

# Third Quarter of the Fiscal Year Ending September 30, 2024 Financial Results Briefing Materials

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

August 14, 2024

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  - Marketing solution business overview

# 01 Company outline

# Company outline

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- 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 7F Nakanoshima Festival Tower West , 3-2-4 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.  
Attack Inc.  
D4DR inc.  
OMN inc.
- Established December 25, 2006
- Capital 464,658 thousand yen (as of June 30, 2024)
- Business content Providing cloud services for data analysis platforms
- Number of employees 377 consolidated (as of June 30, 2024)
- 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

Customer information  
Customer feedback

Product information  
Purchase history

SNS  
X (formerly Twitter)

EC access logs  
IoT / life logs

Business daily reports  
Intellectual properties /  
papers

Personnel / labor  
information  
Interview records

Visualize  
enormous information  
through technology

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

Serving various sectors  
Marketing Solutions

Marketing area

Visualization of customer feedback



CRM area

Visualizing client information and  
actions



HR Solutions

HR/personnel area

Visualizing personnel information  
/employees



Education area



# Main services

## Developing SaaS businesses in multiple areas

### Marketing Solutions

Developing business in the areas of marketing and CRM with advanced technological capabilities to visualize big data in a way that is useful in practice

#### Marketing area



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 area



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

Expanding business into the the areas of HR/personnel and education based on expertise on data utilization cultivated in the area of marketing

#### HR/personnel area



Analysis of employee information for HR measures such as personnel development and optimal placement

Monthly subscription according to the number of employees

#### Education area



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

Monthly subscription according to the number of students and teachers

### Subscription products

#### Technology and expertise behind the services

Language processing technologies

Visualized mining technologies

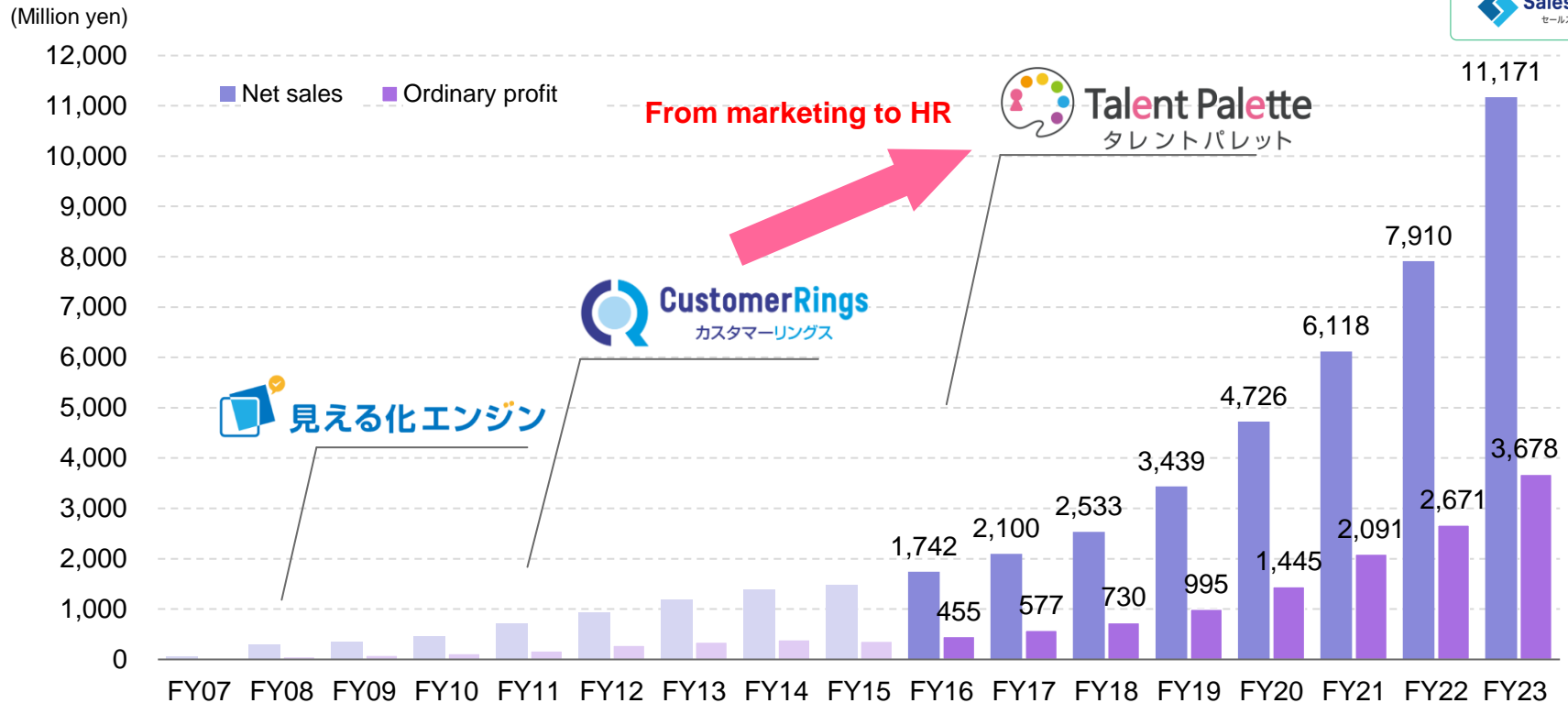
Mass data analysis expertise

Industrial / operational knowledge

Utilization support consulting

# 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



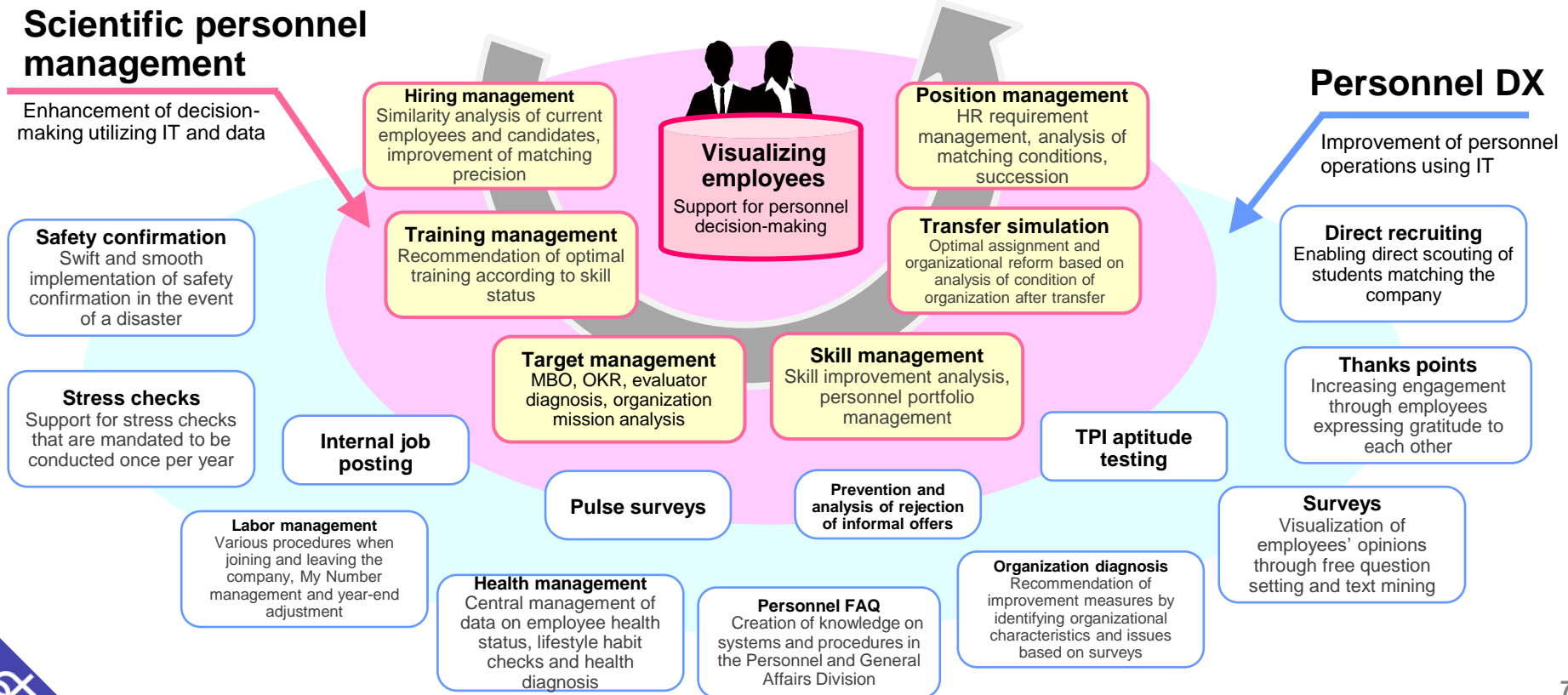
# Characteristics of Talent Palette

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



# Strengths of Talent Palette

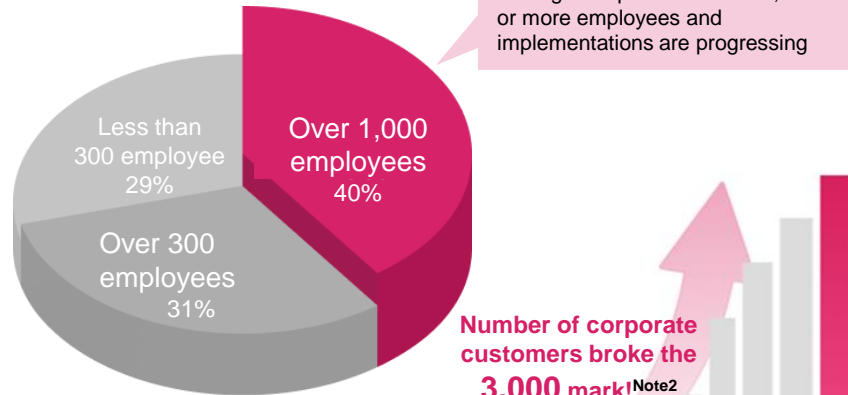
## Enterprise penetration and high evaluation

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

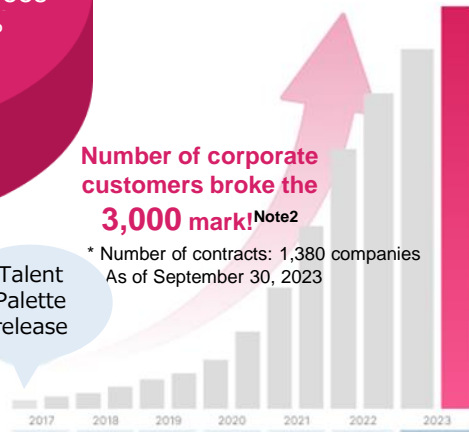
As of September 30, 2023



Number of corporate customers broke the 3,000 mark!<sup>Note2</sup>  
\* Number of contracts: 1,380 companies  
As of September 30, 2023



Talent Palette release



### 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
- Enhancement of utilization of HR big data by incorporating generative AI

Extensive analytical function and detailed function

Rapid development system and interoperability

Consulting and concierge services

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.

# Companies Implementing of Talent Palette

## Talent Management System Chosen by Leading Companies

202407-1

### 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



Scientific personnel management

Human capital management

Personnel DX

Shift to Job-based employment

Reskilling  
Autonomous career building

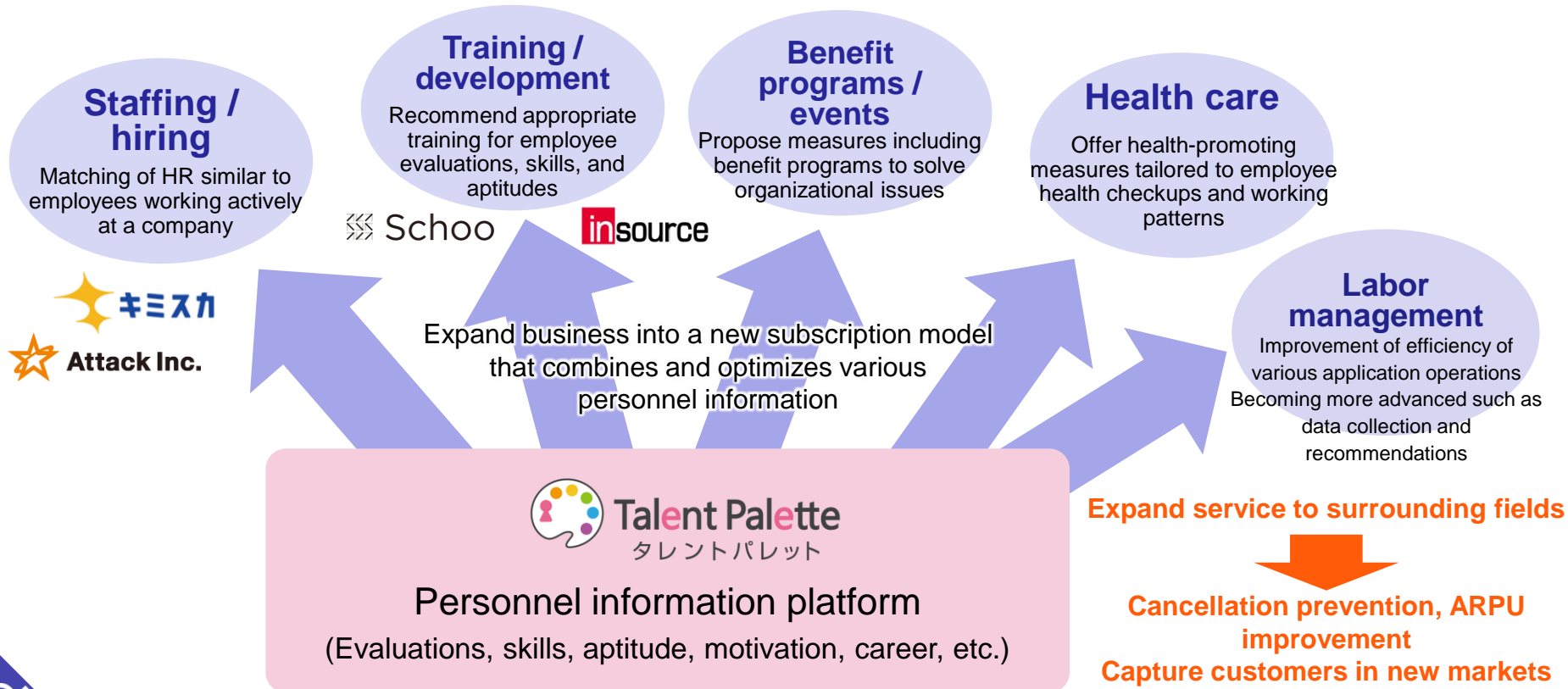
Becoming a holding company

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

# Further development of Talent Palette Business

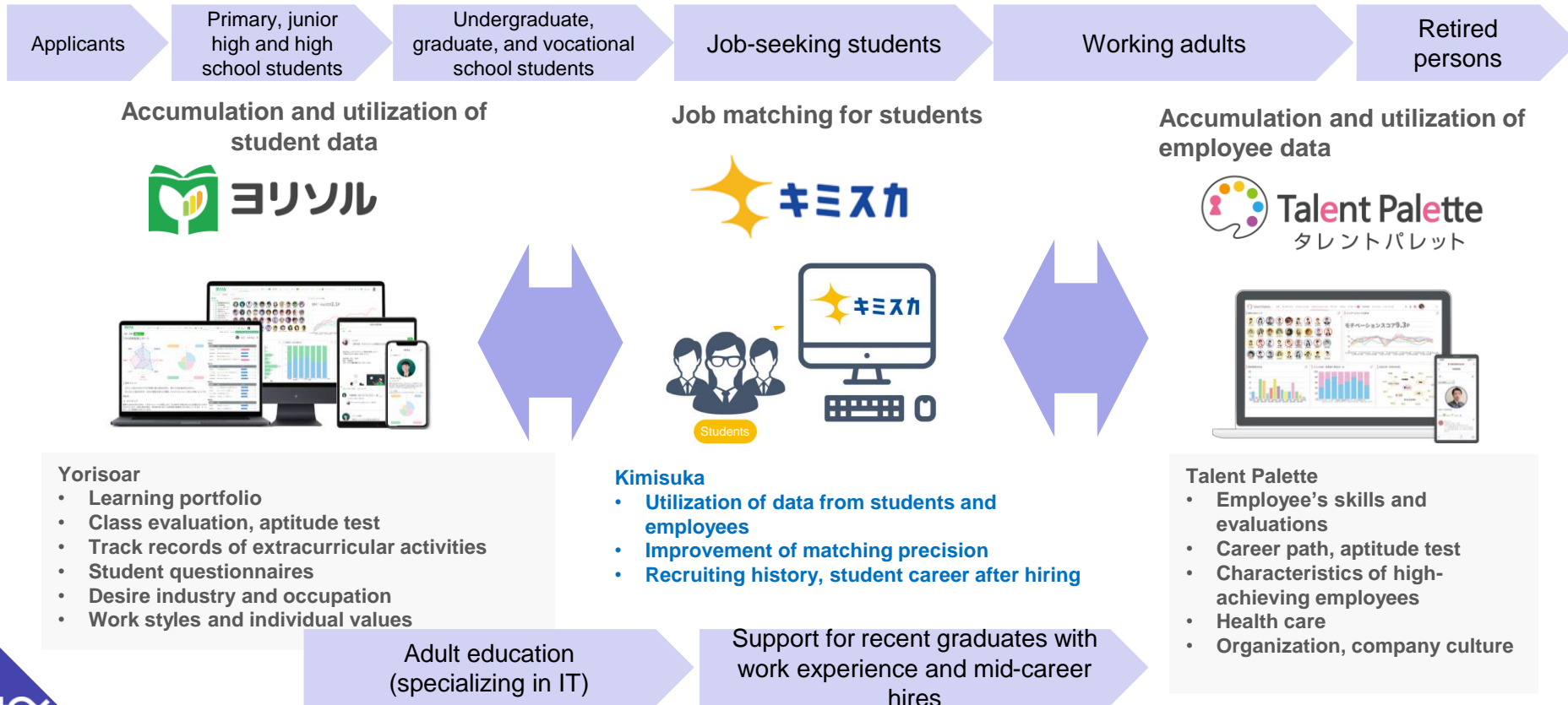
## Expand services to sectors surrounding HR

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



# “From students to members of society” platform concept including Yorisoar

We aim to develop a platform to accumulate and utilize the data of wide range of personnel including students, working adults and retiree



## Yorisoar

- Learning portfolio
- Class evaluation, aptitude test
- Track records of extracurricular activities
- Student questionnaires
- Desire industry and occupation
- Work styles and individual values

## Kimisuka

- Utilization of data from students and employees
- Improvement of matching precision
- Recruiting history, student career after hiring

## Talent Palette

- Employee's skills and evaluations
- Career path, aptitude test
- Characteristics of high-achieving employees
- Health care
- Organization, company culture

## 02 Financial results for the nine months ended June 30, 2024

# Financial results highlights

Consolidated basis

- Net sales increased by 22.6% and operating profit increased by 21.1% in the nine months ended June 30, 2024 (3Q)
- Steady progress while operating profit margin remained at a high level of 31.5%

&lt;3Q&gt;

<b>Net sales</b>	<b>9,869</b> million yen	YoY change	<b>22.6</b> % up
<b>Operating profit</b>	<b>3,106</b> million yen	YoY change	<b>21.1</b> % up
<b>Operating profit margin</b>	<b>31.5</b> %	YoY change	<b>-0.4</b> points
<b>Ordinary profit</b>	<b>3,109</b> million yen	YoY change	<b>21.1</b> % up
<b>Profit</b>	<b>2,106</b> million yen	YoY change	<b>17.5</b> % up

# Financial Highlights (Talent Palette: including Yorisoar)

Non-consolidated basis

- The Talent Palette Business continued to perform well, showing a 31.8% increase in net sales and a 31.9% increase in operating profit
- MRR grew 33.1%, operating profit margin remained high at 46.7%, and all KPIs performed well

	FY2023 3Q		FY2024 3Q		YoY change
<b>Net sales<sup>1</sup></b>	<b>4,798</b>	million yen	<b>6,322</b>	million yen	<b>31.8</b> % up
<b>Operating profit<sup>2</sup></b>	<b>2,236</b>	million yen	<b>2,949</b>	million yen	<b>31.9</b> % up
<b>Operating profit margin</b>	<b>46.6</b>	%	<b>46.7</b>	%	<b>0.1</b> points up
<b>MRR<sup>3</sup></b>	<b>503</b>	million yen	<b>670</b>	million yen	<b>33.1</b> % up
<b>Number of customers<sup>4</sup></b>	<b>1,283</b>	cases	<b>1,696</b>	cases	<b>413</b> cases up
<b>Revenue churn rate<sup>5</sup></b>	<b>0.29</b>	%	<b>0.29</b>	%	<b>0.00</b> points
<b>ARPU<sup>6</sup></b>	<b>394</b>	thousand yen	<b>403</b>	thousand yen	<b>2.4</b> % up

Note 1: Results for 3Q of FY2023 and 3Q of FY 2024

Note 2: Amount of operating profit of the segment in 3Q of FY2023 and 3Q of FY2024 (before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2023 and in June 2024

Note 4: Number of monthly billed contracts as of June 30, 2023 and June 30, 2024

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2023 and June 2024 (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 3Q of FY 2023 and 3Q of FY 2024 by the average number of paid billing enterprise users of each month for the same period.

# Highlights

Consolidated basis

## ■ Overview

- Company-wide performance was in line with plans for both Marketing Solutions and HR Solutions.
- Net sales and operating profit were in line with plans due to increases in the number of customers and ARPU for Talent Palette.
- Growth investment in the launch of new businesses and M&A is progressing steadily, and future business expansion is expected
- Kimisuka is struggling slightly, partly due to slow growth in performance-based compensation sales from April to June

## ■ Financial results for three months ended June 30, 2024

- Consolidated financial results for the three months ended June 30, 2024 showed a **22.6%** increase in net sales and an **21.1%** increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **31.5%**
- Due to an increase in the number of installations, maintenance of a low revenue churn rate, and stable ARPU growth, the Talent Palette business (including Yorisoar) performed well with MRR of **670** million yen (up **33.1%** year on year), net sales up **31.8%** and operating profit up **31.9%** (profit margin of **46.7%**).
- The rate of progress in 3Q was steady at **71.5%** of the full-year plan for net sales and **64.7%** for operating profit.

## ■ Earnings forecasts for the fiscal year ending September 30, 2024

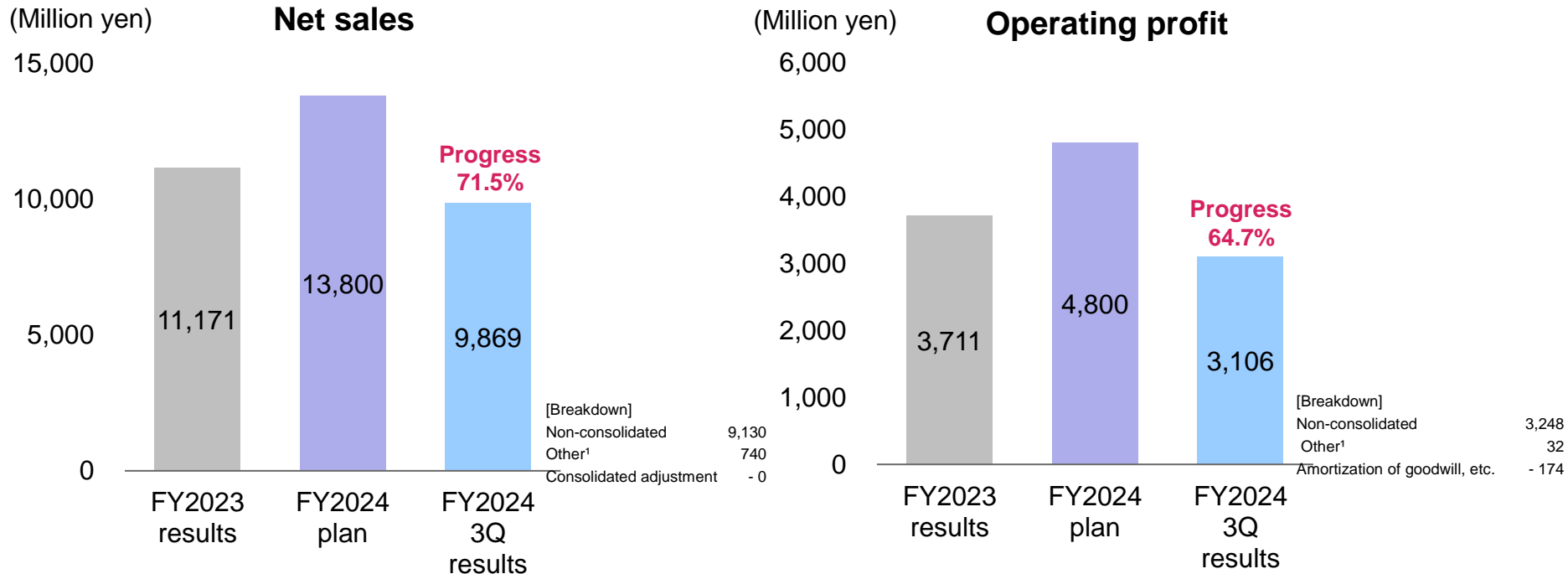
- We forecast net sales of **13,800** million yen (up **23.5%** year on year) and operating profit of **4,800** million yen (operating profit margin of **34.8%**)
- In addition to revenue growth in Talent Palette, expect revenue growth in Visualization Engine and Customer Rings due to higher unit prices.



## Financial results progress for the nine months ended June 30, 2024 (3Q)

Consolidated basis

- Amid low spot sales due to seasonality, the rate of progress in 3Q was 71.5% of the full-year plan for net sales and 64.7% for operating profit, with both sales and operating profit steady

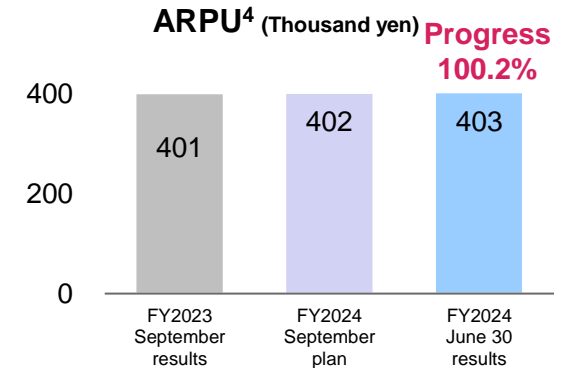
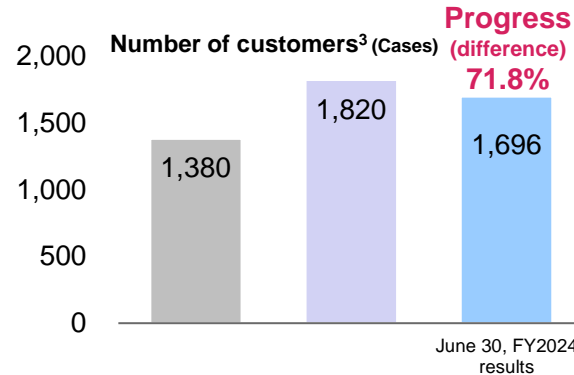
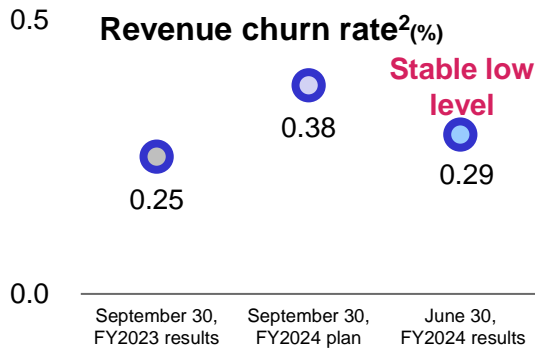
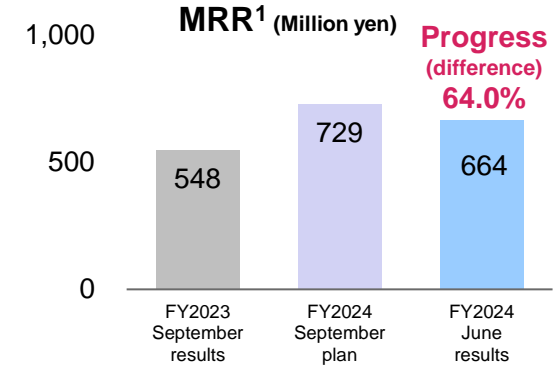
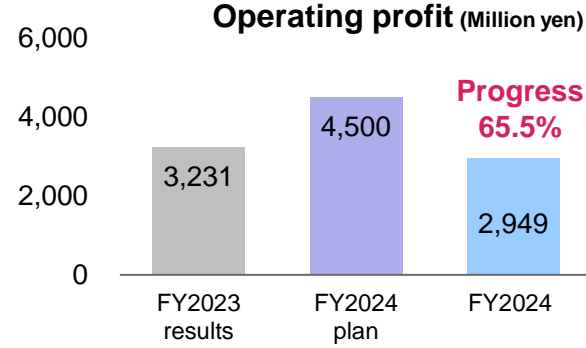
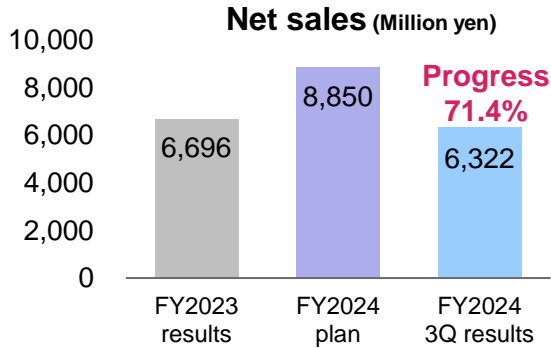


# Performance (Talent Palette: including Yorisoar)

Non-consolidated basis

- Both customer numbers and ARPU, which are major KPIs, progressed favorably, and the revenue churn rate was lower than planned

Combined figures for Talent Palette and Yorisoar



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.

# Financial results summary

Consolidated basis

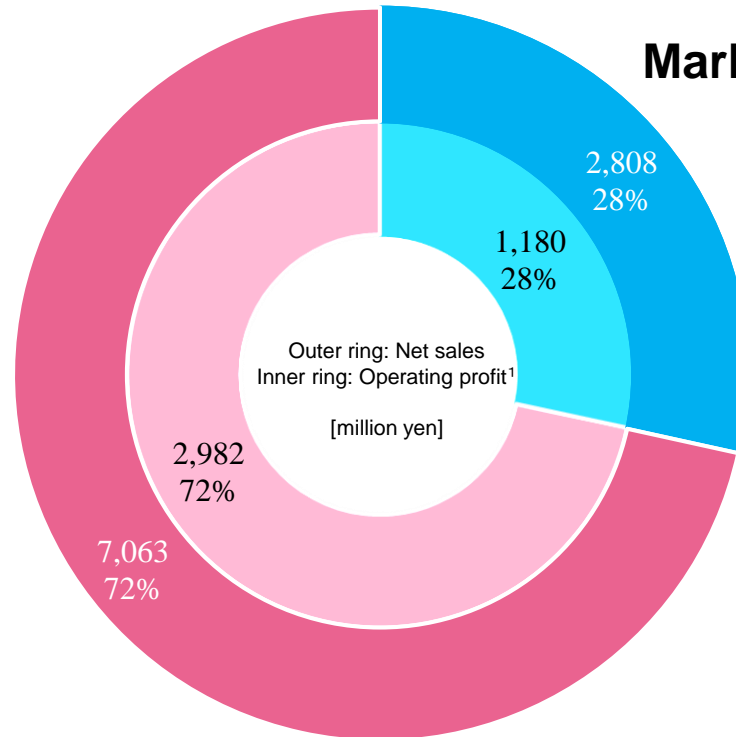
- Performance was steady for the nine months ended June 30, 2024, with a 22.6% increase in net sales, a 21.1% increase in operating profit and an operating profit margin of 31.5%
- Progress against the annual plan was also steady, with net sales at 71.5% and operating profit at 64.8%.

	3Q (Apr.-Jun.)			Cumulative 3Q (Oct.-Jun.)			Full year (Oct.-Sep.)	
	FY2023 3Q results	Results	YoY	FY2023 3Q results	Results	YoY	plan	Progress
Net sales	2,849	<b>3,403</b>	19.4%	8,047	<b>9,869</b>	22.6%	13,800	71.5%
Cost of sales	794	<b>992</b>	24.9%	2,156	<b>2,700</b>	25.2%		
Gross profit	2,055	<b>2,411</b>	17.3%	5,891	<b>7,168</b>	21.7%		
Selling, general and administrative expenses	1,200	<b>1,472</b>	22.6%	3,326	<b>4,062</b>	22.1%		
Operating profit	854	<b>939</b>	9.9%	2,565	<b>3,106</b>	21.1%	4,800	64.7%
<i>Operating profit margin</i>	30.0%	<b>27.6%</b>	-	31.9%	<b>31.5%</b>	-	34.8%	-
Ordinary profit	856	<b>940</b>	9.9%	2,568	<b>3,109</b>	21.1%	4,800	64.8%
Profit	628	<b>635</b>	1.1%	1,792	<b>2,106</b>	17.5%	3,250	64.8%

# Financial results (by segment) for the nine months ended June 30, 2024 (3Q)

- The HR Solutions Business accounted for 72% of net sales and 72% of profit, driving growth

- Marketing Solutions
- HR solutions



## Marketing Solutions



## HR solutions



Note 1: Amount of operating profit of the segment in 3Q of FY2024 (before elimination of shared expenses, before amortization of goodwill,

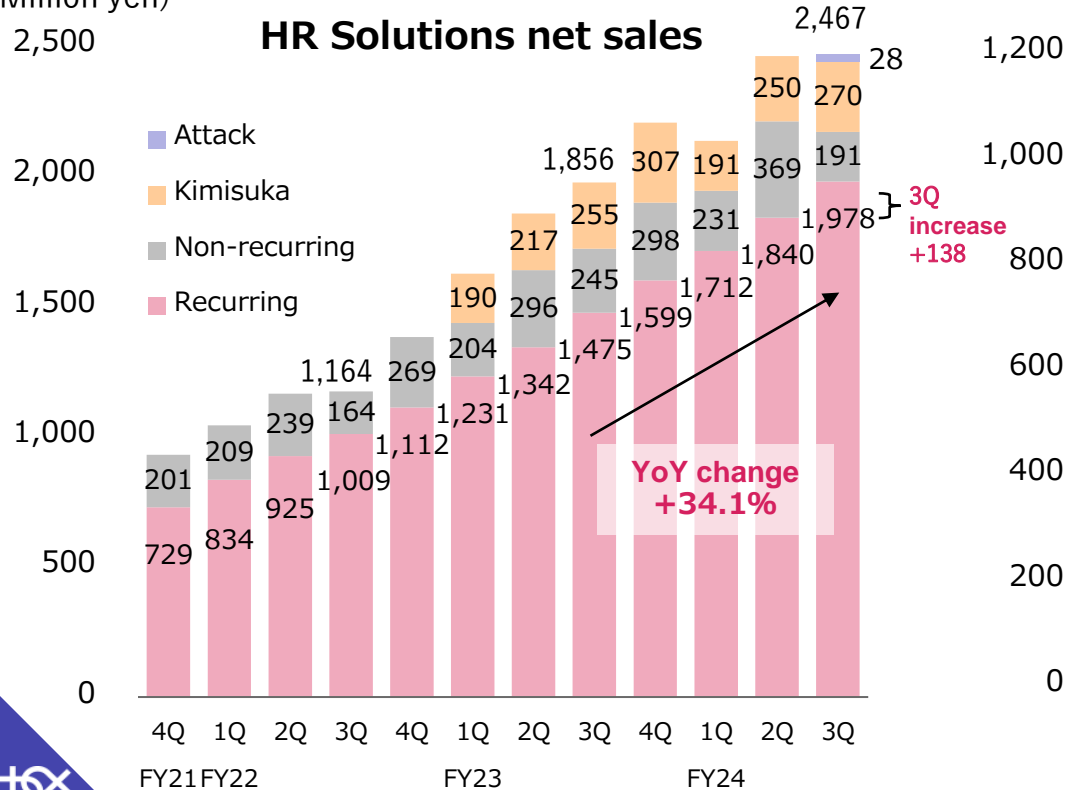
# Net sales trends (By segment)

Consolidated basis

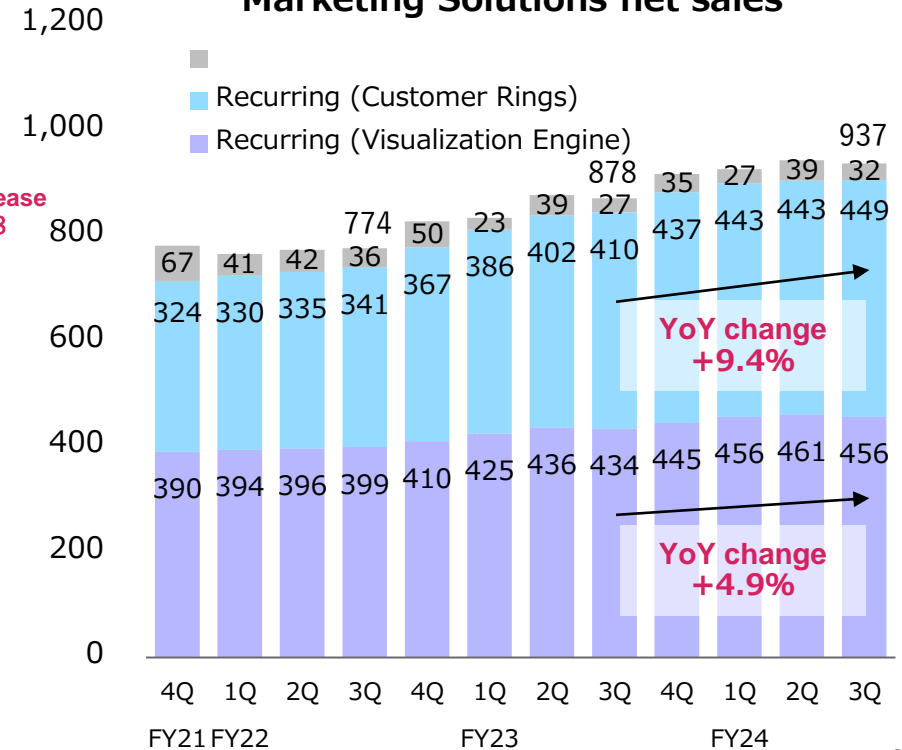
- HR Solutions recurring revenue steadily increased and expanded to 1,978 million yen (+34.1% year on year)
- Due to seasonality, non-recurring revenue such as consulting was low in 3Q but will increase in 4Q
- Marketing Solutions maintained growth mainly by increasing unit price

(Million yen)

## HR Solutions net sales

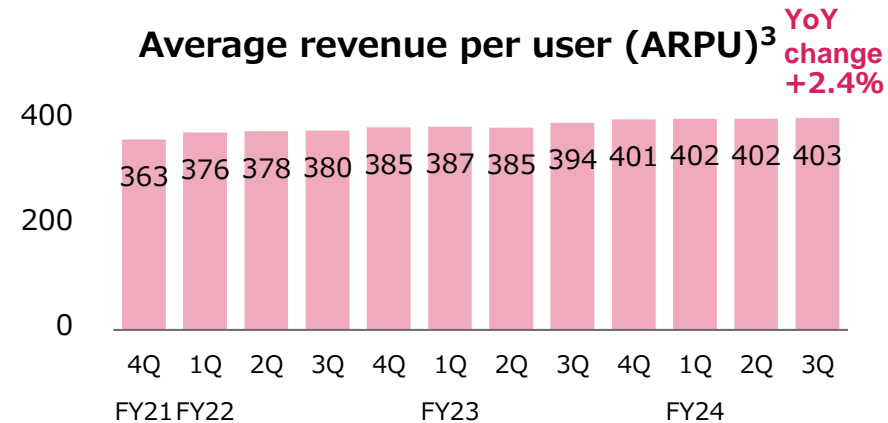
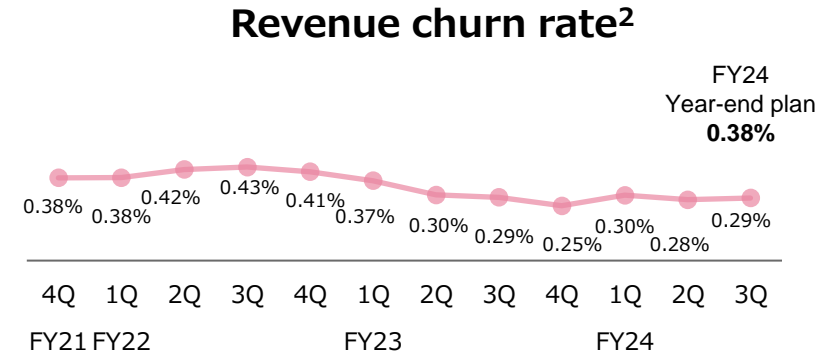
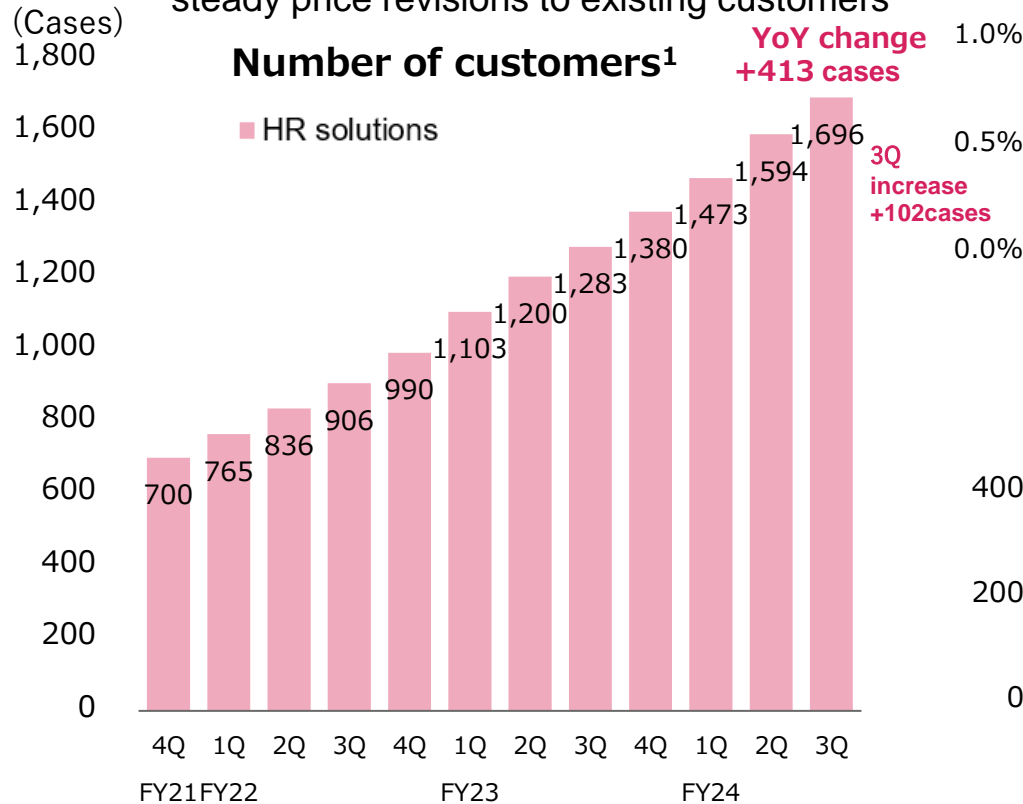


## Marketing Solutions net sales



# Number of customers, revenue churn rate, ARPU (HR Solutions)

- The number of customers increased steadily with accelerated penetration among medium-sized companies in addition to enterprises
- The revenue churn rate was lower than expected, and ARPU<sup>3</sup> is on a gradual upward trend due to steady price revisions to existing customers



Note 1: Number of monthly billed contracts

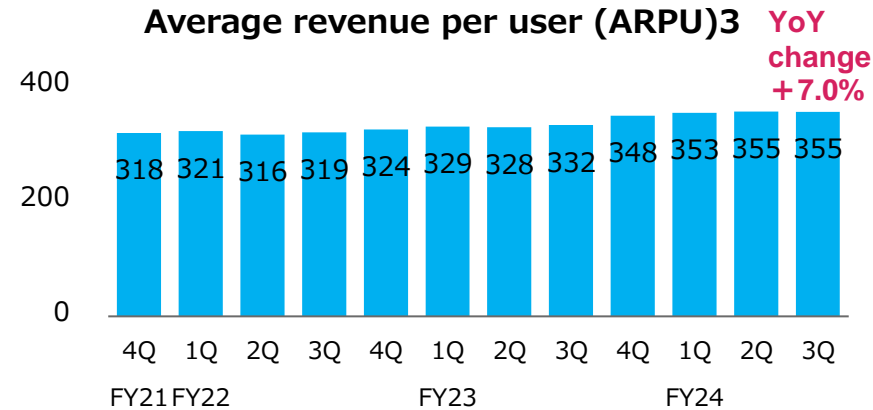
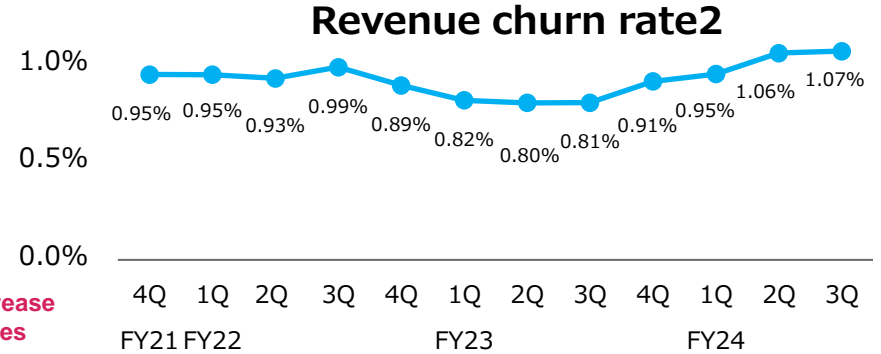
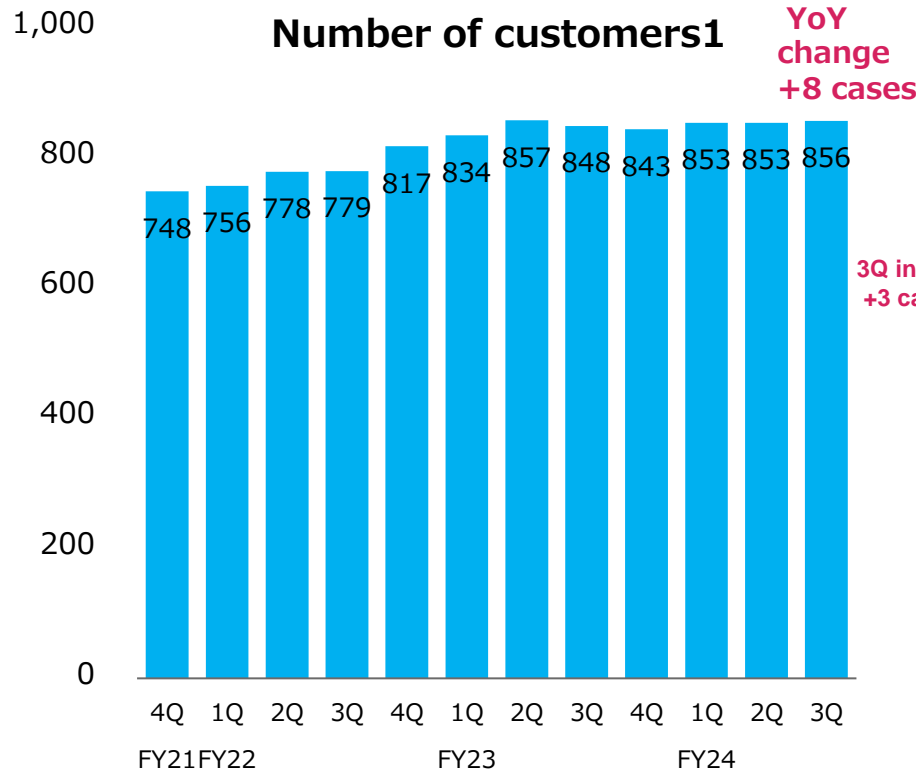
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Note 3: 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.

# Number of customers, revenue churn rate, ARPU(Marketing Solutions)

Non-consolidated basis

- The number of customers for Marketing Solutions is gradually increasing with generative AI functionality
- ARPU<sup>3</sup> is gradually rising due to factors such as up selling to existing customers



Note 1: Number of monthly billed contracts

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

Note 3: 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 3Q of FY2024

Non-consolidated basis

## MRR<sup>1</sup>

Companywide

**973** million yen

- Marketing Solutions 302 million yen
- HR Solutions 670 million yen

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

Companywide

**27.5%**

- Marketing Solutions 6.5%
- HR solutions 33.1%

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

Companywide

**0.55%**

- Marketing Solutions 1.07%
- HR Solutions 0.29%

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

Companywide

**2,552** companies

- Marketing Solutions 856 companies
- HR Solutions 1,696 companies

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

Companywide

**92.8%**

- Marketing Solutions 96.6%
- HR Solutions 91.2%

## ARPU<sup>6</sup>

Companywide

**387** thousand yen

- Marketing Solutions 355 thousand yen
- HR Solutions 403 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2024 (excluding temporary sales)

Note 2: MRR growth rate from June 2023 to June 2024

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of June 2024 (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 June 30, 2024

Note 5: Calculated as dividing total monthly billed amounts for the third quarter of the fiscal year ending September 30, 2024 by net sales for the same period.

Note 6: Average Revenue Per User. Calculated as dividing the average MRR for the third quarter of the fiscal year ending September 30, 2024 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 all businesses for the same period by the average number of total enterprise users for all businesses of each month for the same period.



# Major KPIs: Year on year change

Consolidated basis

	FY2023 3Q	FY2024 3Q	YoY change
<b>Net sales<sup>1</sup></b>	<b>8,047</b> million yen	<b>9,869</b> million yen	<b>22.6</b> % up
<b>Ordinary profit<sup>2</sup></b>	<b>2,565</b> million yen	<b>3,106</b> million yen	<b>21.1</b> % up
<b>Ordinary profit</b>	<b>31.9</b> %	<b>31.5</b> %	<b>-0.4</b> points
<b>MRR<sup>3</sup></b>	<b>788</b> million yen	<b>973</b> million yen	<b>23.5</b> % up
<b>Number of customers<sup>4</sup></b>	<b>2,131</b> cases	<b>2,552</b> cases	<b>421</b> cases up
<b>Revenue churn rate<sup>5</sup></b>	<b>0.49</b> %	<b>0.55</b> %	<b>0.06</b> points up
<b>ARPU<sup>6</sup></b>	<b>369</b> thousand yen	<b>387</b> thousand yen	<b>4.9</b> % up

Note 1: Results for 3Q of FY2023 and 3Q of FY2024

Note 2: Results for 3Q of FY2023 and 3Q of FY2024

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in June 2023 and in June 2024. Excluding Kimisuka.

Note 4: Number of monthly billed contracts as of June 30, 2023 and June 30, 2024. Excluding Kimisuka.

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of June 2023 and June 2024 (average for the past 12 months).

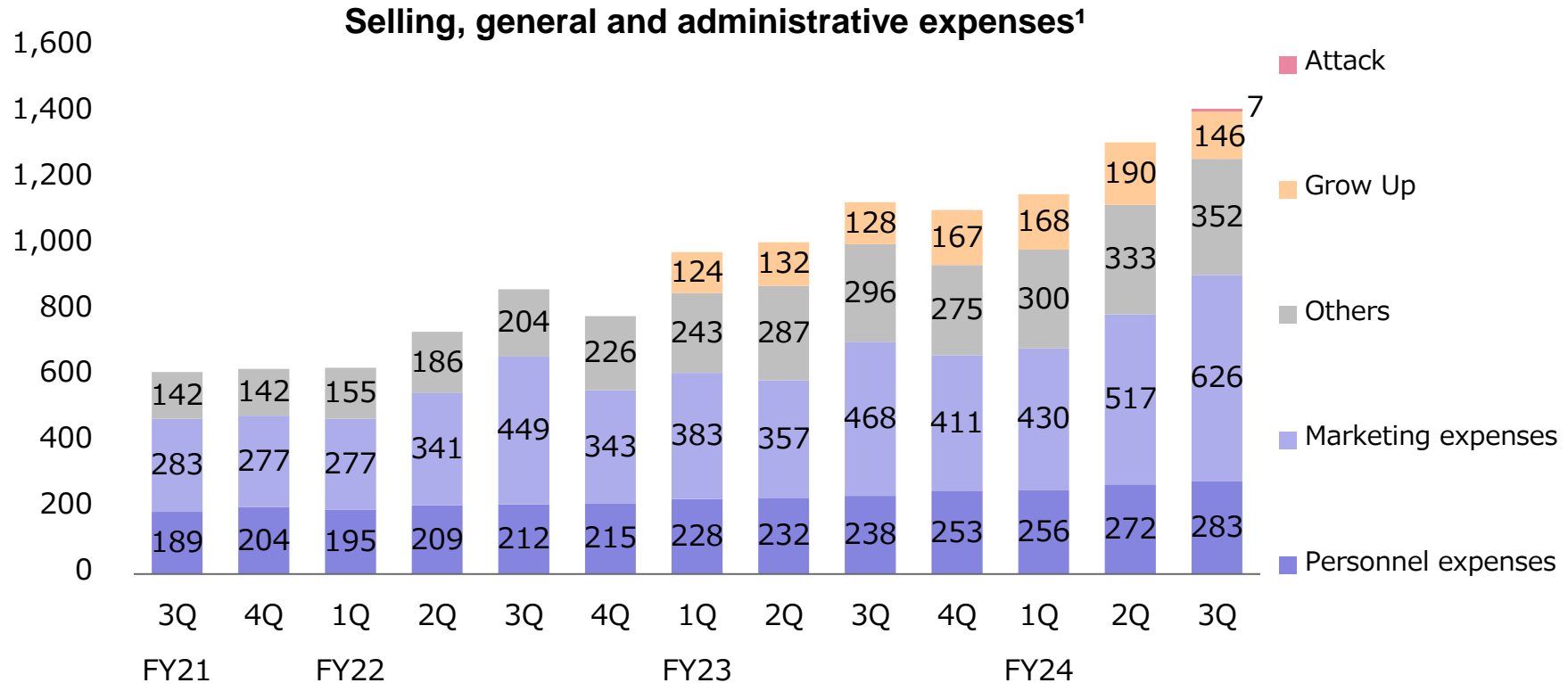
This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month. Excluding Kimisuka.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 3Q of FY2023 and 3Q of FY2024 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

- Personnel expenses and marketing expenses were largely in line with plans
- Marketing expenses usually increase in 3Q due to the concentration of exhibitions

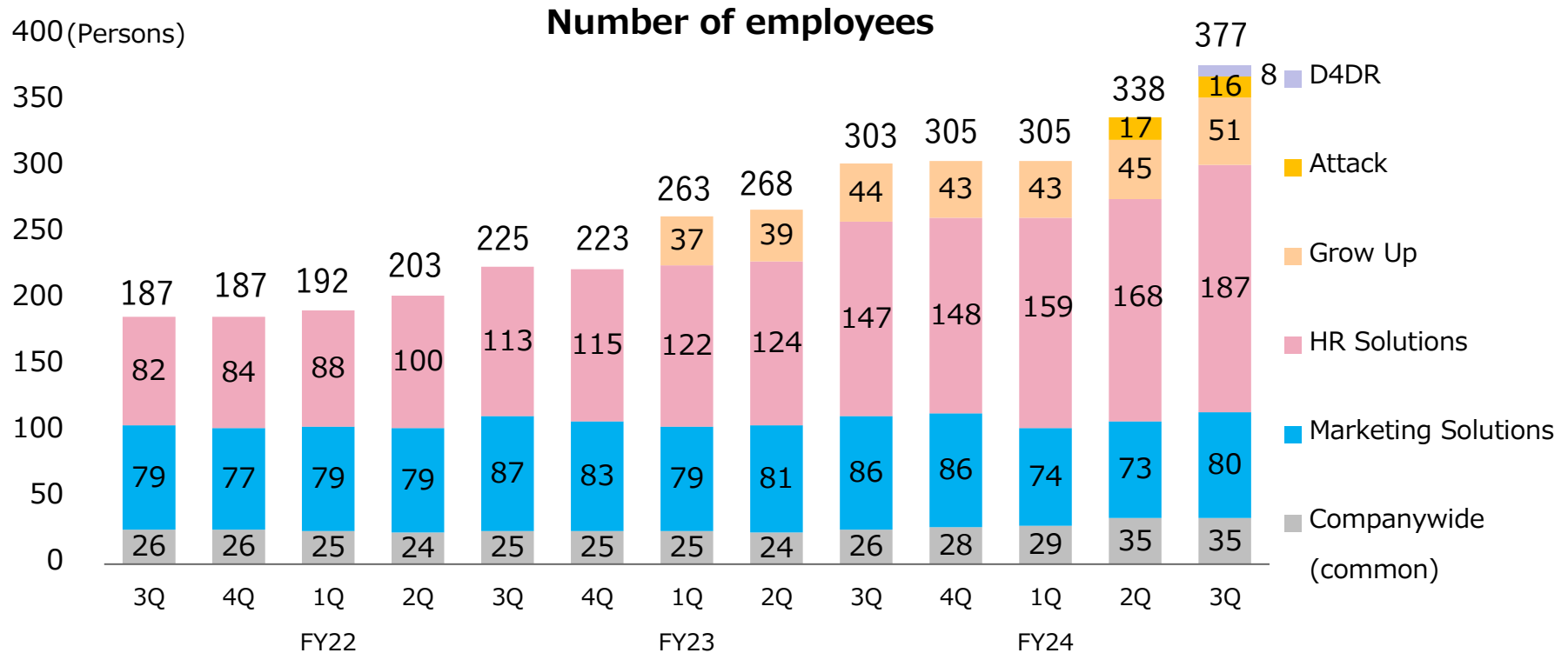


Note 1: Amortization of goodwill, etc. and one-time expenses associated with M&A are not included in the above

# Trends in the number of employees

Consolidated basis

- The number of personnel in HR Solutions increased due to strengthening personnel in the Talent Palette Business
- Personnel increased by 8 due to D4DR being newly consolidated



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

Note 2: Non-consolidated figures are shown for HR Solutions

# Status of Balance Sheets

- Net assets increased by 1,611 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 80.9%

(Million yen)	Sep. 30, 2023	Jun. 30, 2024	Changes from Sep. 30, 2023
Current assets	9,702	<b>11,346</b>	up 1,643
(Cash and deposits)	8,278	<b>9,739</b>	up 1,461
(Accounts receivable-trade)	1,219	<b>1,317</b>	up 98
Non-current assets	2,313	<b>2,287</b>	down 26
Total assets	12,016	<b>13,633</b>	up 1,617
Current liabilities	2,464	<b>2,486</b>	up 22
Non-current liabilities	106	<b>90</b>	down 15
Net assets	9,445	<b>11,057</b>	up 1,611
Equity ratio	78.6%	<b>80.9%</b>	

## 03 Latest topics

# Latest topics





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- (1) Ranked first in “ITreview Best Software in Japan 2024”
- (2) Promotion of functional enhancement using generative AI (AI interviews)
- (3) “Human Capital Disclosure Lab” enabling comparisons with other companies’ human capital information
- (4) Start of provision of function for detecting signs of non-attendance utilizing AI (Yorisoar)
- (5) Launch of “Hicare Wellness,” a new service for the medical and nursing care sector
- (6) Acquisition of shares of D4DR inc. to make it a subsidiary
- (7) Acquisition of shares of OMN inc. to make it a subsidiary

# Topic (1): Ranked first in “ITreview Best Software in Japan 2024”

Ranked first in “ITreview Best Software in Japan 2024” \*1, supported by ITreview users from among SaaS and software in Japan



TOP 2		<b>Robo-Pat DX</b> ★★★★★ 4.8 FCE Process & Technology Co., Ltd. RPA tool
TOP 3		<b>Oricoh-blog</b> ★★★★★ 4.3 DS BRAND Co., Ltd. Website creation software
TOP 4		<b>ChatGPT</b> ★★★★★ 4.1 Open AI, Inc. Text generative AI
TOP 5		<b>free accounting</b> ★★★ 4.0 freee K.K. Accounting software

\*1 ITreview, a business IT product review site, announced its Top 50 IT products for SaaS and software for enterprise users over the past year (April 2023 - March 2024).

# Topic (2): Promotion of functional enhancement using generative AI (AI interviews)

## Incorporation of the “AI Interview function” utilizing generative AI into Visualization Engine

Supporting coming up with ideas for new product development, etc. by using AI to generate virtual customer personas based on information from SNS and customer surveys, and having interviews answered by generative AI


Number of interview uses this month: 21/10000 Save history Clear history Exit

Client company's product planner asks questions



We are thinking of new products that offer a new way to enjoy alcoholic beverages for the summer. We have an idea for a “cocktail ingredient that can be mixed in various ways and enjoyed at home.” Please tell us specifically what you consider to be good and bad points, taking into account your own experience and tastes and preferences.

Four virtual customers (personas) created by generative AI answer questions



**Ichiro Suzuki**  
30 year old male who enjoys plastic models and soccer

**Conversation A**

I think it is good that to be able to try different flavors and enjoy them without getting bored. There is also the enjoyment of collecting bottles and, the pleasure of making cocktails with your own hands as with plastic models.

A point of concern is the amount of alcohol consumed. Beginners, in particular, may not know the proper amount, which can lead to drinking too much. It may also not be suitable for people who are busy and want a quick drink.



**Yuki Yamada**  
27 year old female who enjoys traveling abroad

**Conversation B**

I personally like to cook and enjoy trying new flavors, so I would enjoy customizing it to my liking and pairing it with my meals. It would also be easy to host a fun event such as a cocktail party with friends.

However, it may be hard to make the cocktails if not familiar with how to make them. Even when drinking alcoholic beverages outside, I sometimes find it difficult to find the right balance, so that part is an obstacle.




**Ryo Tanaka**  
35 year old male who enjoys eating curry at various establishments

**Conversation C**

During summer, people tend to spend more time indoors in the cooler temperatures, so being able to easily make cocktails at home is appealing. However, I am concerned that it may be difficult to reproduce authentic flavors.

Personally, I think it is important to provide recommended recipes and ways to arrange cocktails along with the basic cocktail ingredients, enabling both beginners and experts to enjoy the product.



**Kaoru Miyashita**  
32 year old female who enjoys obtaining certifications

**Conversation D**

As someone who often drinks outside the home, I think it would be interesting to discover new ways to enjoy cocktails in the comfort of my own home.

However, in my case, I am not in the habit of drinking alcohol at home, so I am not sure if I would actually buy it. I sometimes feel that the time and effort required to make alcoholic beverages and getting the ingredients can be a chore. For this reason, I think it is important to have a method that is simple and easy to make, even for beginners.



## Topic (3): “Human Capital Disclosure Lab” enabling comparisons with other companies’ human capital information

Equipped with an analysis function that enables comparison of human capital information (ratio of female managers, training hours, etc.) of listed companies with your own company

- Proprietary data on over 4,000 listed companies in Japan that disclose annual securities reports
- When engaging in human capital management, it is possible to utilize the efforts of other companies in the same industry and competitors as a reference



### Establishment of “Human Capital Disclosure Lab”

to enable benchmarking of human capital disclosure information on listed companies in Japan



## Topic (4): Start of provision of function for detecting signs of non-attendance utilizing AI (Yorisoar)

“Yorisoar,” a new service for the education market, is equipped with a function for detecting signs of non-attendance utilizing AI





- In addition to the existing educational dashboard for managing and analyzing education data, it is equipped with a new function for detecting signs of non-attendance utilizing AI
- Automatic identification of students with signs of non-attendance, alert function, and monitoring of the school’s response after detecting signs of non-attendance

### “Yorisoar” integrated school management system

### Start of provision of **function for detecting signs of non-attendance utilizing AI**

Functions and consulting aimed at solving the increasingly serious problem of non-attendance and reducing the workload of teaching staff



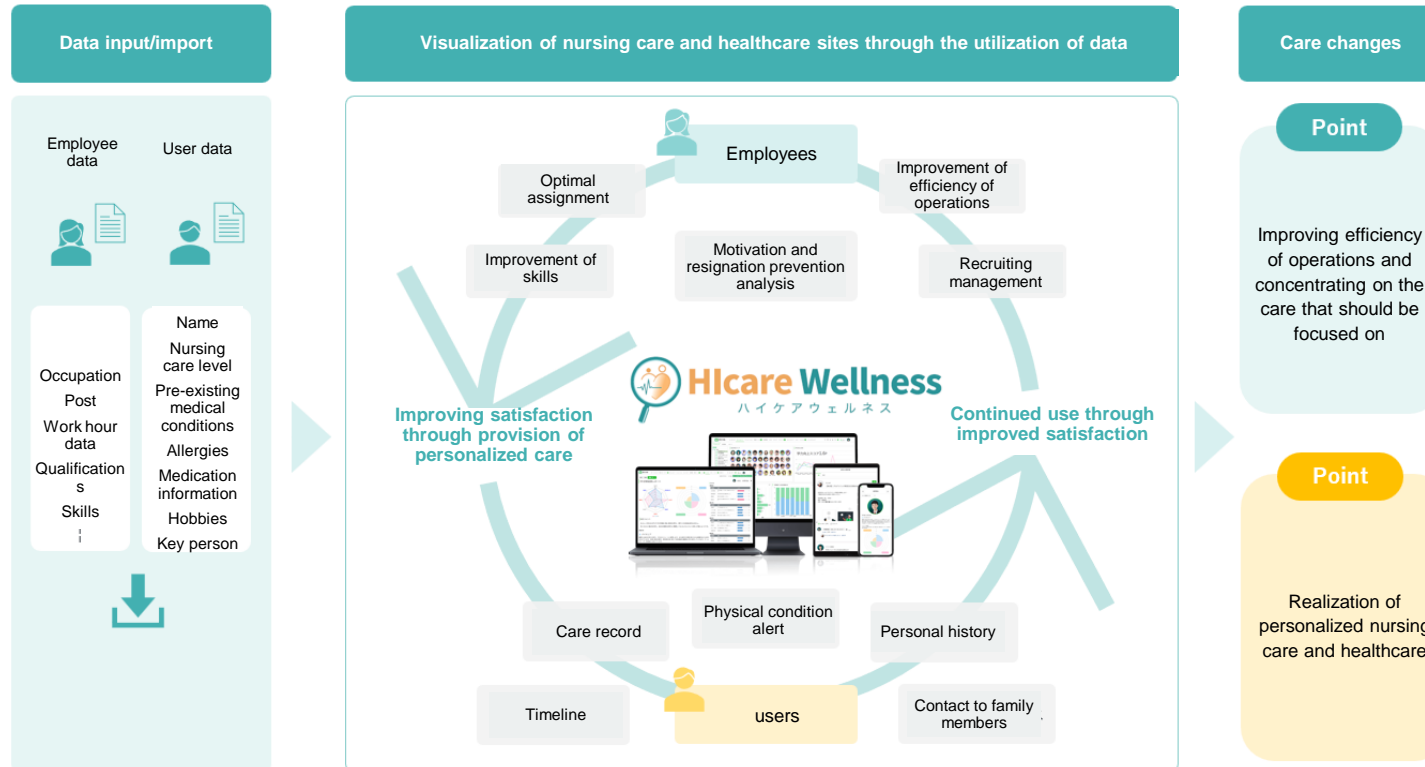
No	Member	Attendance score	Words used	Text
1	 Yuta Ito	164.7	Online classes, many, communication	Communication is difficult due to having many online classes. Since I have just entered the school, I don't have any friends with whom I can consult, but I feel that I will be able to solve this problem once my seminar starts and I can easily consult with the teacher.
2	 Shinji Goad	156.2	Online classes, assignments, many, end (negative)	Online classes have many assignments, and if they cannot be submitted on the spot, things get out of hand later on.
3	 Nagak Egami	100.8	Online classes, understand (negative)	It is difficult to ask questions about things you don't understand in online classes. I am satisfied with the learning content, but would like more face-to-face time in group classes.
4		69.1	Online classes, daily rhythm	It is easy for one's daily rhythm to be disrupted by online classes.



## Topic (5): Launch of “Hicare Wellness,” a new service for the medical and nursing care sector

“Hicare Wellness,” a new service that supports the use of data by staff and users in the nursing care and medical sector

- Based on Talent Palette, centralized management of data on employees and staff in the nursing care and medical sector and users who are patients
- Realizing improvement of operational efficiency and quality of care through employee training, shift management, and increased motivation



## Topic (6): Acquisition of shares of D4DR to make it a subsidiary

- Establishment of a think tank organization and full-scale entry into the consulting business by making D4DR inc. a subsidiary
- Aiming to expand business from strengthening branding through communication of information to upstream consulting

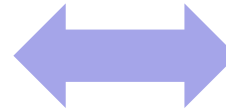
**D4DR inc.**

A company that transforms intellectual curiosity into social evolution

Provision of consulting services

- Future strategy consulting
- Human resource development, organizational development
- Marketing and consulting
- Research and analysis

HR Future  
Forecasting Project



Development of future oriented services  
 Branding through think tank functions  
 Providing upstream consulting with high added value



### (1) Development of future-oriented services and communication of information

Developing new services with a view to the future of human resources in the medium to long term

Providing think tank-like functions to educate customers and strengthen branding

### (2) Provision of practical upstream consulting services

Provision of upstream process services from planning to implementation support for human resource development and organization building for the Group's clients

### (3) Development of services with high added value

Provision of packaged services with high added value that combine our services

# Topic (7): Acquisition of shares of OMN inc. to make it a subsidiary

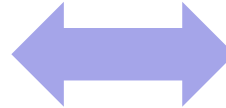
- Expanding business to highly accurate shift management services by making OMN inc. a subsidiary
- Linking with Talent Palette's skills and other employee information to further enhance human resource utilization

## Automated work shift creation and management system



- Monthly billing cloud service strong for enterprises
- Generation of optimized shifts based on employee work conditions
- Supports a wide range of industries and business categories with many standard functions

Proposals and cross-selling to enterprises  
 Differentiation through advanced shift management functions utilizing AI  
 Utilization in new areas of services such as Hicare Wellness



## Work hour management system

### linked to shift management



- A work hour management tool not requiring time or effort
- Enables accurate management of budget and results through linkage with R-Shift

### Automatic monthly shift creation



Automatically creates optimal shifts in as little as one minute, taking into account working hours, the number of legal days off and employee combinations

### Automatic task assignment <Automatic creation of shifts by day>



Enables equal work assignments based on employee work skills and past assignments.

### Collection of preferences



Both the collection of preferred shifts and the distribution of completed shifts can be completed with just one dedicated application.

### Help function



Store A Store B Store C

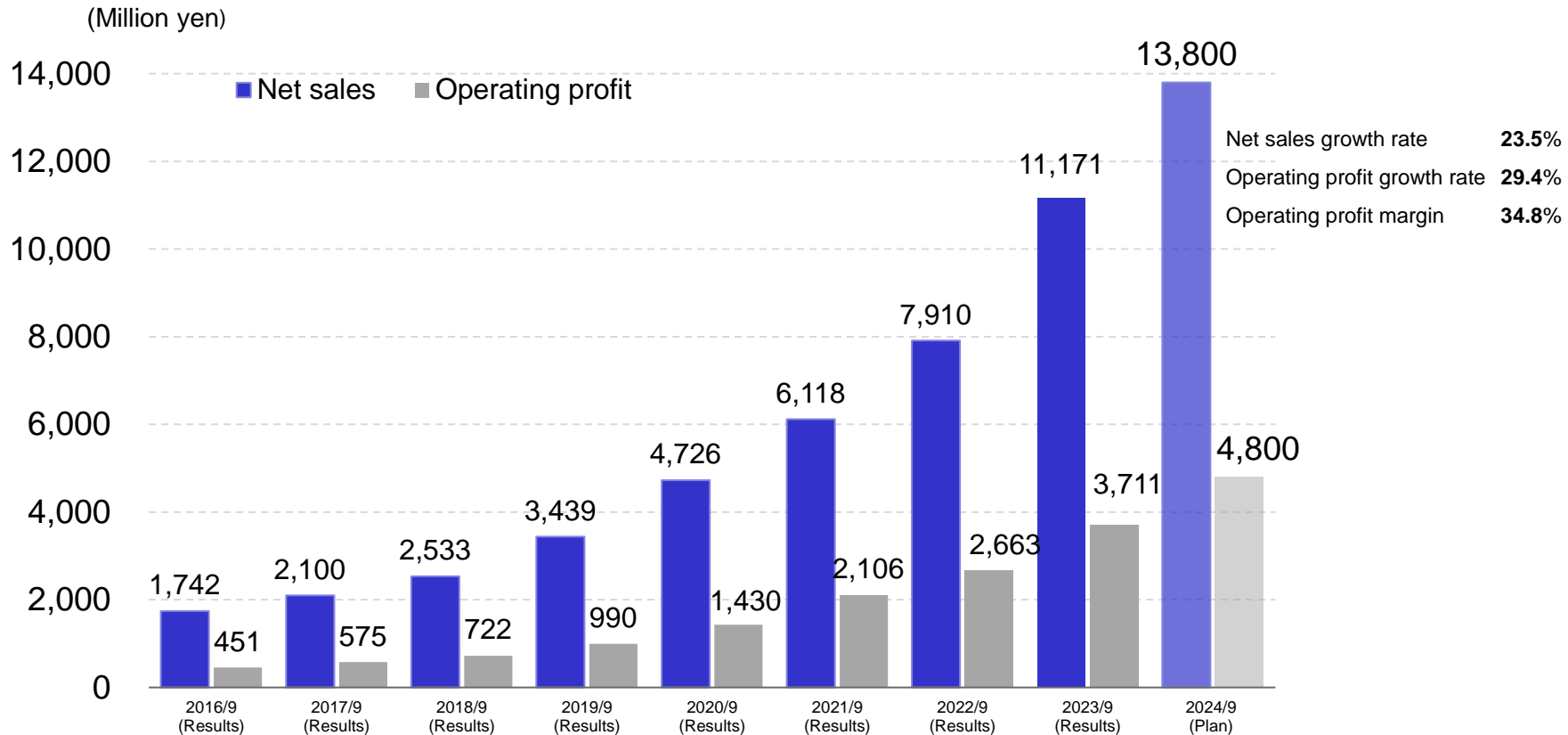
Shifts can be created to fill staffing shortages in one store from other stores.

## 04 Earnings forecasts for the fiscal year ending September 30, 2024

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

Consolidated basis

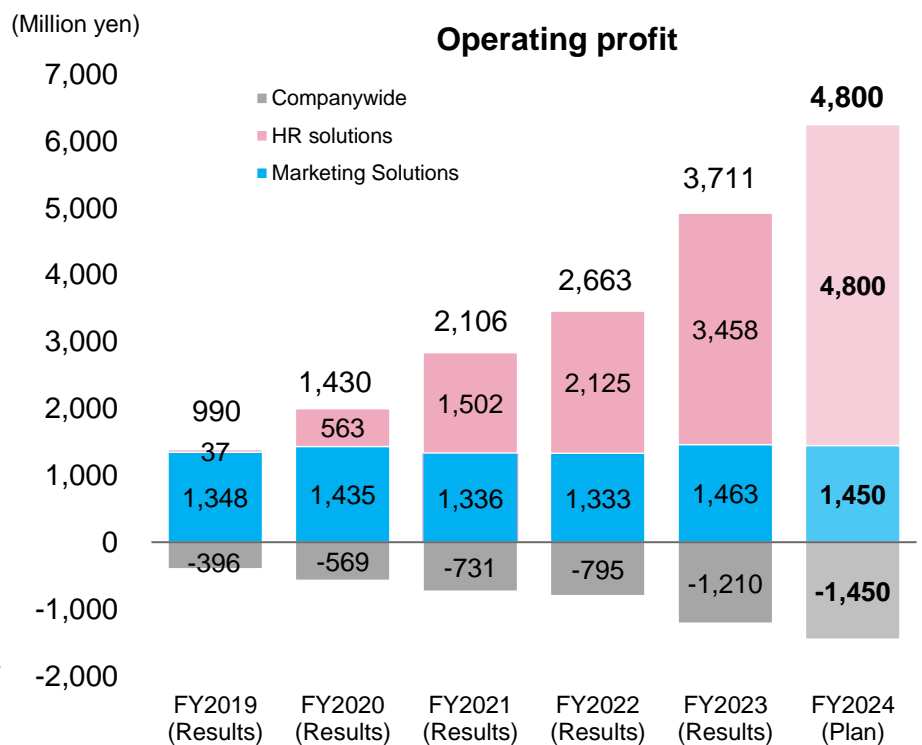
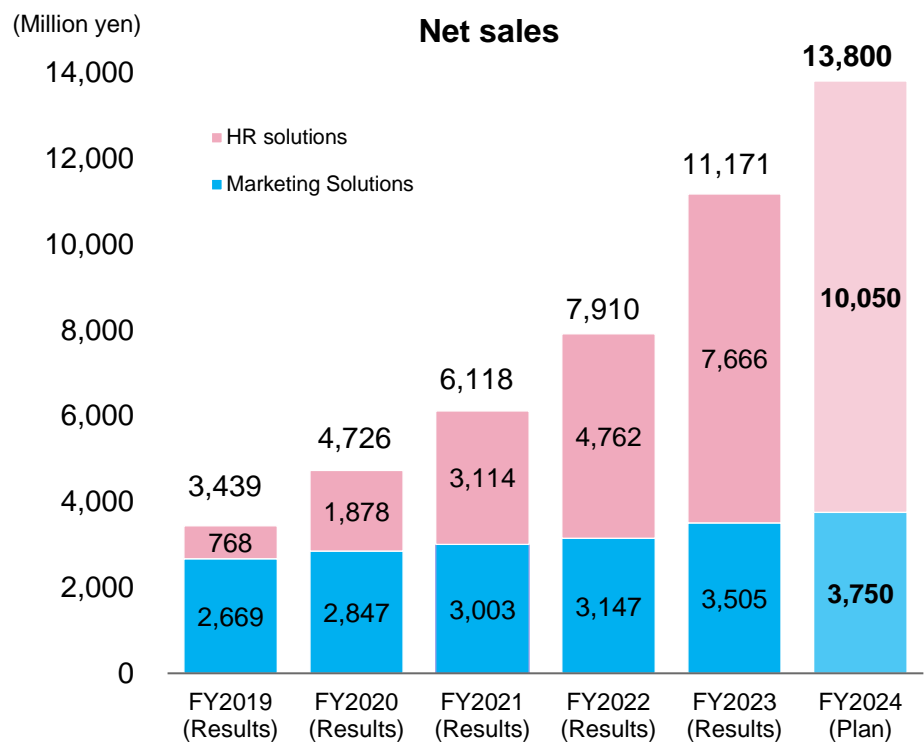
- As initially planned, we are aiming for a 23.5% growth in net sales, 29.4% growth in operating profit and an operating profit margin of 34.8%



Consolidated basis

## (By segment)

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



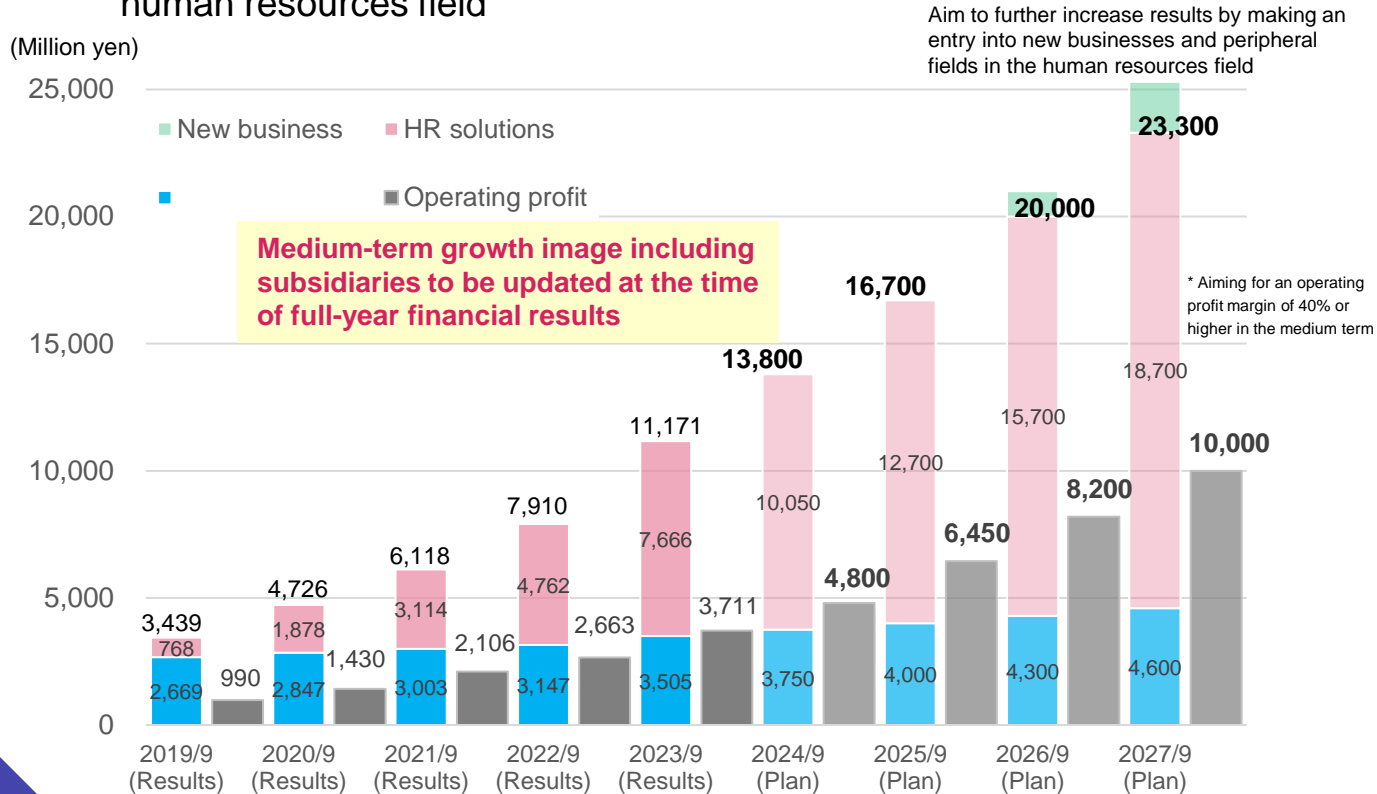
\* Figures for FY2023 and earlier are retroactively restated according to the new segment classifications.

\* Companywide includes amortization of goodwill, etc.



# Medium-term growth image

- 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
- 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




	2023/9 (Results)	2027/9 (Forecast)
Number of customers		
Marketing Solutions	843	1,120
Visualization Engine	493	650
Customer Rings	350	470
HR Solutions	1,380	3,170
Talent Palette	1,380	2,970
Yorisoar	-	200
Average unit price (thousands of yen)		
	348	342
	300	300
	416	400
	401	416
	401	420
Yorisoar	-	360

\* Figures for FY2023 and earlier are retroactively restated according to the new segment classifications.

## 05 Reference materials

# Business strengths

# Service characteristics

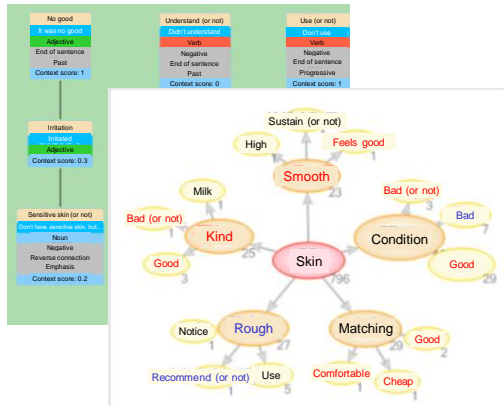
	Visualization platform	Marketing automation tool	HR utilization platform
			
Service overview	Text mining analysis of massive amounts of diverse customer feedback and conversation data from surveys, call logs, voice recognition data, social media and X (formerly Twitter), etc.	Support for optimal communication 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.

# Business strengths

Advanced technologies to visualize big data for practical use

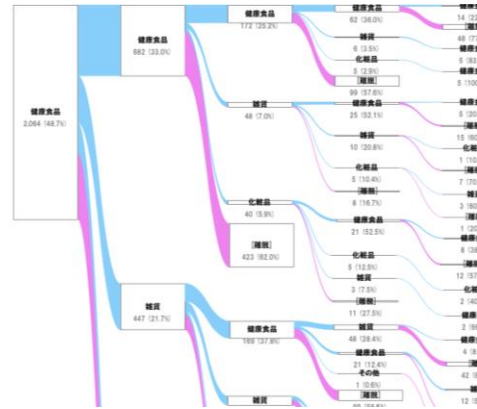


## Syntax analysis, word maps



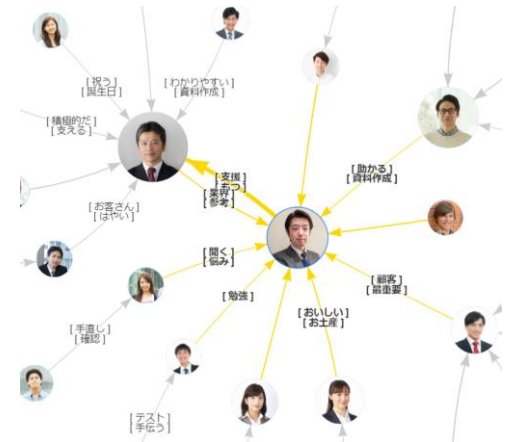
Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

## Purchasing pattern analysis



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

## Employee network diagram

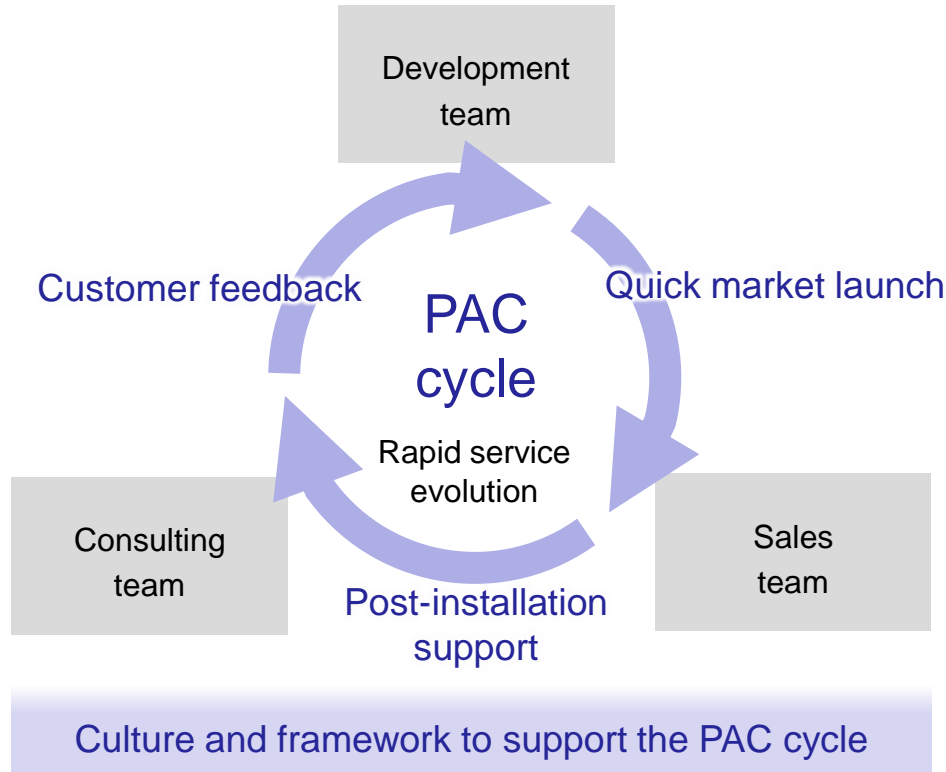


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

# Business strengths

## Organizational capabilities to realize rapid service evolution

We realize rapid implementation of general-purpose functions by ascertaining needs through consulting services for leading companies



## PAC cycle realizes:

### Differentiation

by rapid functional evolution

### ARPU improvement

by creating high added value

### Cancellation prevention / LTV improvement

through a concerted effort by the entire team

### Partner relationships

on equal footing with clients

### Early market launch

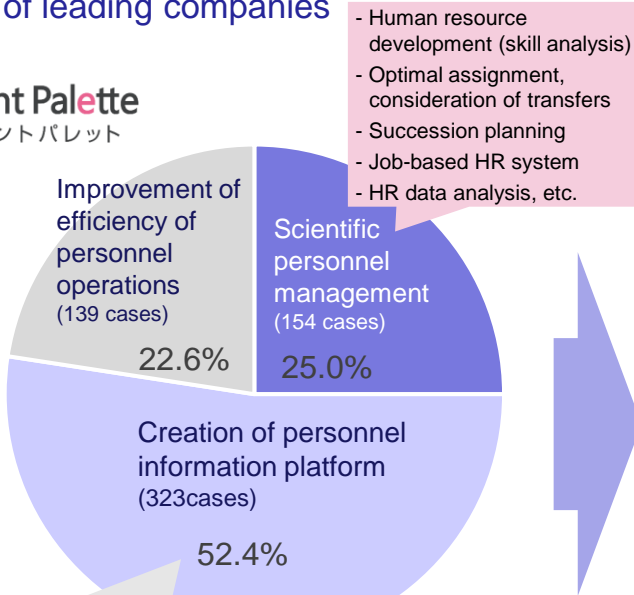
of new functions and businesses

# Business strengths

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

Realizing increased added value of services by leveraging enterprise consulting capabilities

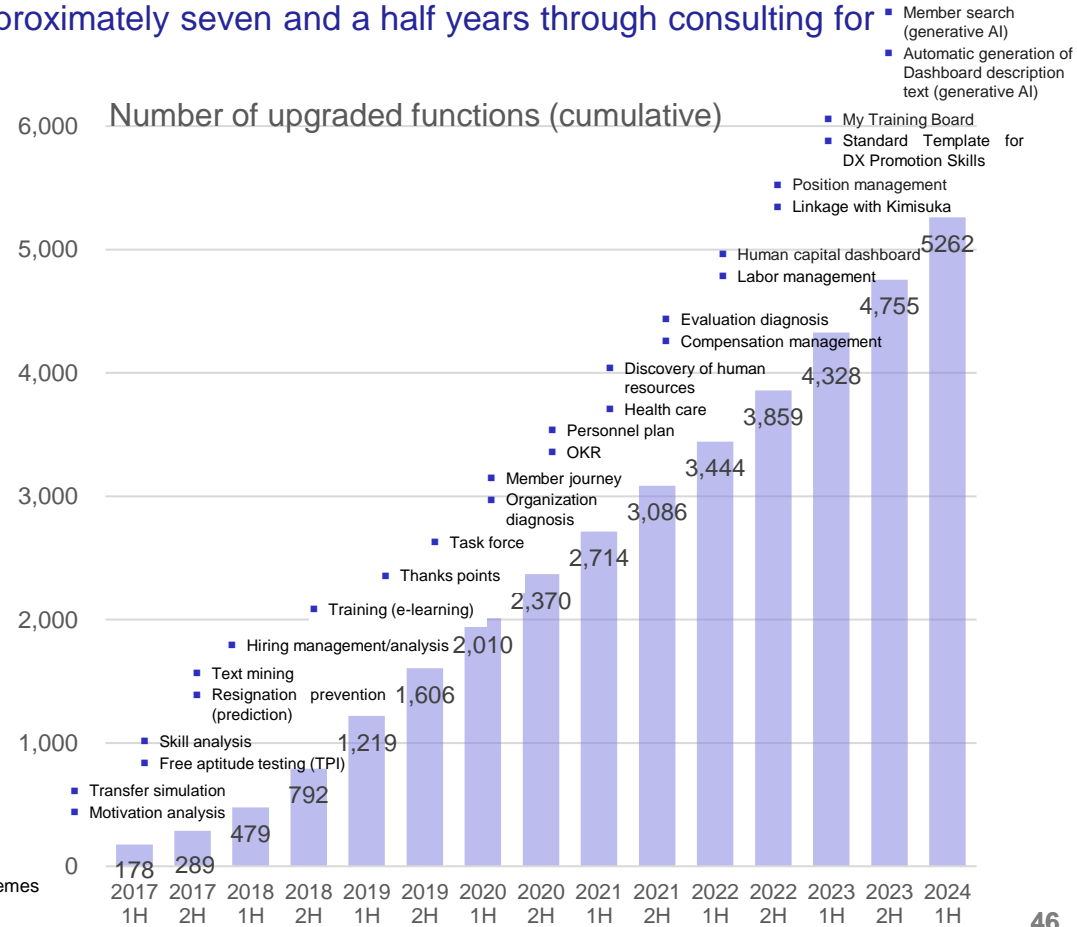
Over 5,200 functions installed as standard over approximately seven and a half years through consulting for a variety of leading companies



- Human resource development (skill analysis)
- Optimal assignment, consideration of transfers
- Succession planning
- Job-based HR system
- 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

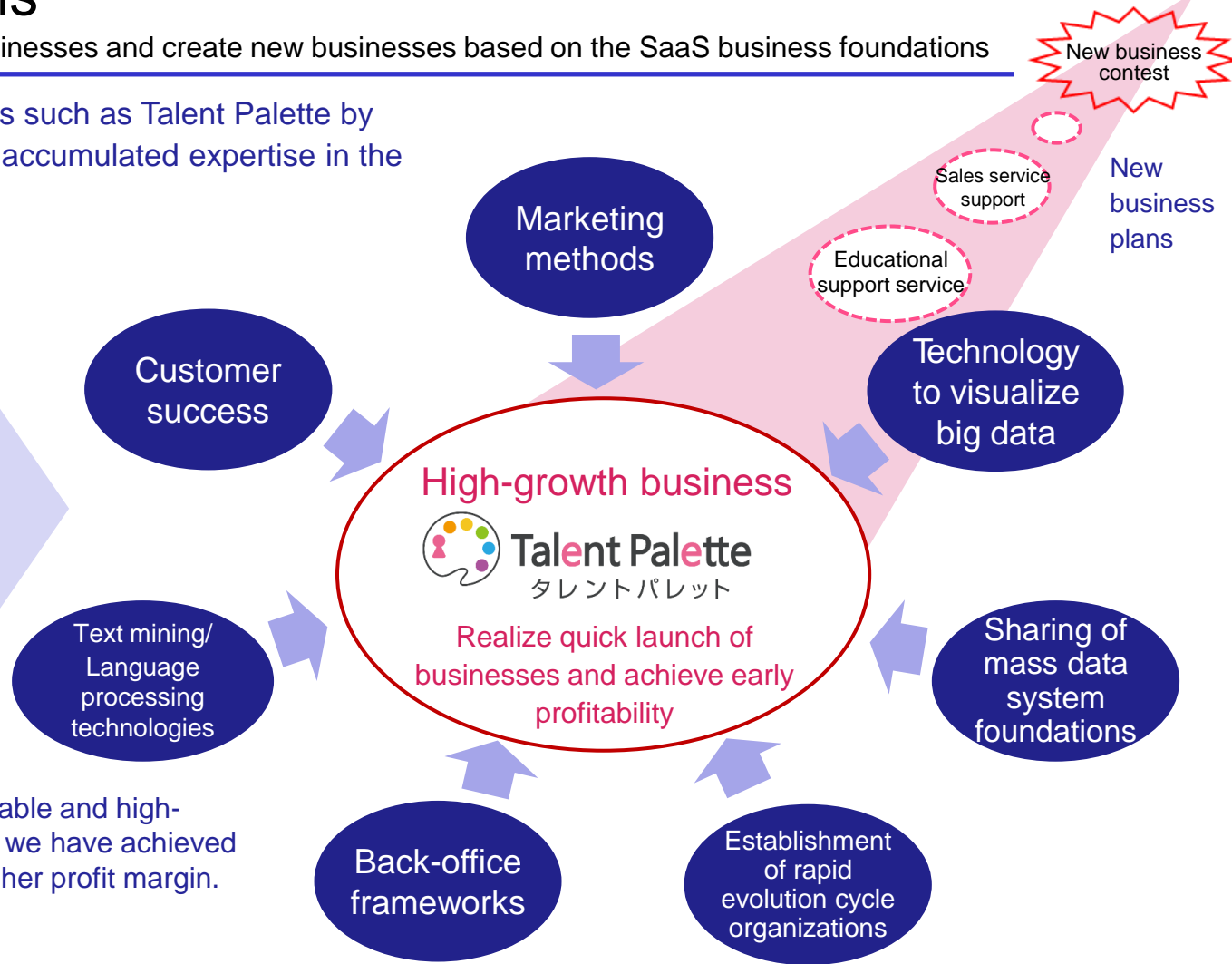
Highly profitable business

 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.

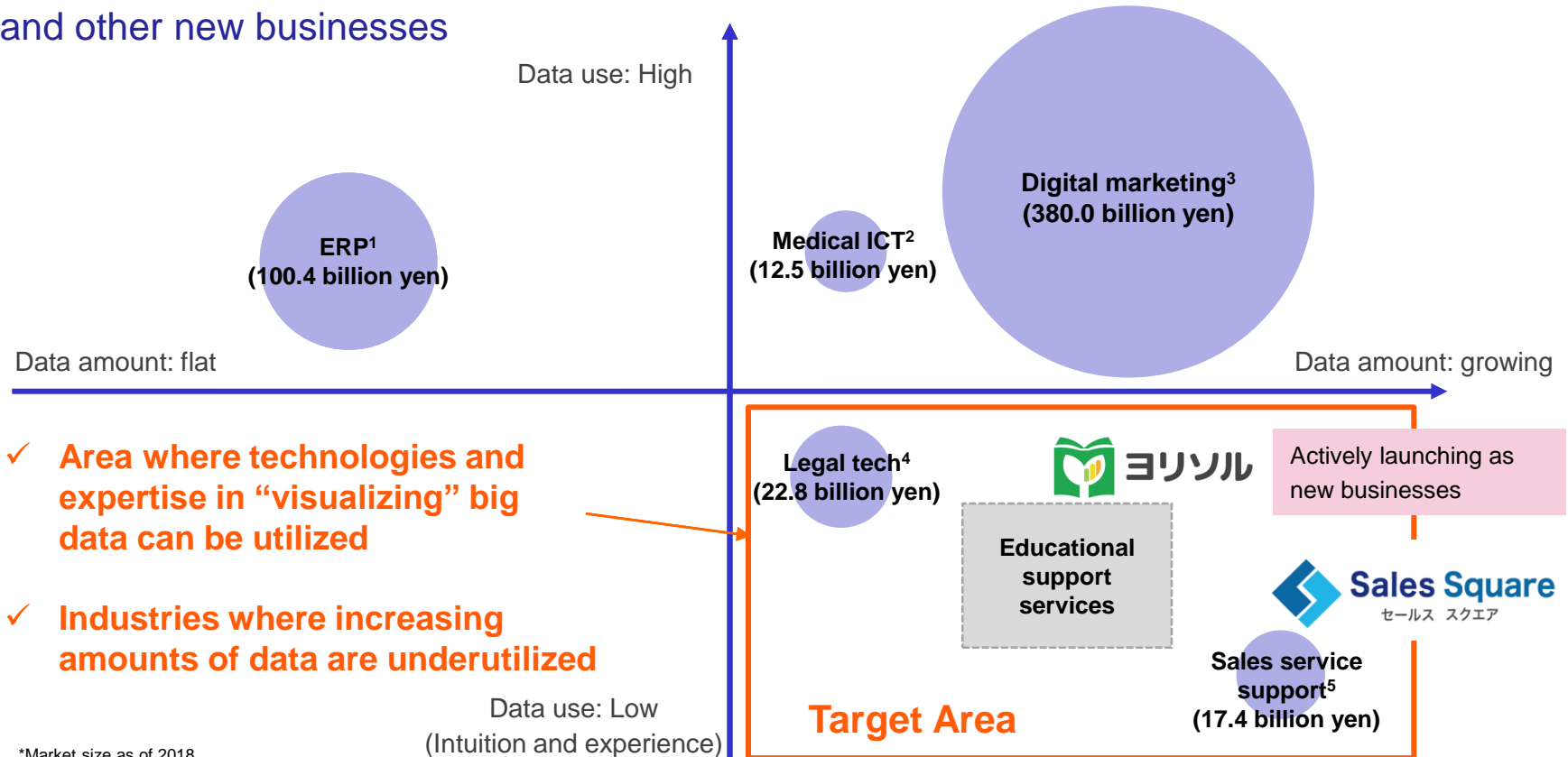




# Approach to new business creation

## 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

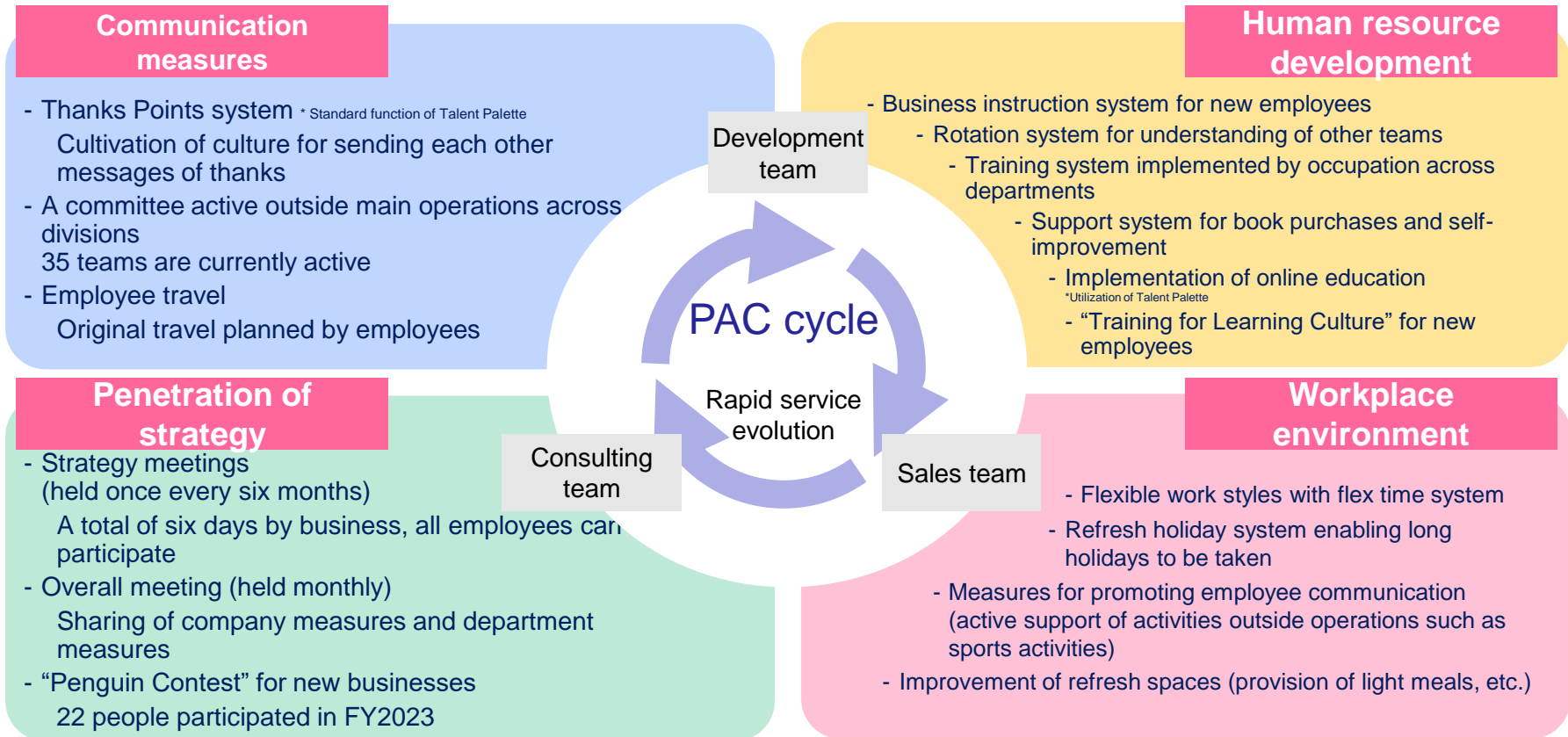
Note 2: “Current State and Future of the Next Generation Medical ICT Market, FY2020 Edition,” Yano Research Institute

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



- ➔ ★ Employee awareness survey score (Company vision: 4.4/5.0), company atmosphere: 4.11/5.0, benefits: 4.3/5.0)  
 ★ Annual turnover rate: 5.7%

# HR solution business overview

# Background of Rapid Growth of Talent Palette

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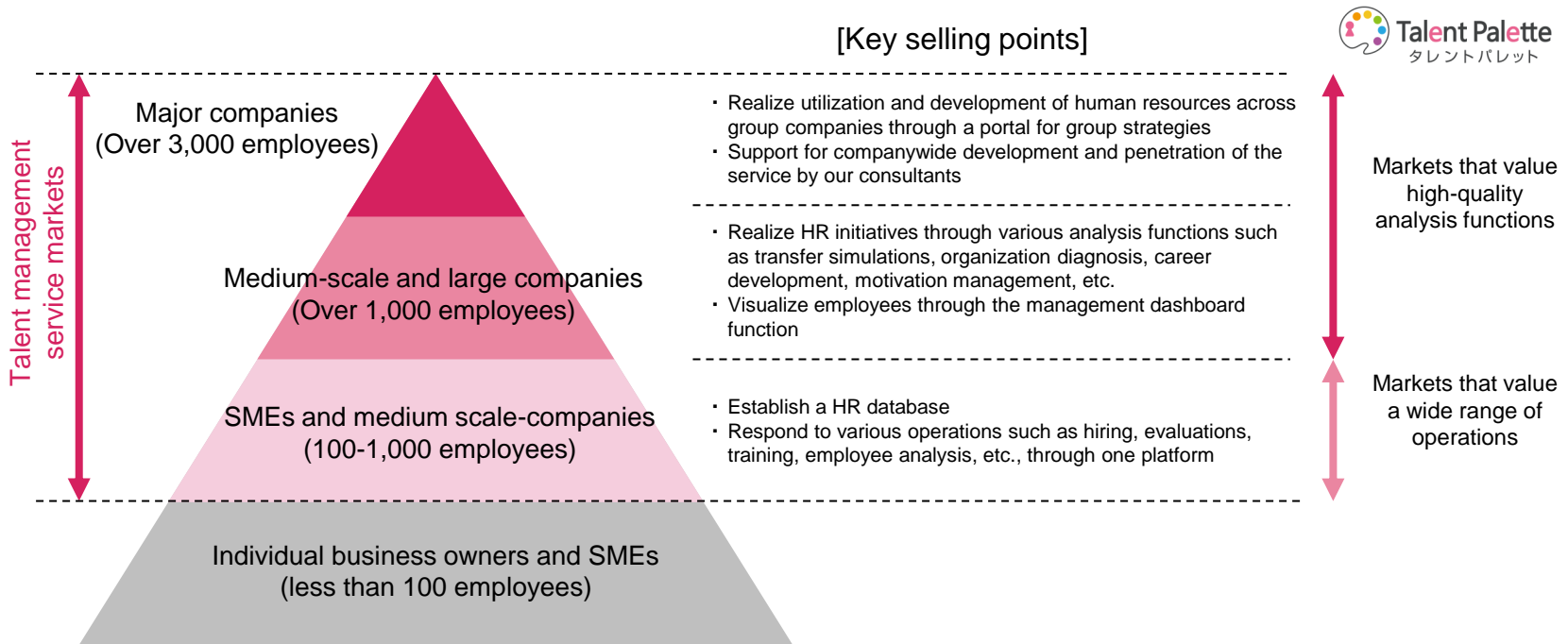
- It has become necessary to take initiatives such as how to **maximize utilization of HR** by current employees and whether **reskilling** can be achieved amid the increasingly serious labor shortage caused by the low birthrate and aging population and the diversification of work styles.
- COVID-19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

⇒ **Based on this trend, the HRTech cloud market is expected to grow by +37.7% year on year in FY2023.** (Research by Deloitte Tohmatsu MIC Research Institute Co., Ltd.)

# 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.

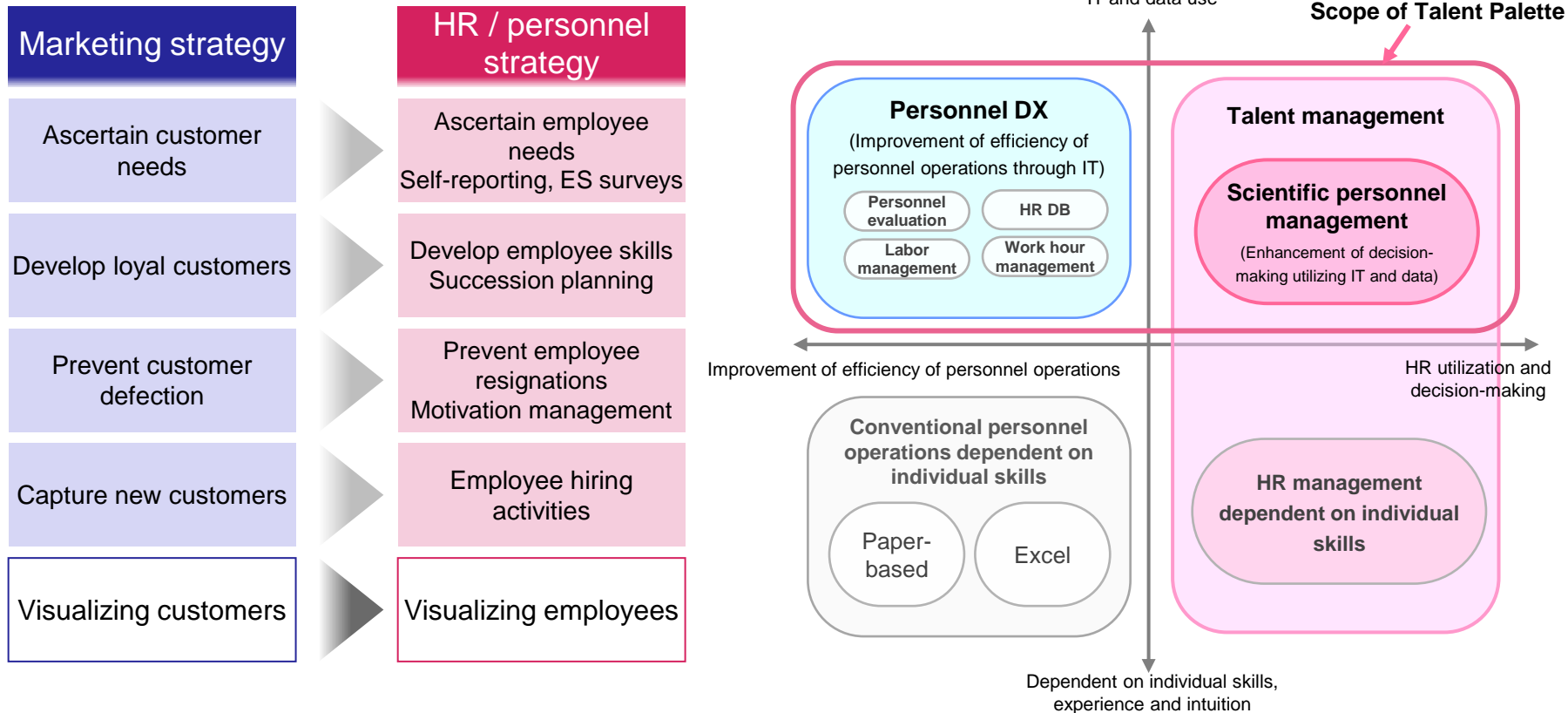
## Target markets and selling points of the talent management service



# 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.



# Strengths of Talent Palette

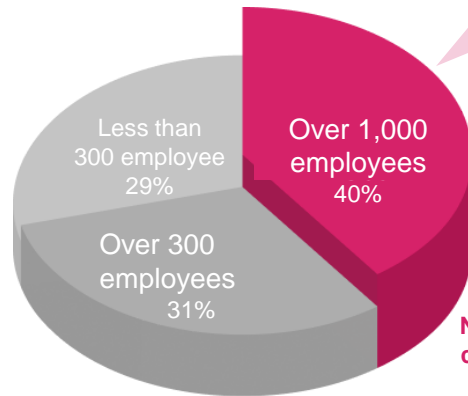
## Enterprise penetration and high evaluation

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

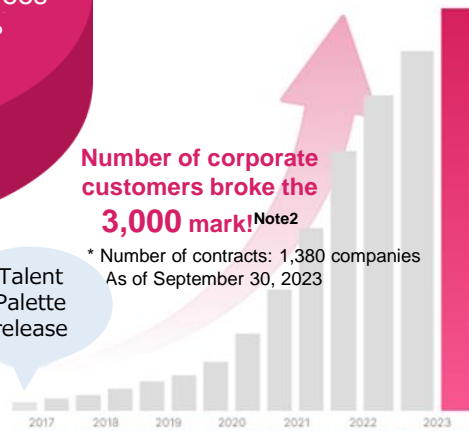


The service is highly regarded among enterprise user with 1,000 or more employees and implementations are progressing

Number of corporate customers broke the 3,000 mark!<sup>Note2</sup>

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

Talent Palette release



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
- Enhancement of utilization of HR big data by incorporating generative AI

Extensive analytical function and detailed function

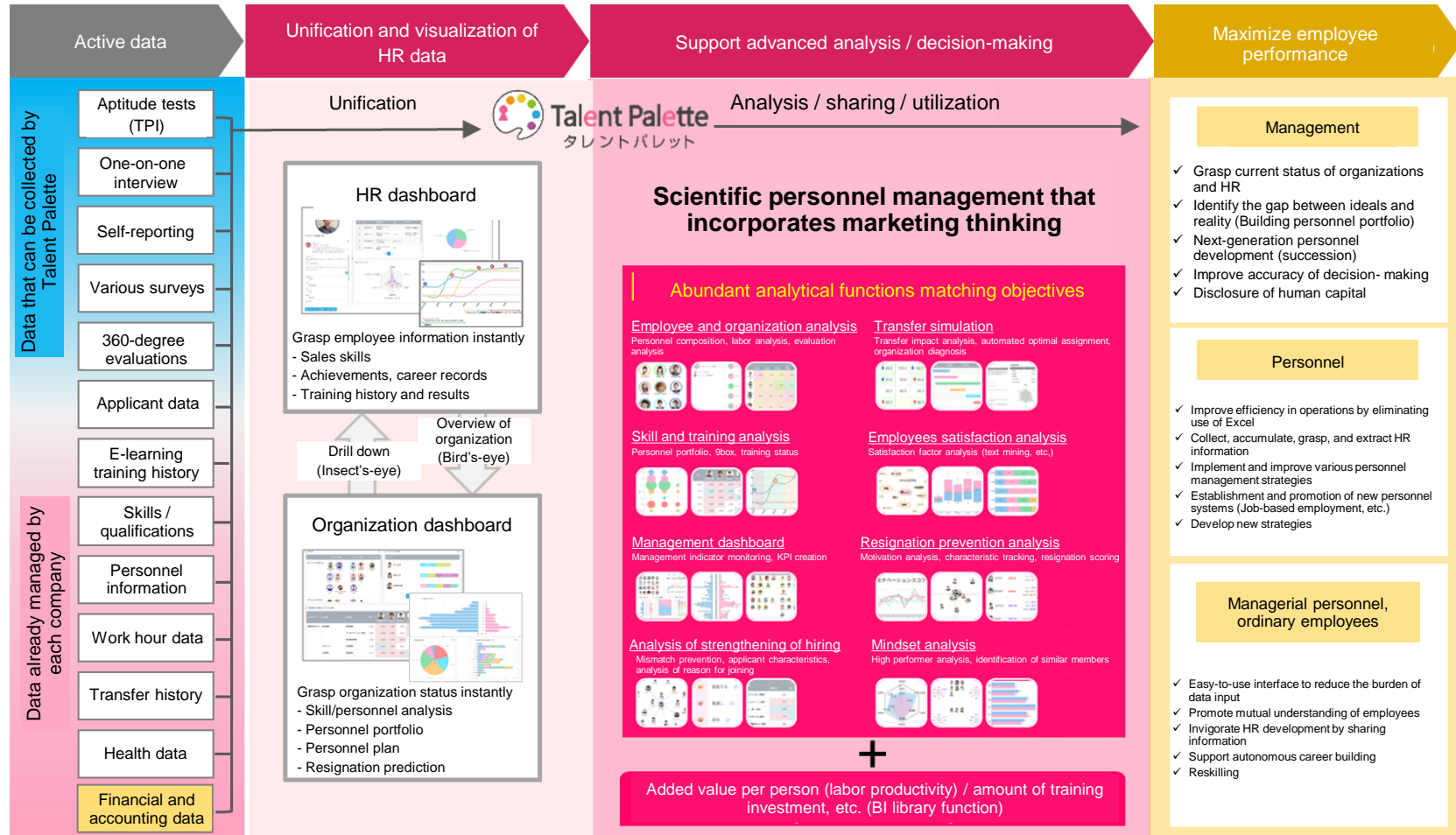
Rapid development system and interoperability

Consulting and concierge services

# Evolution of Talent Palette

## Integrated personnel information platform

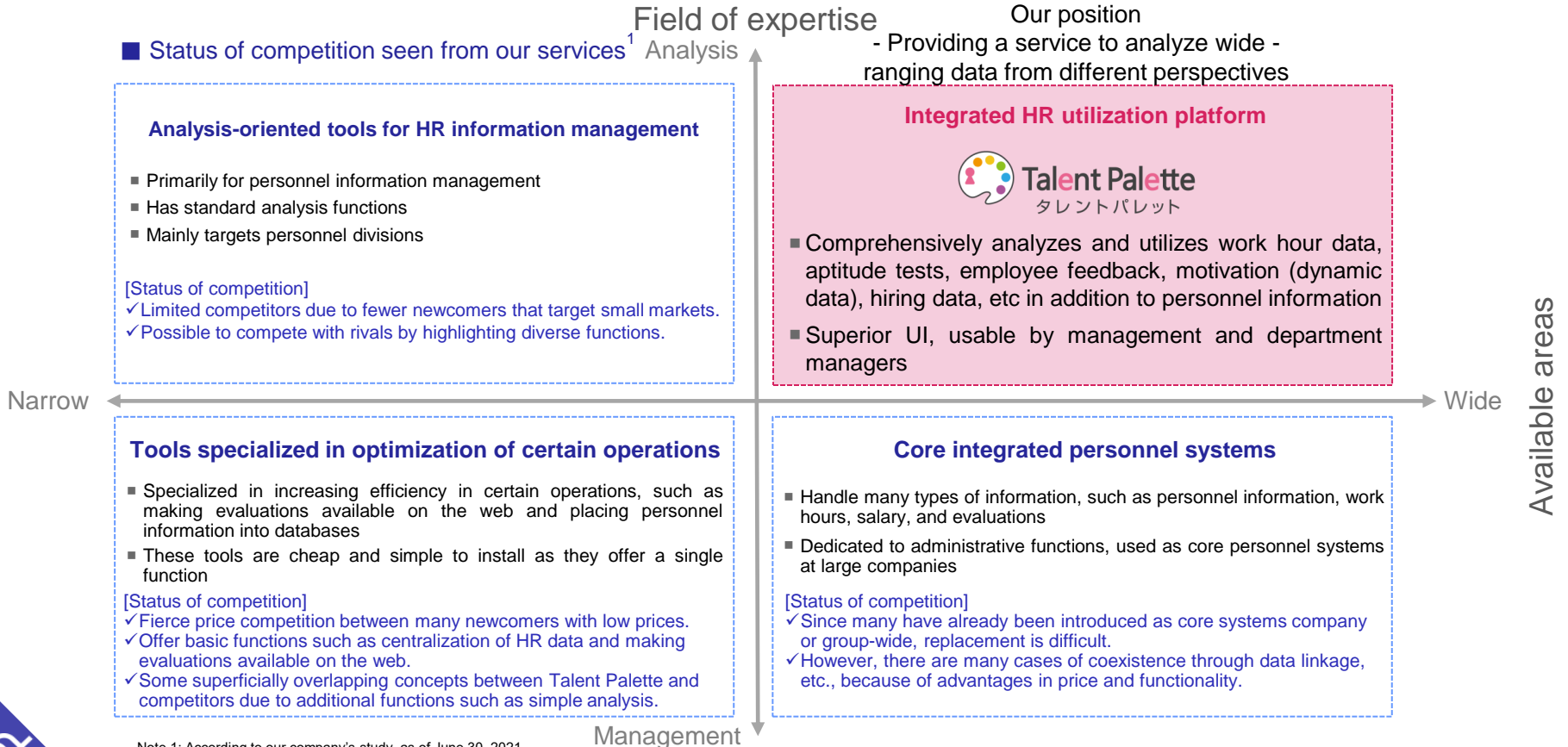
Evolved into a one stop service for various personnel measures by rapidly functionalizing the needs of leading companies





# Unique position as an integrated human resource platform

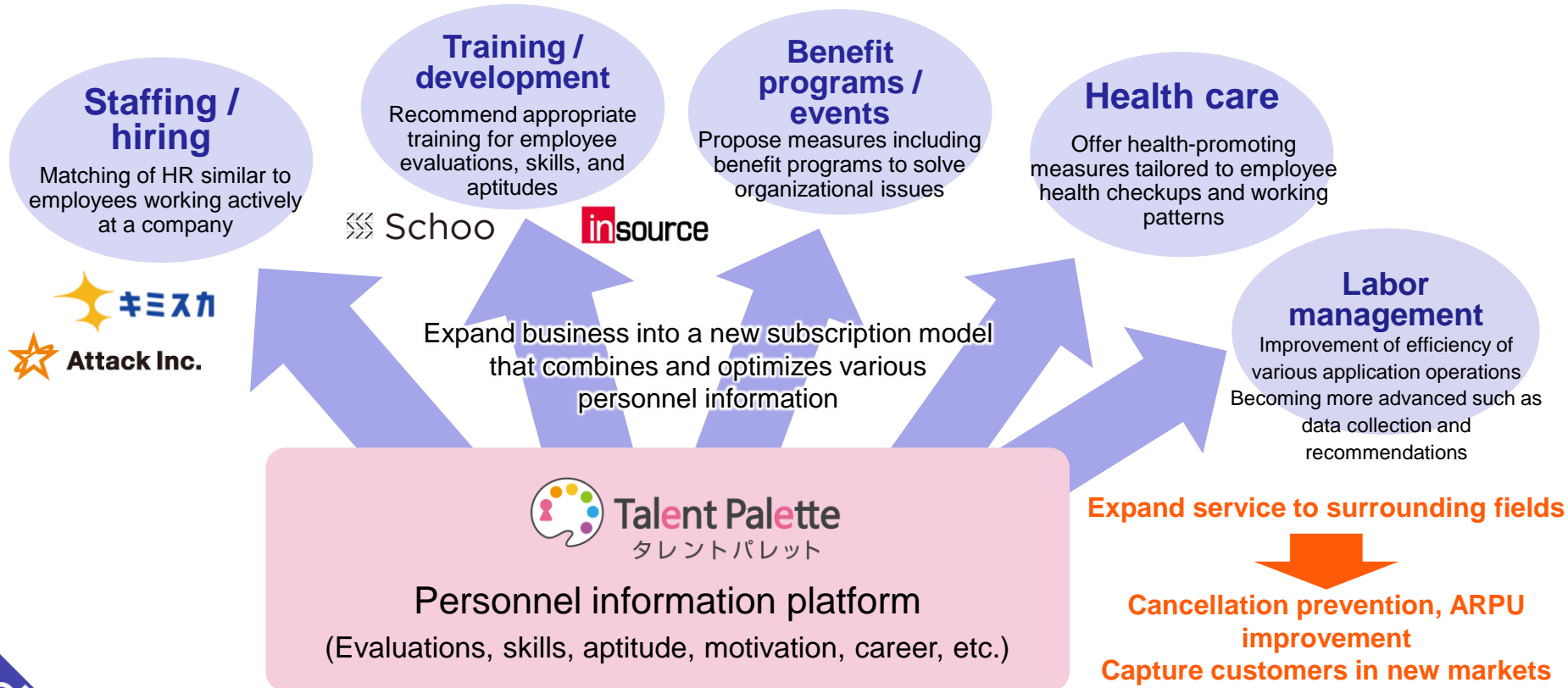
Differentiate Talent Palette from competing services by supporting a wide range of operations with integrated and accumulated personnel data, and enriching analysis functions



# Further development of Talent Palette Business

## Expand services to sectors surrounding HR

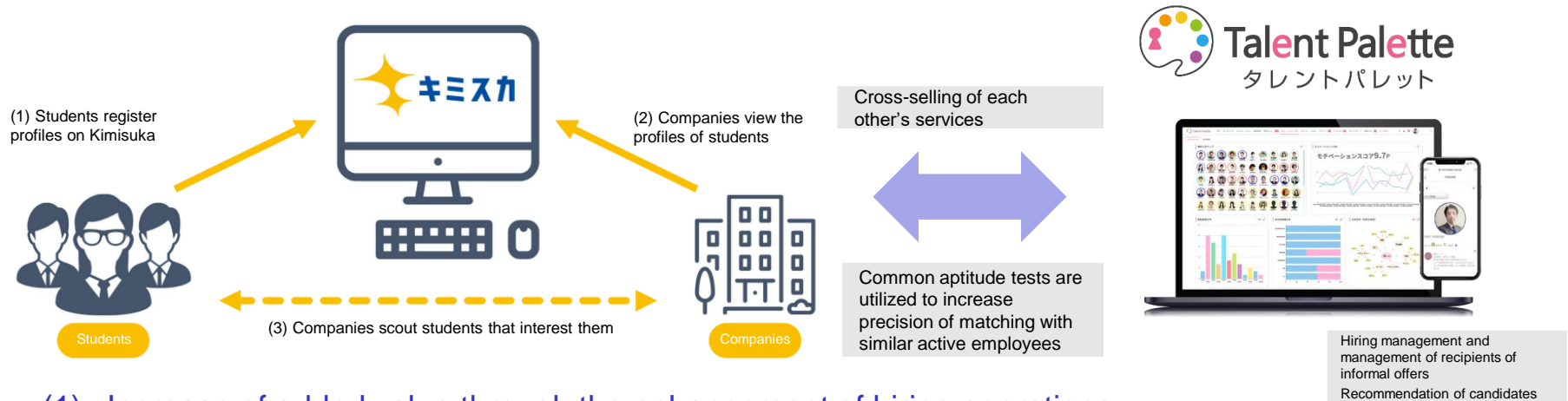
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel. We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies



# Further development of Talent Palette Business

## Staffing / Hiring

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



### (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

# Launch of new business

## Full-scale implementation of Yorisoar, a new service aimed at education

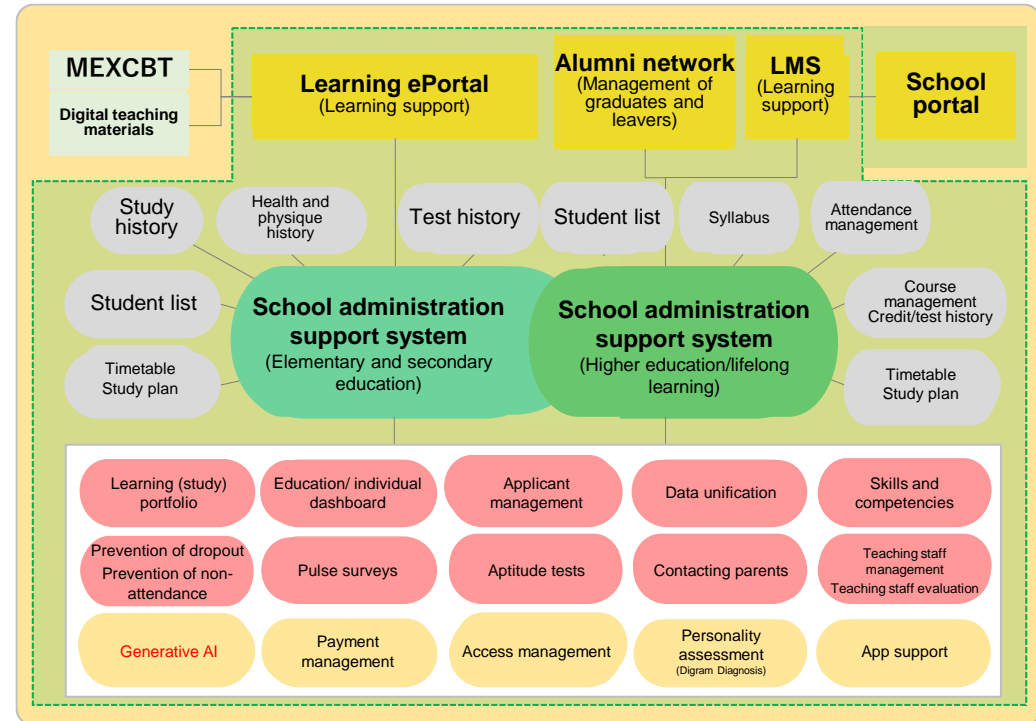
Visualization by central management of information on teachers, students and parents, and promotion of educational data use and utilization

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

Implement generative AI functionality to support the automatic creation of advice, instructional plans, and teaching materials for learners

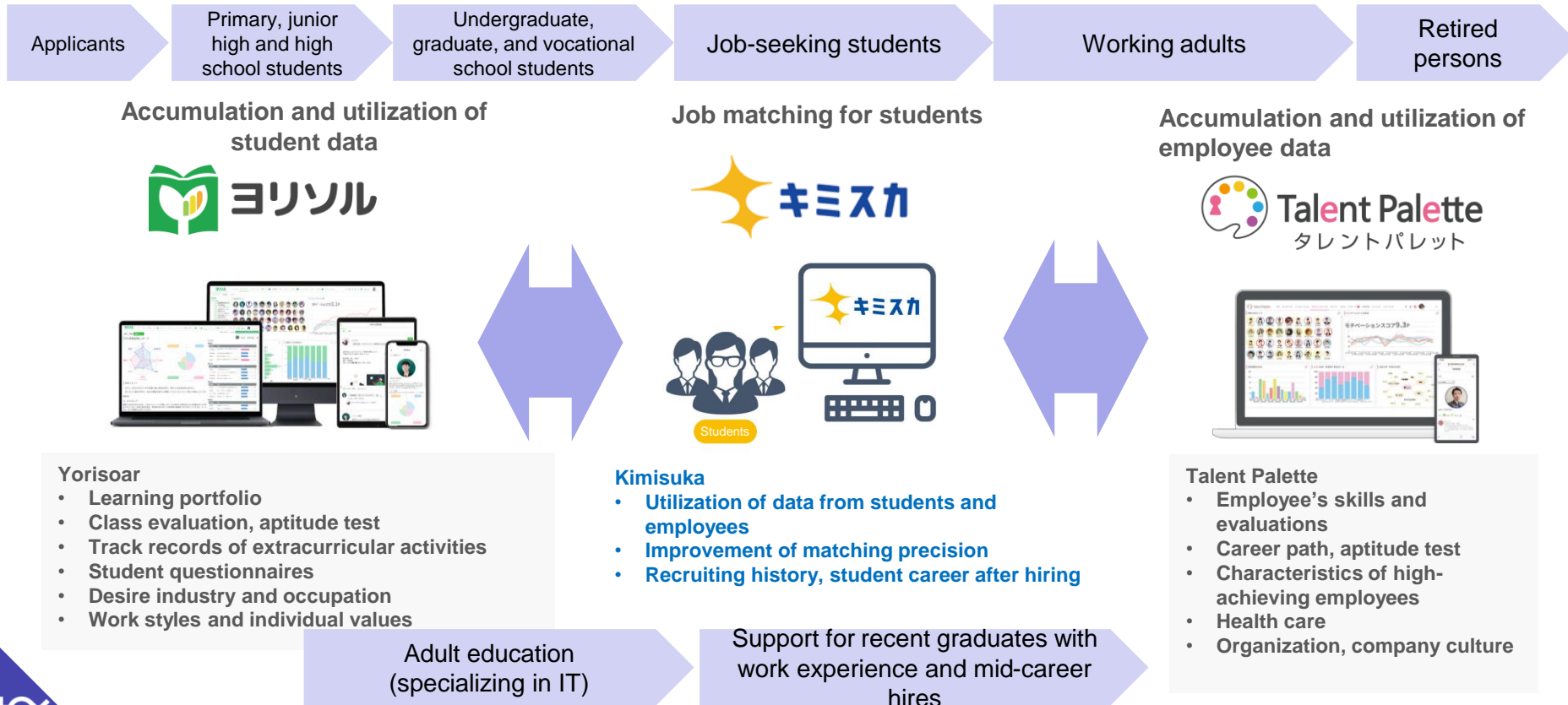


**Integrated school management system  
realizing educational DX and visualization  
of educational data**



# “From students to members of society” platform concept including Yorisoar

We aim to develop a platform to accumulate and utilize the data of wide range of personnel including students, working adults and retiree



## Yorisoar

- Learning portfolio
- Class evaluation, aptitude test
- Track records of extracurricular activities
- Student questionnaires
- Desire industry and occupation
- Work styles and individual values

## Kimisuka

- Utilization of data from students and employees
- Improvement of matching precision
- Recruiting history, student career after hiring

## Talent Palette

- Employee's skills and evaluations
- Career path, aptitude test
- Characteristics of high-achieving employees
- Health care
- Organization, company culture

# Marketing solution business overview

# Characteristics of Visualization Engine



## 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 UI/UX 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



- 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 insight analysis and systematic implementation of companywide improvement activities, based on the voices of customers as evidence

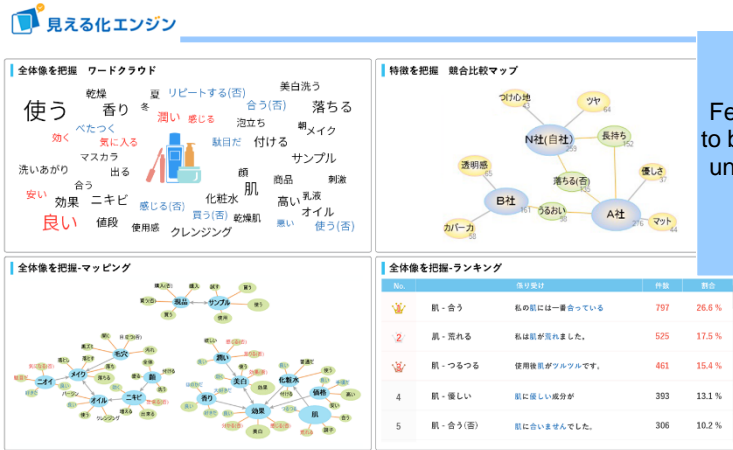
A “customer experience feedback platform” to maximize a company’s customer experience (CX) by understanding consumer voices

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

### Integration and visualization of data

### Cross-organizational understanding of customer experience

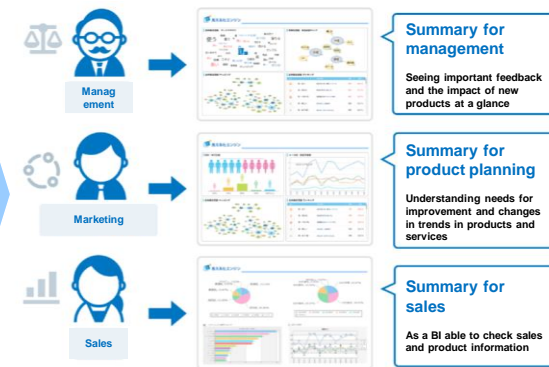
## Customer feedback dashboard



Feedback on CX (customer experience) felt by customers

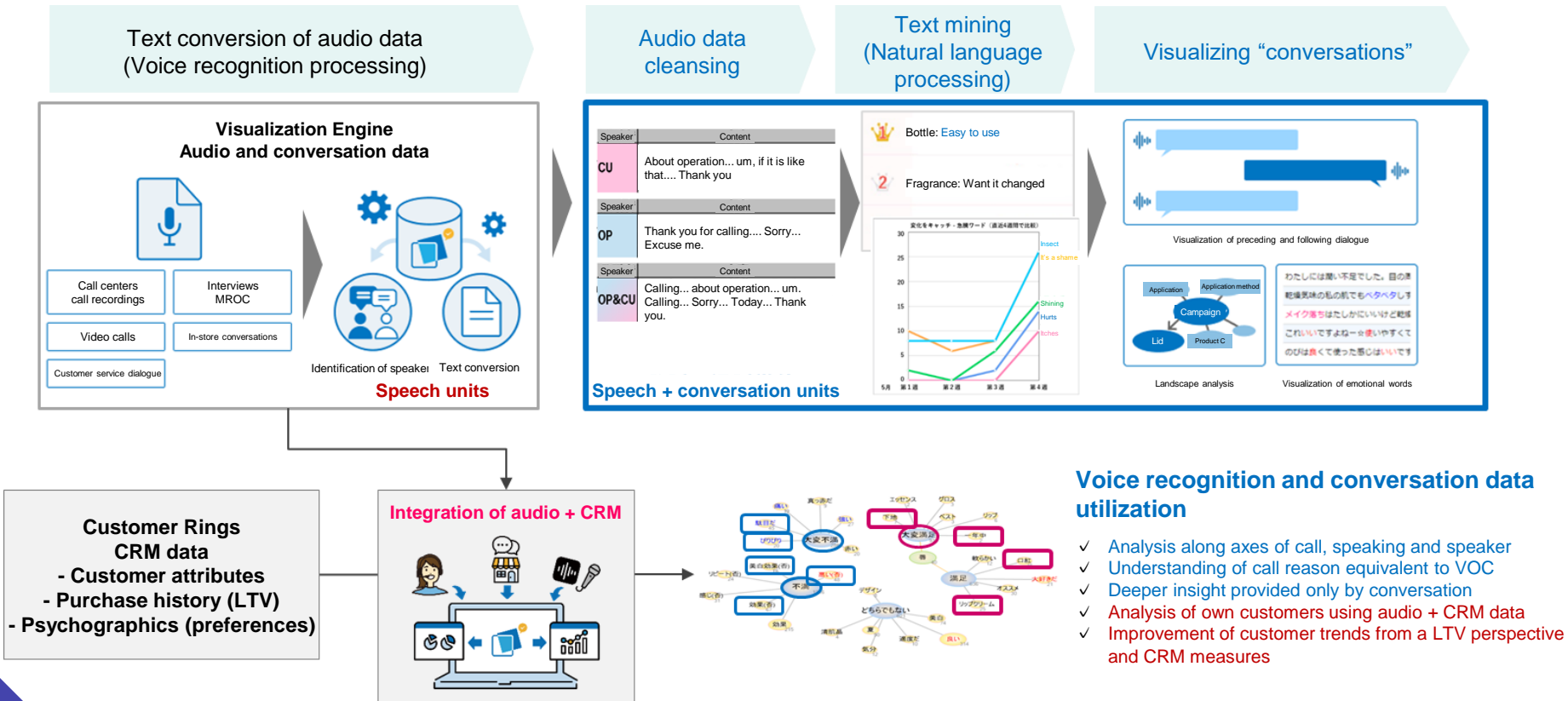
- Call logs
- SNS
- Surveys
- Audio recognition
- Business daily reports
- Review

Feedback to business units/front line



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

## Full support from text conversion of audio to conversation trend analysis





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

## Manufacturing


## Food/Service


## Retail distribution business


## Pharmaceutical


## Infrastructure/communications/finance


\*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"

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.



# Characteristics of Customer Rings

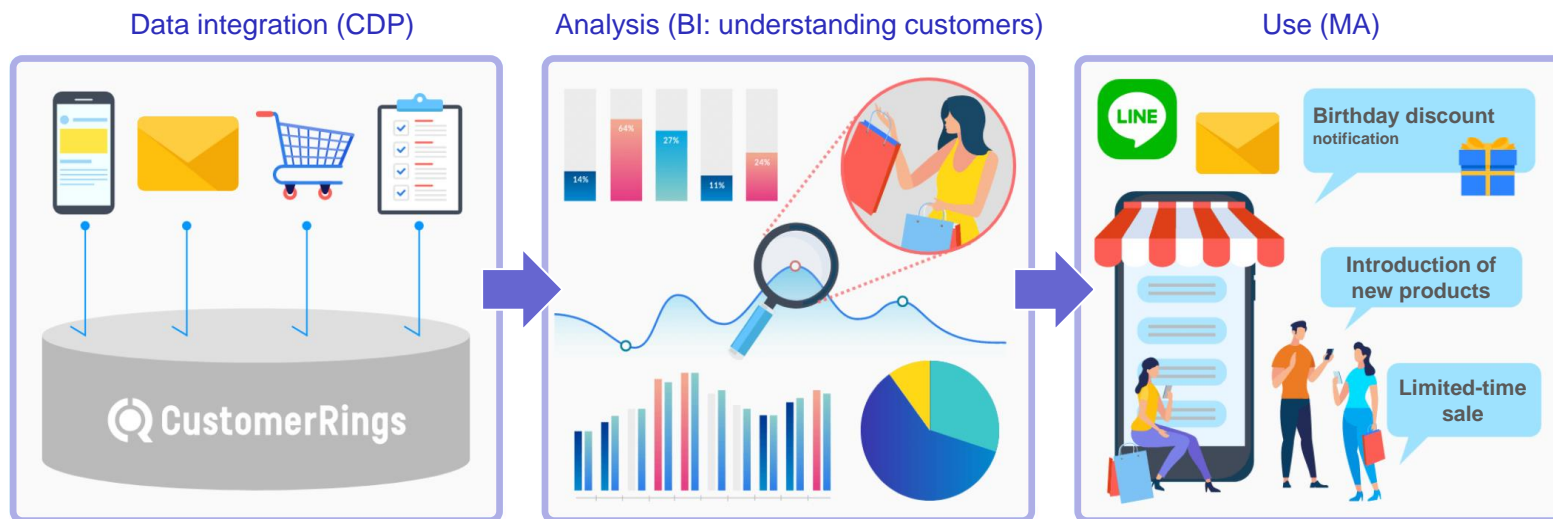
## Service characteristics

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



- Supports the planning and execution of one-to-one 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 CRM analysis, strengthening of measures and better one-to-one digital marketing strategies such as for EC, finance, and retail businesses
- CRM consultants provide accompanying support for CRM strategy and analysis

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



Automation (allows users to focus on more creative work)

# Companies that have introduced Customer Rings

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

## 健康食品



## コスメ/サロン



## アパレル



## 食品



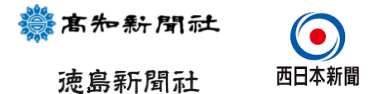
## 宿泊/観光



## 保険/金融



## 新聞/出版



## 総合・専門通販



## BtoB通販



## 会員サービス



## 人材/キャリア



## コンタクト



# Growth strategy for Customer Rings Business

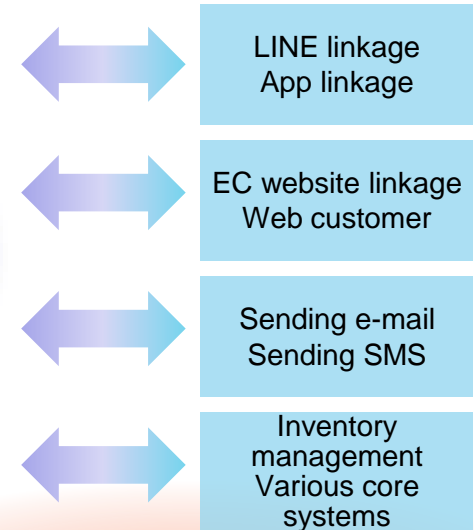
As a “customer feeling” MA, it aims to evolve into a marketing platform that supports the expansion of approximately 30 types of customer analysis functions to visualize each individual customer, the enhancement of high value-added analysis consulting services, and the improvement of the range and accuracy of customer reach through e-mail, LINE, and recommendations.

Differentiation via analysis functions  
from generative AI / mining technologies  
and “customer feeling” functions

Expand industries by expanding  
services through high value-added  
consulting

Create a platform that enables  
visualization of CRM data from  
management to the first line of stores

A digital marketing  
platform highly  
sensitive to  
customer needs



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

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