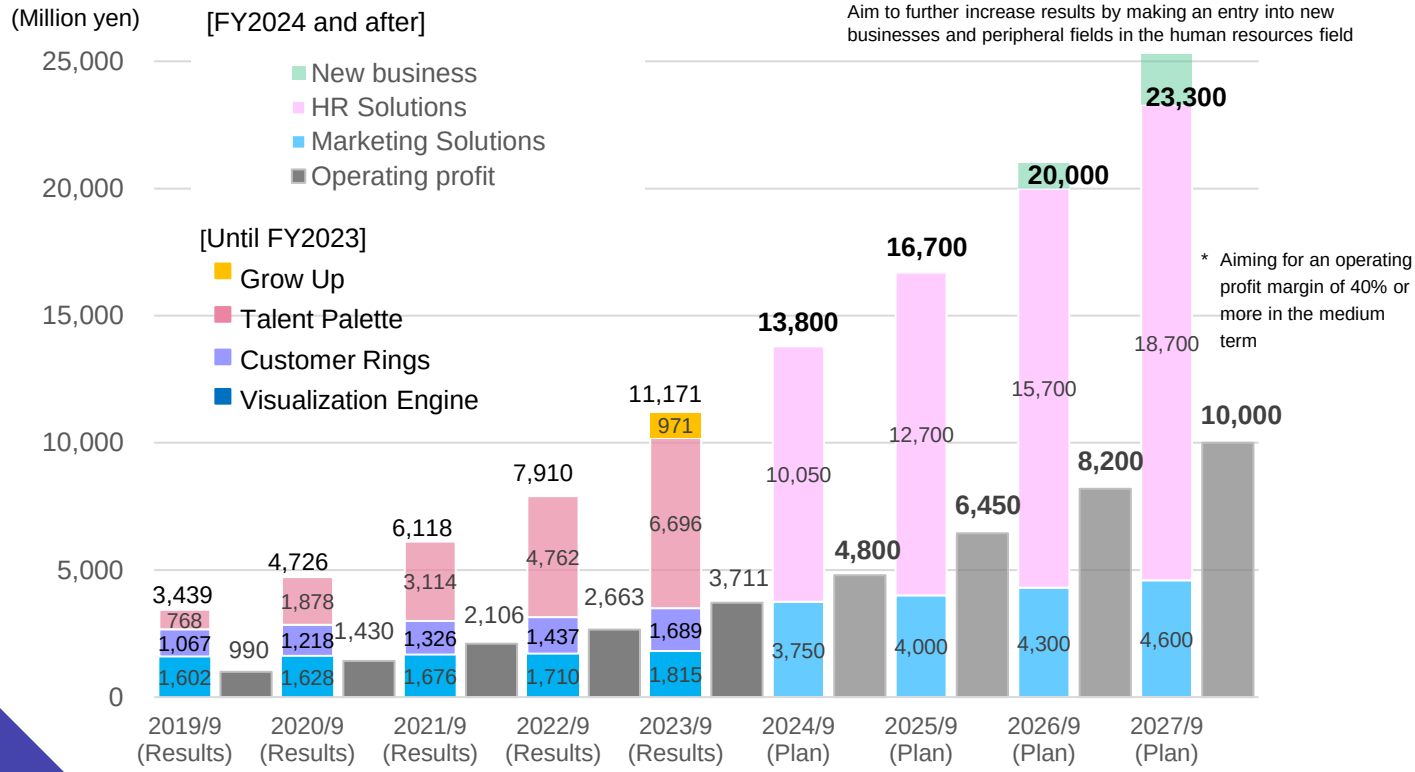


Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)
Note 3: Number of monthly billed contracts
Note 4: Average Revenue Per user. Calculated by dividing MRR by the number of customers at the end of the month.

Medium-term growth image

Consolidated basis

- Net sales of 23.3 billion yen or more, operating profit of 10.0 billion yen or more and operating profit margin of 40% or more expected in existing business in 2027/9
- This is an upward revision from the plan in the previous medium-term growth image of 17.5 billion yen in net sales and 7.4 billion yen in operating profit for 2026/9
- Aim to further increase sales by promoting a full-scale entry into new businesses and peripheral fields in the human resources field



Key performance indicators

Number of customers	2023/9 (Results)	2027/9 (Forecast)
Marketing Solutions		
Visualization Engine	493	650
Customer Rings	350	470
HR Solutions		
Talent Palette	1,380	2,970
Yorisoar	-	200

Average unit price (thousands of yen)	2023/9 (Results)	2027/9 (Forecast)
Marketing Solutions		
Visualization Engine	300	300
Customer Rings	416	400
HR Solutions		
Talent Palette	401	420
Yorisoar	-	360

07 Reference materials

Service characteristics

	Visualization platform	Marketing automation tool	HR utilization platform
	見える化エンジン	CustomerRings カスタマーリングス	Talent Palette タレントパレット
Service overview	Text mining analysis of massive amounts of diverse customer feedback and conversation data from surveys, call logs, voice recognition data, social media and X (formerly Twitter), 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 and DX/digital marketing divisions Used for strengthening CS, improving services and planning 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 Japan for the 12th consecutive year in the text mining tool area with functions of supporting a wide range of data sources centered on qualitative data, 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 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 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 contracts (493 companies) Rate of recurring revenue (95.6%)	Number of contracts (350 companies) Rate of recurring revenue (96.6%)	Number of contracts (1,380 companies) Rate of recurring revenue (84.3%)

Note 1: Number of contracts as of September 30, 2023
Note 2: Ratio of total monthly billed amounts to net sales (average of the fourth quarter of the fiscal year ended September 30, 2023)

Characteristics of Visualization Engine

見える化エンジン

プラスアルファ コンサルティング

Service characteristics

- Instantly visualize big data (customer feedback, purchase reasons, etc.) in the digital age
- Platform for utilization of voices of customers with leading share used by over 1,600 companies
- Latest UIUX with usability enabling intuitive overview and in-depth investigation of voices of customers
- Proprietary natural language analysis technology supporting prominent comments on social media and posts by Gen Z

ここがポイント！

- Text mining analysis of massive amounts of diverse customer feedback from call logs, voice recognition data, surveys and social media such as X (formerly Twitter)
- Customer insight: Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support using dashboard functions, from tracking customer experience to systematic implementation of companywide improvement activities, based on the voices of customers as evidence

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

Establishing a “customer experience feedback platform” with the Visualization Engine

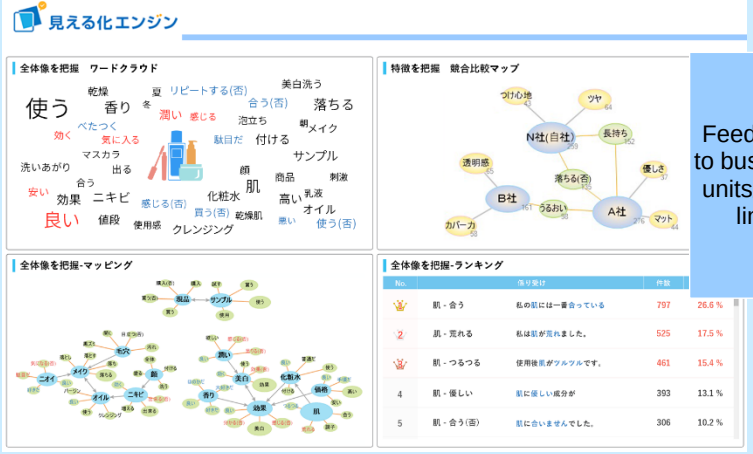
Integration and visualization of data

Cross-organizational understanding of customer experience

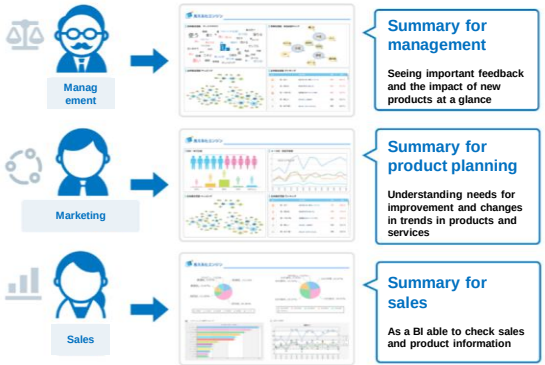
Feedback on CX (customer experience) felt by customers

Call logs	SNS
Surveys	Audio recognition
Business daily reports	Review

Customer feedback dashboard



Feedback to business units/front line



Integrated support spanning from collection of new voices of customers as voice data to analysis of conversations

All-in-one support from voice capture to conversation analysis with Visualization Engine

Capturing voice data

Diverse audio data

Conversion into audio file (Audio data)

- Call centers call recordings
- Interviews MROC
- Video calls
- In-store conversations
- Customer service dialogue

Text conversion of audio data (Voice recognition processing)

Identification of speaker

Text conversion

Voice recognition data utilization

Processing specialized in utilization of audio data
(Cleansing/speaker separation)

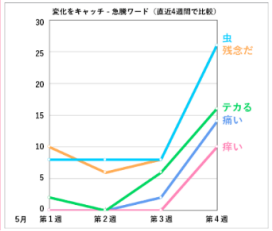
発話者	内容
CU	ちょっと操作について･･･うーんそれだと･･･ありがとうございました。

発話者	内容
OP	お電話ありがとう･･･申し訳ありません･･･失礼いたします。

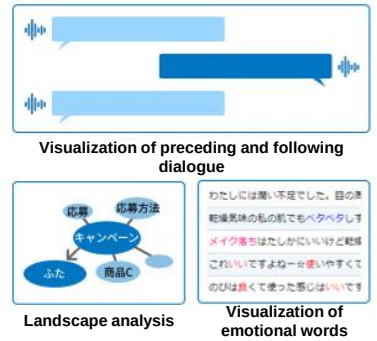
発話者	内容
OP&CU	お電話･･･ちょっと操作･･･うーん。それ･･･申し訳･･･本日は･･･ありがとうございました。

Text mining (Natural language processing)

1. ボトル－使いやすい
2. 香り－ 変えてほしい
3. 着け心地－ 良くなった



Visualization of conversation flow
Specific action such as review of responses



Grouping of information converted into text required for analysis along call axis, comment axis and speaker axis

Quantification of call reason forming basis for utilization of voice
Risk detection, important voice analysis

Utilization characteristic of voice
Visualization of conversation transitions, dialogue trends and talk gaps

Companies that have introduced visualization engine Achieved No.1 share of implementation for 12 years

Manufacturing

*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"

SUNTORY | meiji | 雪印メグミルク | SUBARU | YAMAHA
Nestlé Good Food, Good Life | おいしさと健康 Glico | カラダにピース CALPIS | 湖 KOIKEYA | 今日を愛する。LION
Panasonic | KOKUYO | nippn | KAI | DOME

Food/Service

JTB 感動のそばに、いつも。 | ハンバーグレストラン びっくりドンキー
CBON To create and produce the beauty | SHOP CHANNEL

Retail distribution business

洋服の青山 | AOKI | ADASTRIA Play fashion! | Belle Maison | TSUTAYA
ORBIS | OIOI | BOOK・OFF | CO・OP 日本生活協同組合連合会

Pharmaceutical

NEVER SAY NEVER ロート製薬 | SARAYA
Daiichi-Sankyo | P!

Infrastructure/IT

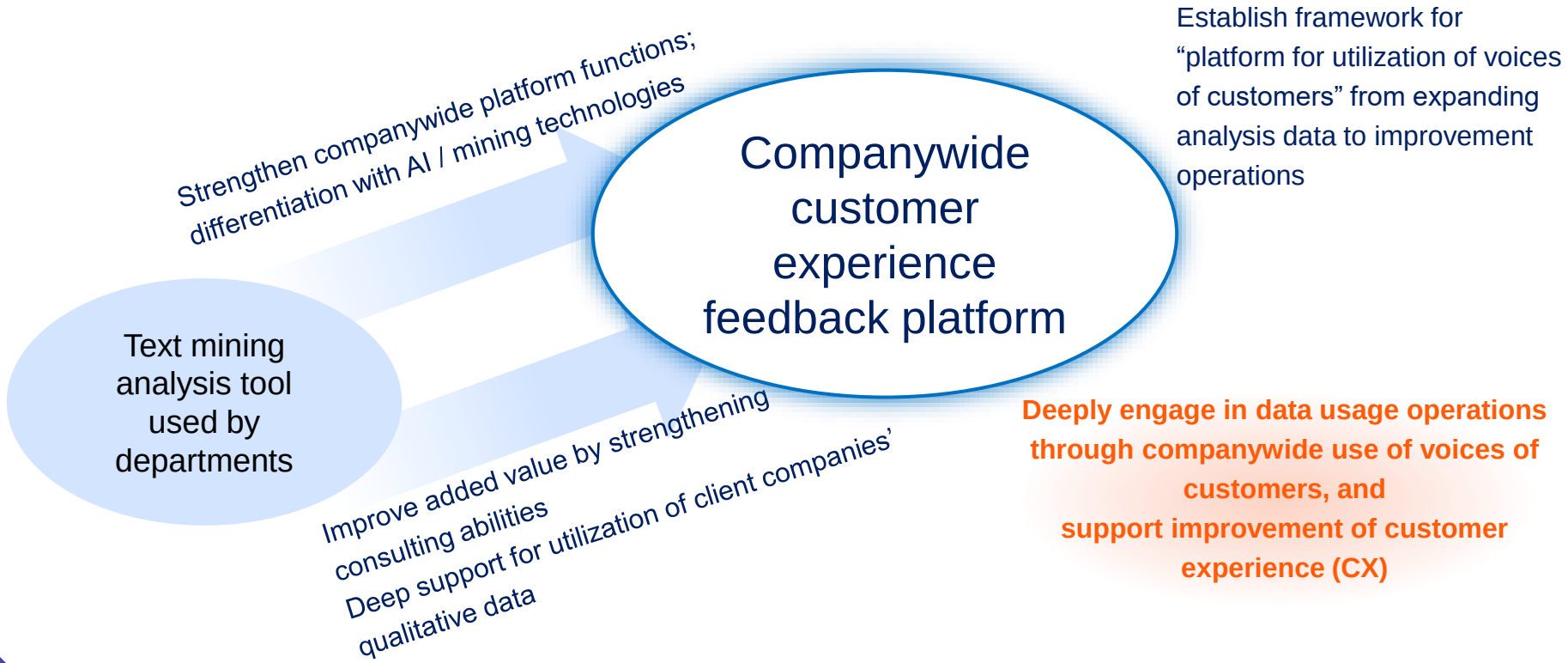
ANA | SKY | AIR DO | NTT東日本 | PayPay
NEXCO 中日本 | 西武鉄道 | 阪神高速道路株式会社 | 大東建託パートナーズ | LiFeNet INSURANCE COMPANY

BtoB/BPO

WOWOW COMMUNICATIONS | Designing The Future KDDI
SPN Security Protection Network

Growth strategy for Visualization Engine Business

Expand platform functions that facilitate customer experience feedback, expand the scope of applicable data, and support the organization of utilization of voices of customers through high value-added consulting services after implementation.



Establish framework for "platform for utilization of voices of customers" from expanding analysis data to improvement operations

Deeply engage in data usage operations through companywide use of voices of customers, and support improvement of customer experience (CX)

Characteristics of Customer Rings

CustomerRings カスタマーリングス

プラスアルファ コンサルティング

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

Data integration (CDP) | Analysis (BI: understanding customers) | Use (MA)

Automation (allows users to focus on more creative work)

Companies that have introduced Customer Rings

CustomerRings カスタマーリングス

プラスアルファコンサルティング

Examples of implementation: Supporting digital marketing / CRM enhancement of more than 750 growing companies in total

Health foods

everlife
KAGOME
Manda fermentation
Eat Well, Live Well. Ajinomoto
株式会社あじかん
金氏高麗人参
株式会社 京福堂
ZENCARE
TeaLife
ワダカルシウム製薬
Otsuka
株式会社九州自然館
OM-X
Sixth sense Lab.
フジッコ

Cosmetics/ salon

SUNSTAR
NATURE'S WAY
ファンファレ
アンファー
euglena
mandom
エステティック MISS PARIS
アートネイチャー
DECENCIA
Vitabrid C12
NEAL'S YARD REMEDIES
FAITH Beauty
Beautiful Skin
FABIUS
BOTANIST
MTG
CHURACOS
REDVision
VERNAL

Apparel

PAL GROUP
FAST RETAILING
REGAL
WEGO YOUR FAN
JIONE
TAKAGI
NEUVE A
HRC
PUNYUS
It's a beautiful day. The SAZABY LEAGUE
RAVIJOUR
ATSUGI
RENEXY

Food

morinaga
LeTAO
最北の海鮮市場
湖 KOIKEYA
Orion
餃子の王将
JOYL Joy for Life

Travel and tourism

じゃらん
VALUE MANAGEMENT
不死王閣
VELTRA

Insurance and finance

ポケットカード株式会社
りそな銀行 RESONA
au 損保
メディケア生命 住友生命グループ

Media and publishing

中國新聞社
徳島新聞社
西日本新聞
高知新聞社
DeAGOSTINI

General mail order sales, other mail order sales

BtoPs
SARAYA
キャスティング
GREEN DOG
藤巻百貨店
LESTAS

BtoB mail order sales

EXEA
配管部品.com
Orie Printing Supplies
TAT

Member services

JAL
SHIMAUMA PRINT
CCC
Hiroo

HR/ career

資格キャリカレ
bstyle
KRASYS

Contact

Mbrand
TeAmo
Lcode

Real estate

TECRA
野原ホールディングス株式会社

*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

Talent Palette タレントパレット

プラスアルファ コンサルティング

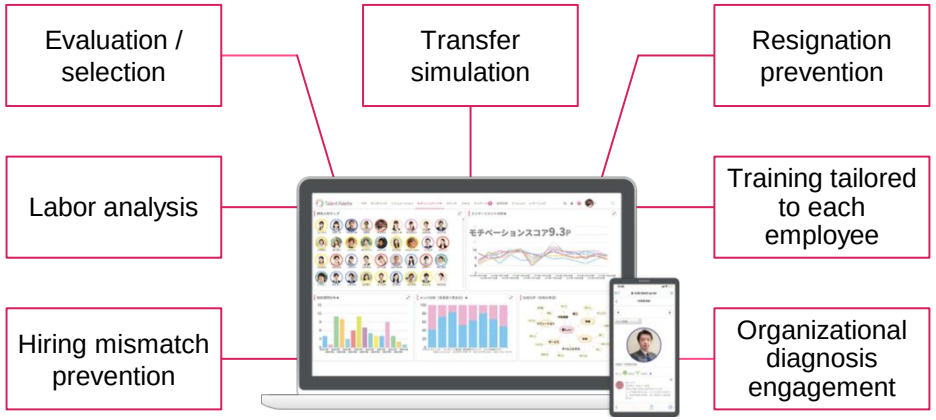
Service characteristics

- 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

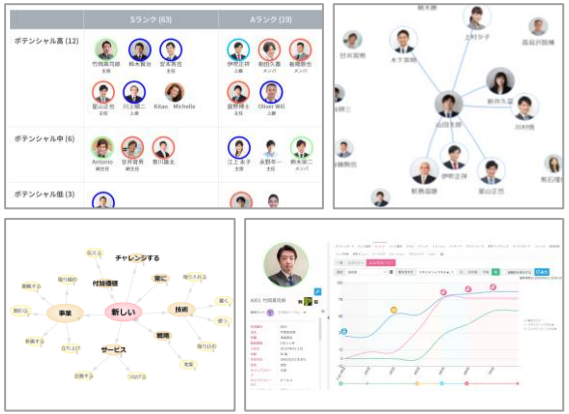
ここがポイント！

- 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

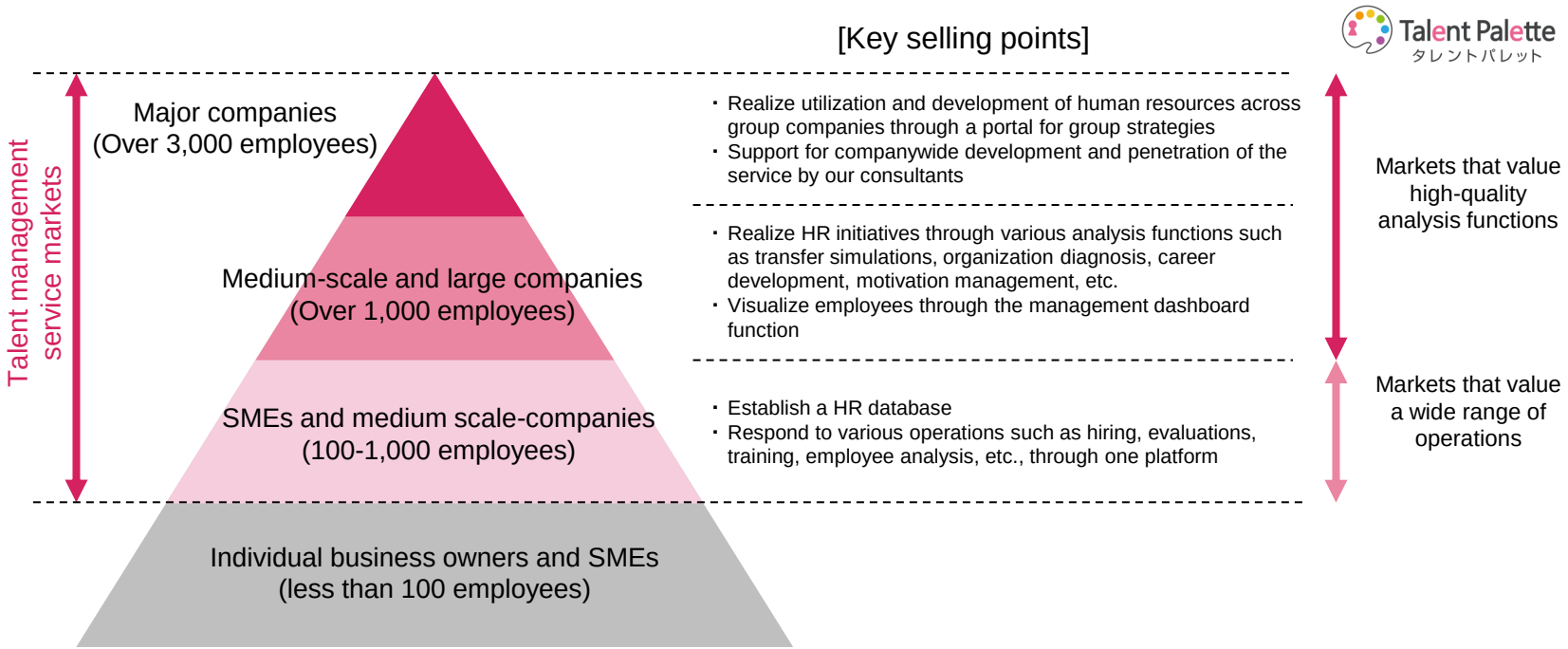


Experience and intuition × Visualization of employee information = **Realize scientific personnel management strategy (Data-driven creative personnel strategy)**

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

Field of expertise

■ Status of competition seen from our services[1]

Analysis

Our position
- Providing a service to analyze wide - ranging data from different perspectives

Analysis-oriented tools for HR information management

- Primarily for personnel information management
- Has standard analysis functions
- Mainly targets personnel divisions

[Status of competition]
✓Limited competitors due to fewer newcomers that target small markets.
✓Possible to compete with rivals by highlighting diverse functions.

Integrated HR utilization platform

Talent Palette
タレントパレット

- Comprehensively analyzes and utilizes work hour data, aptitude tests, employee feedback, motivation (dynamic data), hiring data, etc in addition to personnel information
- Superior UI, usable by management and department managers

Narrow

Wide

Available areas

Tools specialized in optimization of certain operations

- Specialized in increasing efficiency in certain operations, such as making evaluations available on the web and placing personnel information into databases
- These tools are cheap and simple to install as they offer a single function

[Status of competition]
✓Fierce price competition between many newcomers with low prices.
✓Offer basic functions such as centralization of HR data and making evaluations available on the web.
✓Some superficially overlapping concepts between Talent Palette and competitors due to additional functions such as simple analysis.

Core integrated personnel systems

- Handle many types of information, such as personnel information, work hours, salary, and evaluations
- Dedicated to administrative functions, used as core personnel systems at large companies

[Status of competition]
✓Since many have already been introduced as core systems company or group-wide, replacement is difficult.
✓However, there are many cases of coexistence through data linkage, etc., because of advantages in price and functionality.

Management

Note 1: According to our company's study, as of June 30, 2021

Growth strategy for Talent Palette Business

Talent Palette タレントパレット

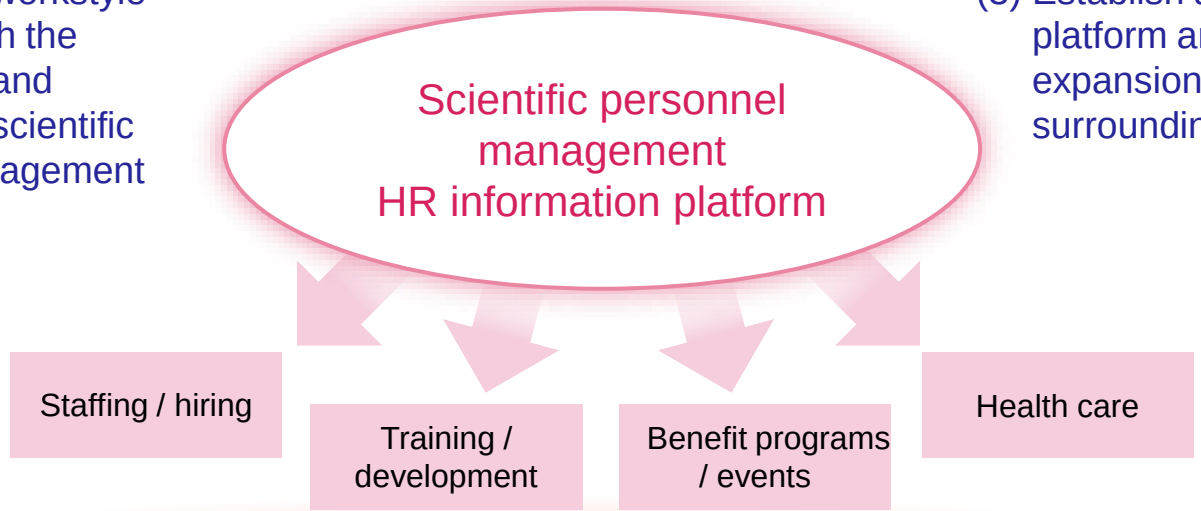
プラスアルファ コンサルティング

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.

(1) Expand scientific personnel management analysis methods and functions from a marketing viewpoint

(2) Promote human resource utilization and workstyle reforms through the entrenchment and penetration of scientific personnel management

(3) Establish an HR information platform and full-scale expansion into sectors surrounding HR



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.