

Fiscal Year Ending September 30, 2024 Financial Results Briefing Materials

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

November 8, 2024

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 - Marketing solution business overview

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 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 495,352 thousand yen (as of September 30, 2024)
- Business content Providing cloud services for data analysis platforms
- Number of employees 429 consolidated (as of September 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

Medical
nursing care 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

(Million yen)

15,000

■ Net sales

■ Ordinary profit

From marketing to HR

Talent Palette
タレントパレット

CustomerRings
カスタマーリングス

見える化エンジン

New businesses

ヨリソル

Sales Square
セールス スクエア

10,000

5,000

0

FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

13,914

11,171

7,910

6,118

4,726

3,439

2,533

2,100

1,742

4,540

3,678

2,671

2,091

1,445

995

730

577

455

13,914

11,171

7,910

6,118

4,726

3,439

2,533

2,100

1,742

4,540

3,678

2,671

2,091

1,445

995

730

577

455

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

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

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

Internal job posting

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

Pulse surveys

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

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

Training management
Recommendation of optimal training according to skill status

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

Visualizing employees
Support for personnel decision-making

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

Skill management
Skill improvement analysis, personnel portfolio management

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

TPI aptitude testing

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

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

Thanks points
Increasing engagement through employees expressing gratitude to each other

Direct recruiting
Enabling direct scouting of students matching the company

Personnel DX

Improvement of personnel operations using IT

Strengths of Talent Palette

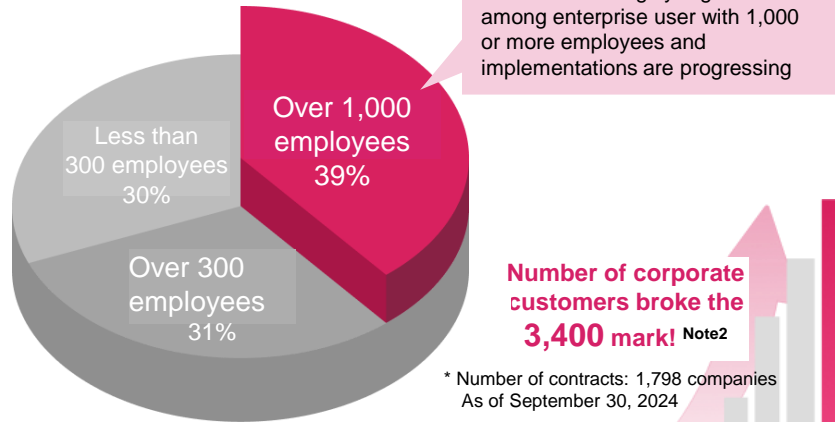
Enterprise penetration and high evaluation

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, 2024



Number of corporate customers broke the **3,400 mark!** Note2

* Number of contracts: 1,798 companies
As of September 30, 2024

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: 2024 Forecast of Personnel and Assignment Cloud Market Deloitte Tomatsu MIC Research Institute Co., Ltd. "HRTech Cloud Market Facts and Outlook FY2023"

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

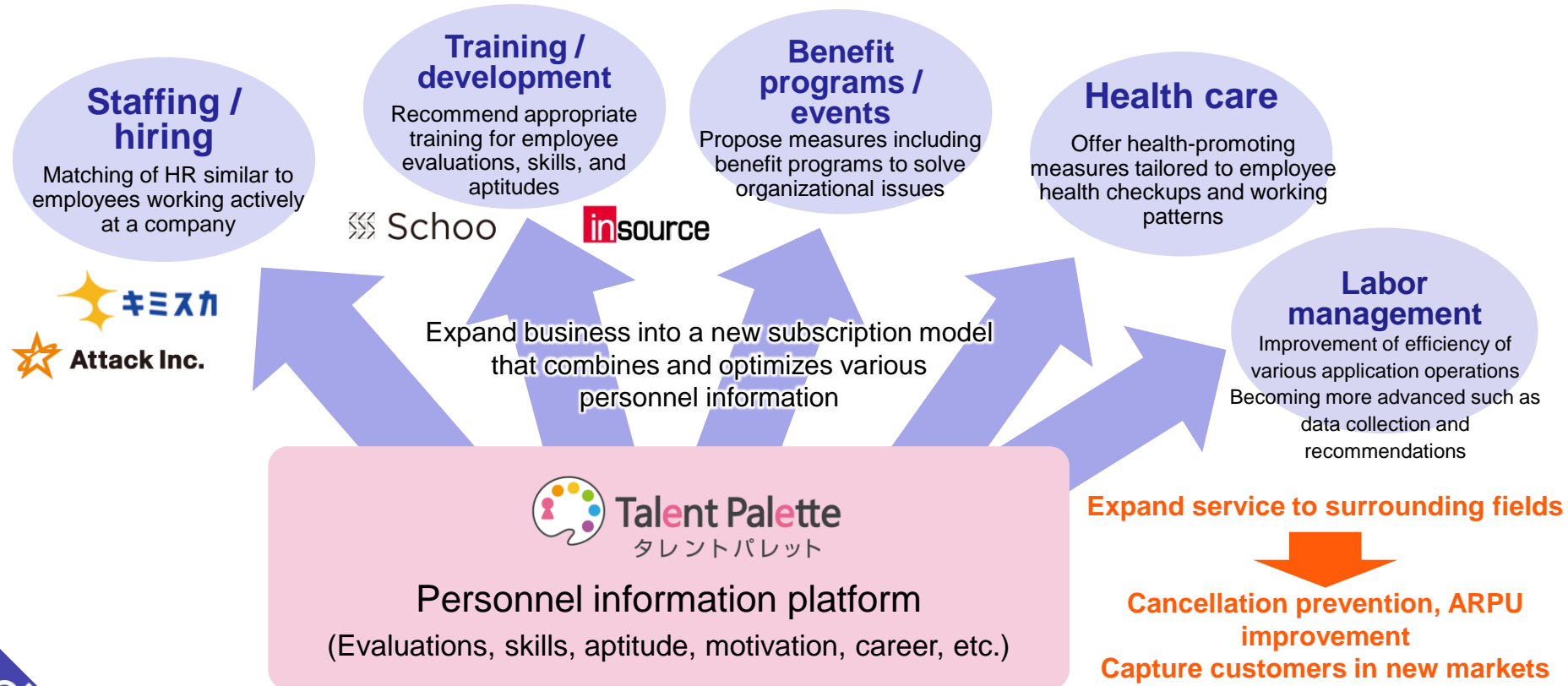
*Some of the companies' logos are shown here with permission. (In no particular order)



Further development of Talent Palette Business

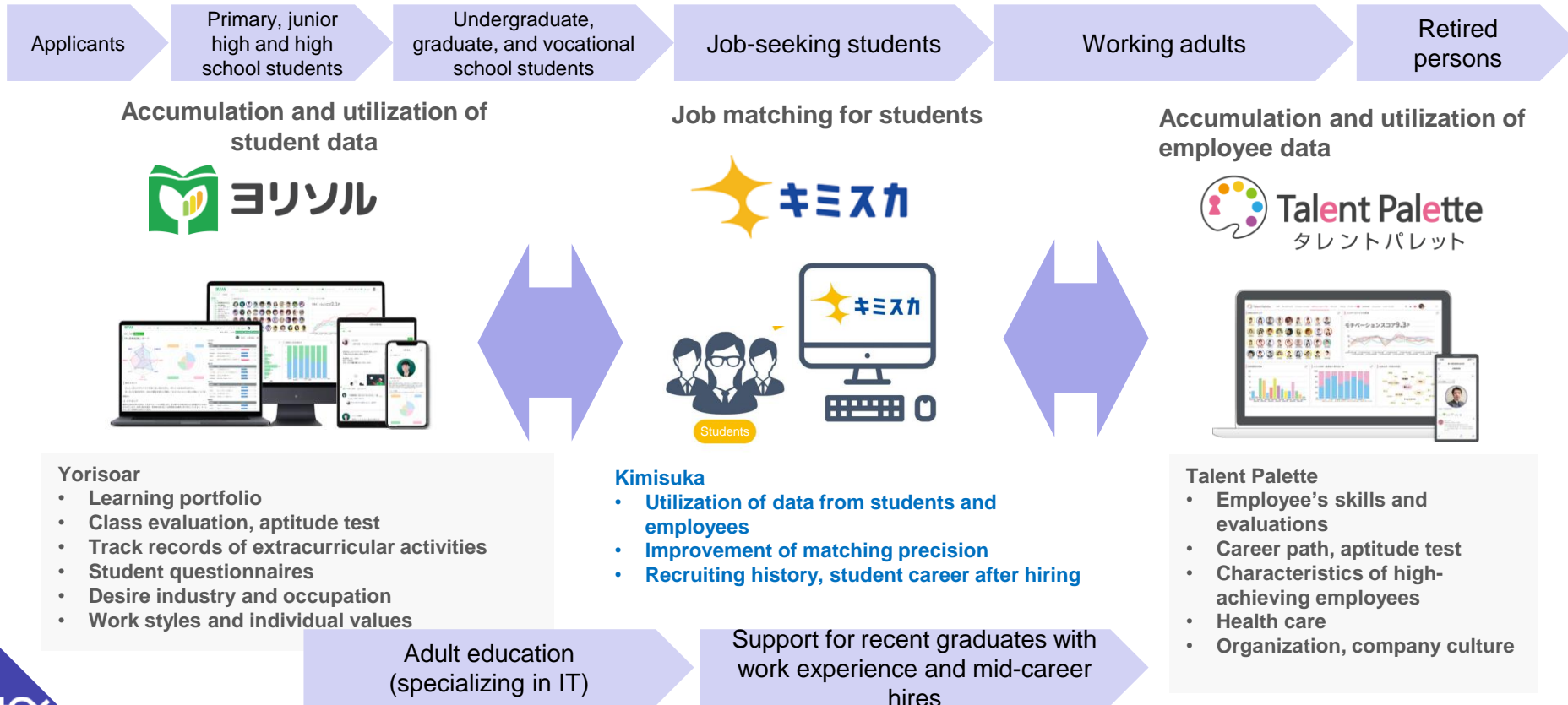
Expand services to sectors surrounding HR

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

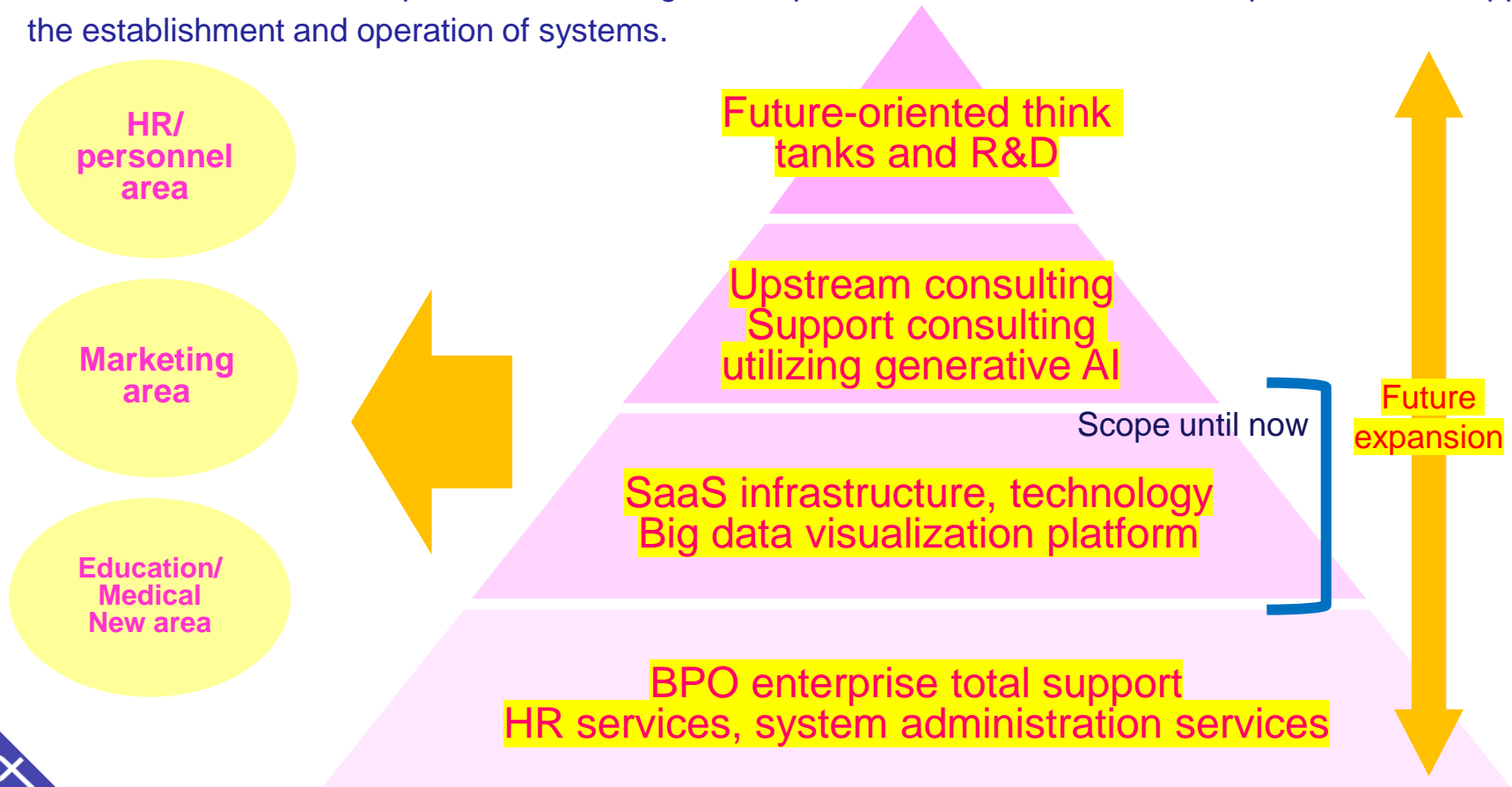
- Employee's skills and evaluations
- Career path, aptitude test
- Characteristics of high-achieving employees
- Health care
- Organization, company culture

Adult education
(specializing in IT)

Support for recent graduates with
work experience and mid-career
hires

Strengthening services with high added value to conquer the enterprise market

With the existing SaaS business infrastructure at its core, we aim to provide industry leadership to future-oriented think tanks and upstream consulting, and expand our business to BPO that provides total support for the establishment and operation of systems.



02 Financial results for the fiscal year ended September 30, 2024

Financial results highlights

Consolidated basis

- Net sales increased by 24.6% and operating profit increased by 22.4% in the fiscal year ended September 30, 2024
- Steady progress while operating profit margin remained at a high level of 32.6%

<Full-year>

Net sales	13,914 million yen	YoY change	24.6 % up
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Operating profit	4,540 million yen	YoY change	22.4 % up
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Operating profit margin	32.6 %	YoY change	-0.6 points
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Ordinary profit	4,540 million yen	YoY change	23.4 % up
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Profit	3,093 million yen	YoY change	18.0 % up
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Financial Highlights (Talent Palette: including Yorisoar)

Non-consolidated basis

- The Talent Palette Business continued to perform well, showing a 31.5% increase in net sales and a 29.3% increase in operating profit
- MRR grew 29.9%, operating profit margin remained high at 47.4%, and all KPIs performed well

	FY2023		FY2024		YoY change
Net sales¹	6,696	million yen	8,806	million yen	31.5 % up
Operating profit²	3,231	million yen	4,177	million yen	29.3 % up
Operating profit margin	48.3	%	47.4	%	-0.9 points down
MRR³	548	million yen	712	million yen	29.9 % up
Number of customers⁴	1,380	cases	1,798	cases	418 cases up
Revenue churn rate⁵	0.25	%	0.34	%	0.09 points up
ARPU⁶	401	thousand yen	402	thousand yen	0.4 % up

Note 1: Results for 4Q of FY2023 and 4Q of FY 2024

Note 2: Amount of operating profit of the segment in 4Q of FY2023 and FY2024 (before elimination of shared expenses)

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

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

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2023 and September 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 4Q of FY 2023 and 4Q of FY 2024 by the average number of paid billing enterprise users of each month for the same period.

Highlights

Consolidated basis

■ Overview

- Both HR Solutions (HRS) and Marketing Solutions (MS) performed well
- Although the Talent Palette business performed as expected, increasing the number of customers and maintaining a low revenue churn rate, and the ARPU level was maintained, operating profit was slightly below the plan in HR Solutions due to a lack of sales growth in Grow Up, and also the upfront investment in the start-up phase of Yorisoar
- Net sales and operating profit exceeded expectations in MS due to upselling contributing to a high level of average revenue per user, and making progress in acquiring new customers through the control of the AI functions of Visualization Engine toward the end of the fiscal year
- The shortfall in operating profit was due to growth investments in the launch of new businesses and M&A, and was a strategic move for future business expansion, including expanding the scope of the SaaS business and penetrating the enterprise market such as upstream consulting and BPO

■ Financial results for the fiscal year ended September 30, 2024

- Consolidated financial results for the year ended September 30, 2024 showed a **24.6%** increase in net sales and an **22.4%** increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **32.6%**
- Compared to the plan, net sales were almost on target at 100.8%, but operating profit was below the target at 94.6%. In addition to the fact that the performance of Grow Up was lower than expected, there was also an impact from unplanned M&A-related expenses
- HRS performed well with MRR of 712 million yen (up 29.9% year on year), net sales up 31.5% and operating profit up 29.3% (profit margin of 47.4%)

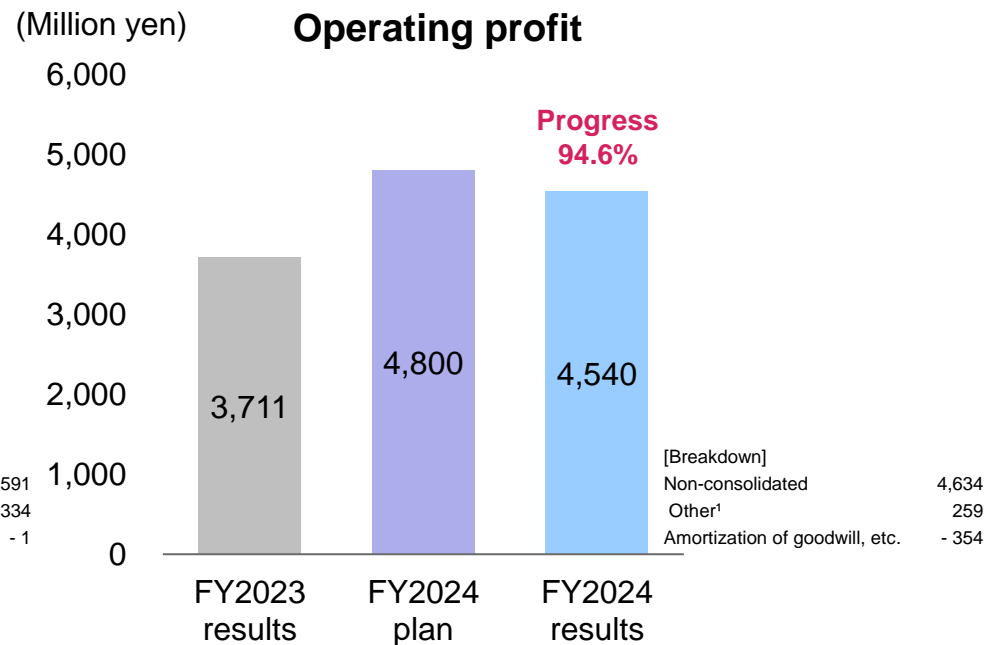
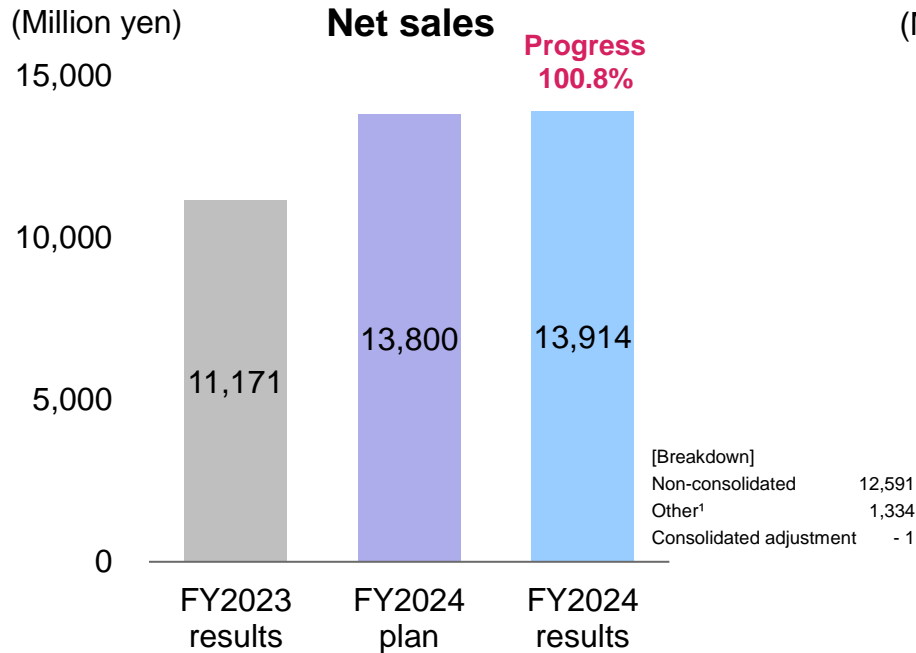
■ Earnings forecasts for the fiscal year ending September 30, 2025

- We forecast net sales of **17,730** million yen (up **27.4%** year on year) and operating profit of **5,600** million yen (operating profit margin of **31.6%**)
- In addition to the increase in the number of customers of HRS and MS, we expect the full-year contribution from the subsidiary acquired through M&A in the previous fiscal year

Financial results progress for the fiscal year ended September 30, 2024

Consolidated basis

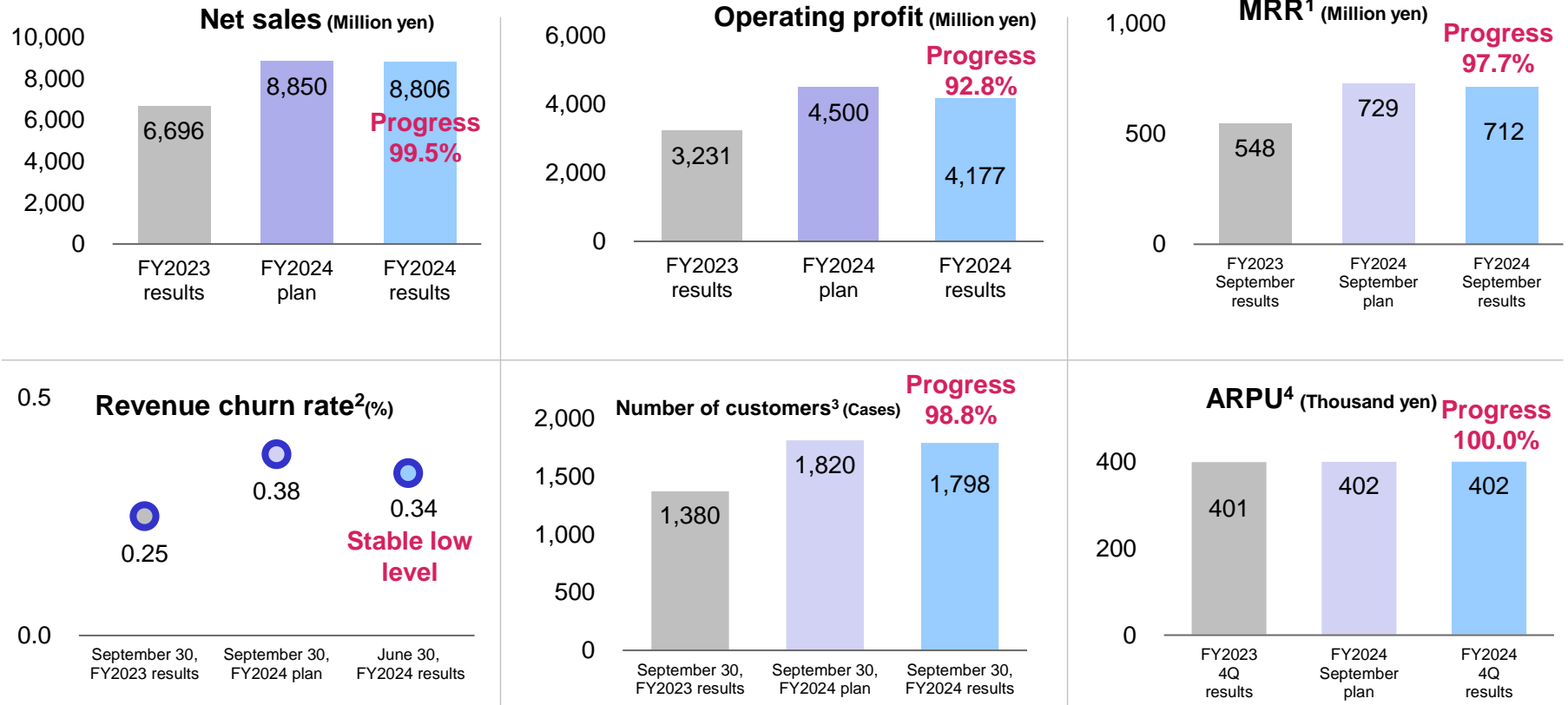
- Net sales were almost on target at 100.8%, but operating profit was below the target at 94.6%
- In addition to the fact that the performance of Grow Up was lower than expected, there was also an impact from unplanned M&A-related expenses



Performance (Talent Palette: including Yorisoar)

- Although some of the main KPIs were slightly below target, they were mostly in line with expectations

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

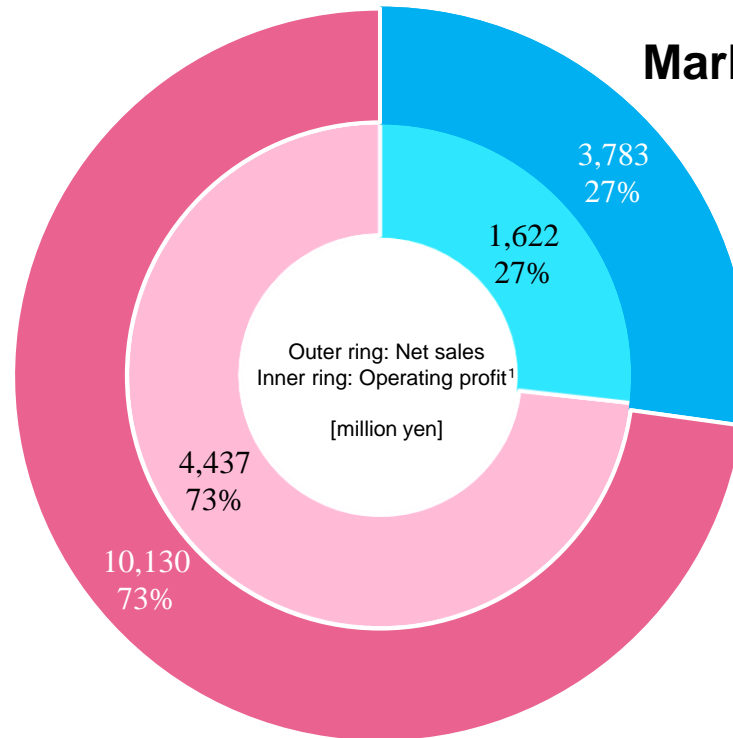
- Performance was steady for the fiscal year ended September 30, 2024, with a 24.6% increase in net sales, a 22.4% increase in operating profit and an operating profit margin of 32.6%
- Progress against the annual plan was also steady, with net sales at 100.8% and operating profit at 94.6%.

Million yen	FY2024 (Apr.-Jun.)			FY2024 (Oct.-Jun.)			FY2024 (Oct.-Sep.)	
	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	3,124	4,044	29.5%	11,171	13,914	24.6%	13,800	100.8%
Cost of sales	802	1,064	32.7%	2,958	3,765	27.3%		
Gross profit	2,321	2,980	28.4%	8,212	10,148	23.6%		
Selling, general and administrative expenses	1,175	1,545	31.4%	4,501	5,608	24.6%		
Operating profit	1,145	1,434	25.2%	3,711	4,540	22.4%	4,800	94.6%
<i>Operating profit margin</i>	36.7%	35.5%	-	33.2%	32.6%	-	34.8%	-
Ordinary profit	1,110	1,431	28.9%	3,678	4,540	23.4%	4,800	94.6%
Profit	828	987	19.1%	2,620	3,093	18.0%	3,250	95.2%

Financial results for the year ended September 30, 2024 (By segment)

- The HR Solutions Business accounted for 73% of net sales and 73%¹ of profit, driving growth

- Marketing Solutions
- HR solutions



Marketing Solutions



HR solutions



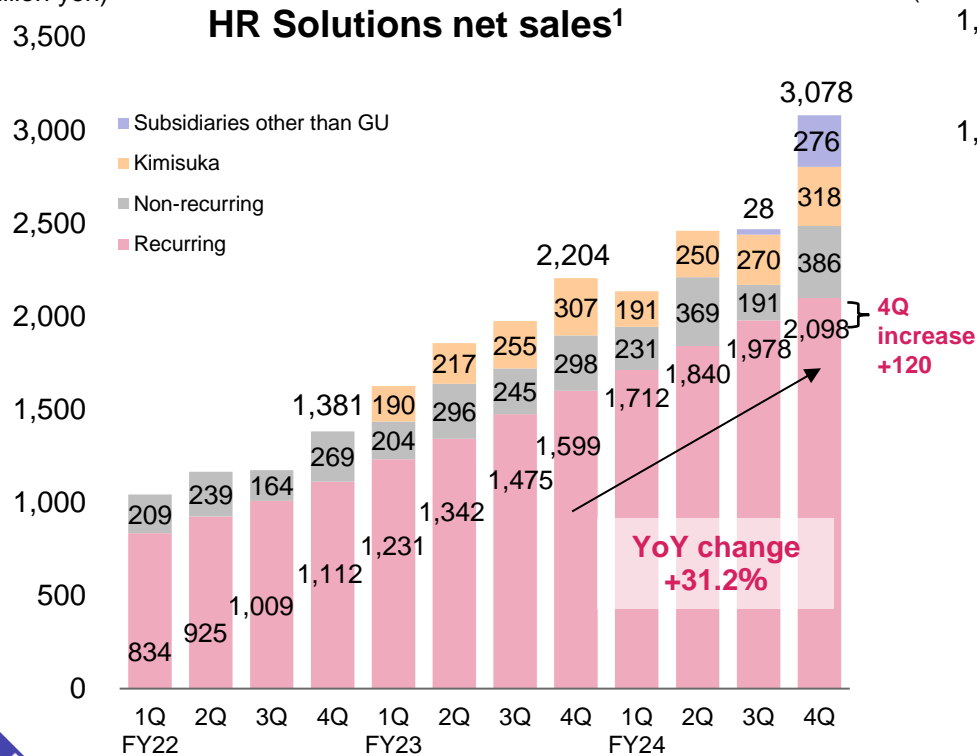
Note 1: : Amount of operating profit of the segment in 4Q of FY2024 (before elimination of shared expenses, before amortization of goodwill, etc.)

Net sales trends (By segment)

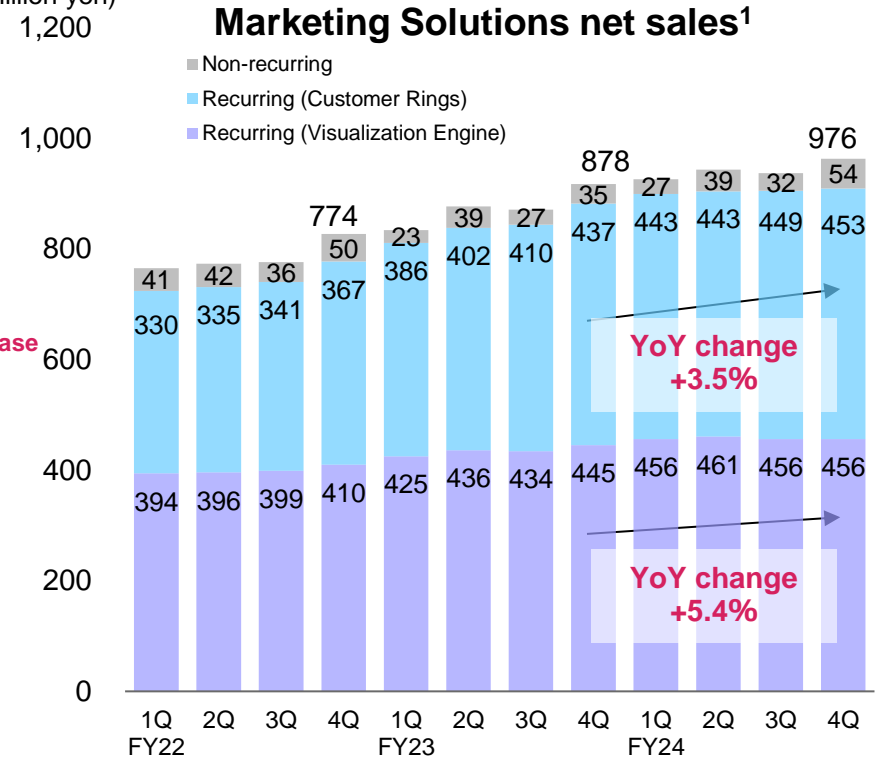
Consolidated basis

- HR Solutions recurring revenue steadily increased and expanded to 2,098 million yen (+31.2% year on year)
- In the fourth quarter, non-recurring revenue from HRS consulting and other services increased significantly
- MS maintained stable sales growth centered on acquiring new customers and unit price increases through the incorporation of generative AI functions

(Million yen)



(Million yen)

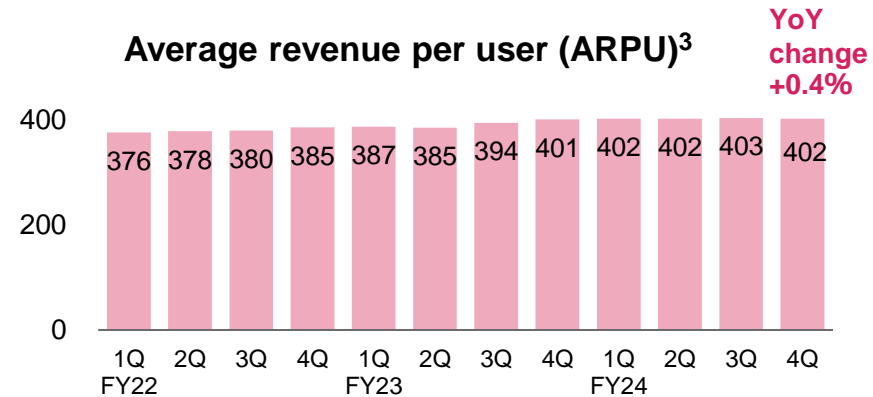
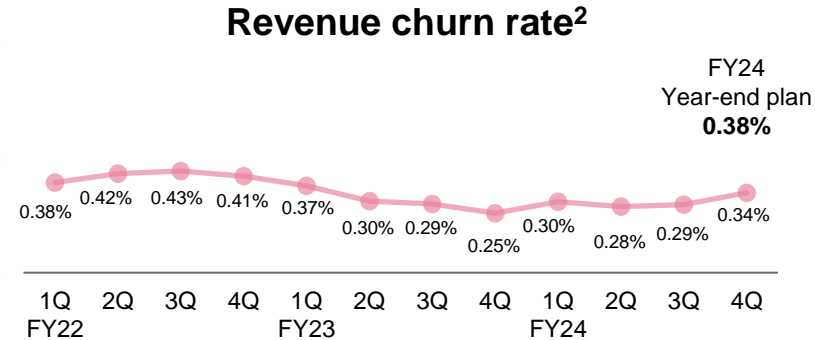
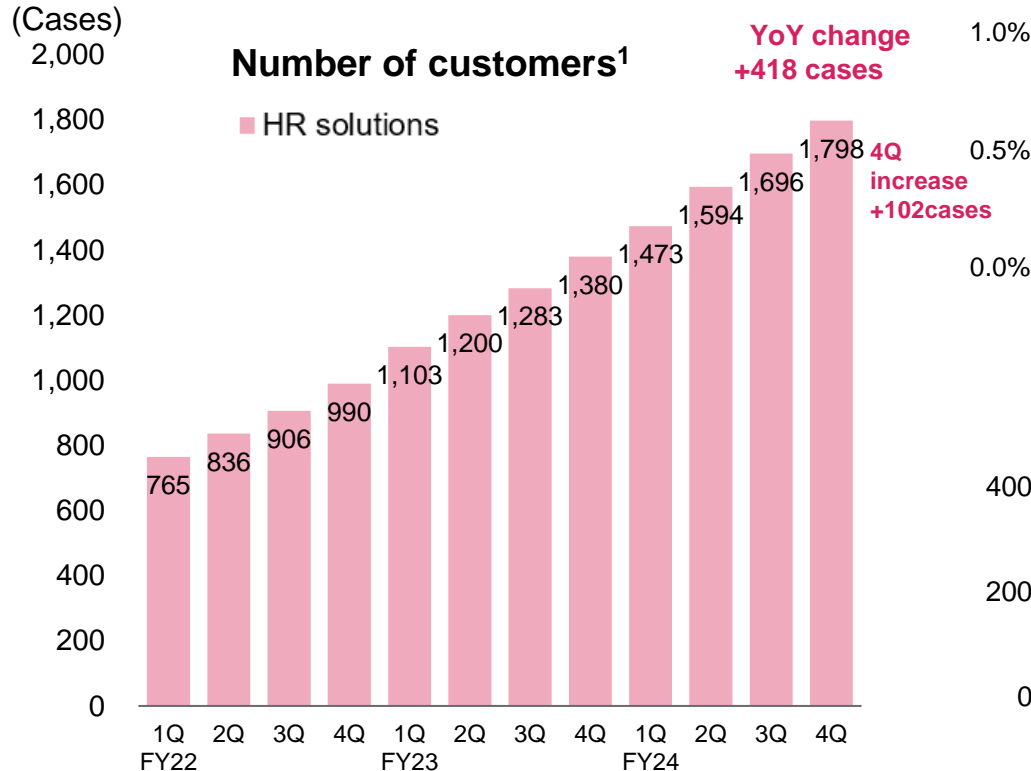


Note1 : Before consolidation adjustments

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

Non-consolidated basis

- The number of customers, centered on enterprises, is steadily increasing
- The revenue churn rate increased slightly, but remained at a level lower than anticipated



Note 1: Number of monthly billed contracts

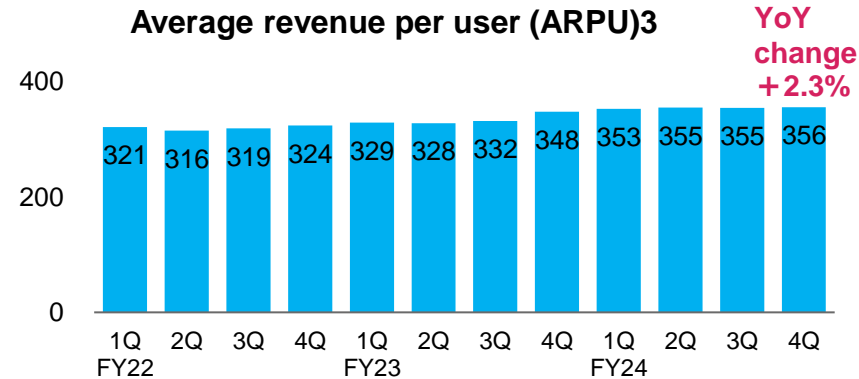
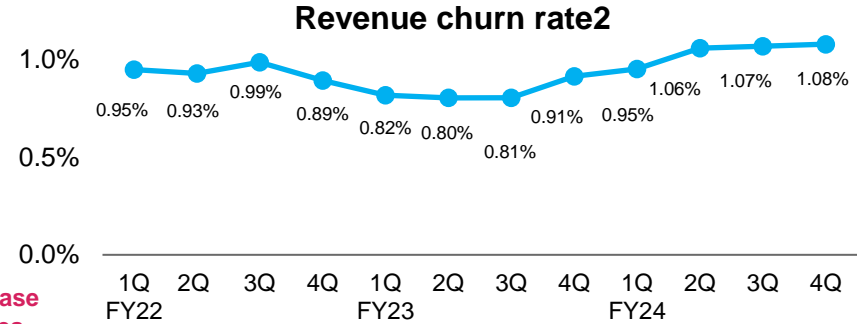
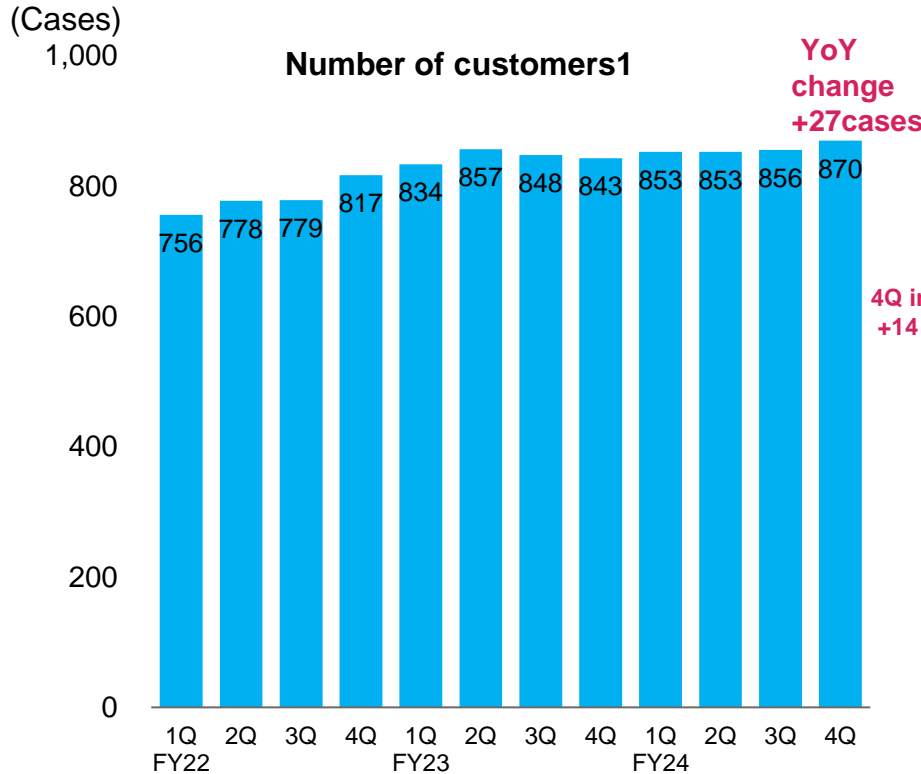
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

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 inquiries in MS is increasing due to the appeal of our generative AI functions, etc., and the number of customers is gradually increasing
- ARPU³ 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 4Q of FY2024

Non-consolidated basis

MRR¹

Companywide
1,018 million yen

- Marketing Solutions 305 million yen
- HR Solutions 712 million yen

MRR growth rate²

Companywide
20.4%

- Marketing Solutions 2.9%
- HR solutions 29.9%

Average monthly revenue churn rate³

Companywide
0.58%

- Marketing Solutions 1.08%
- HR Solutions 0.34%

Number of users⁴

Companywide
2,668 companies

- Marketing Solutions 870 companies
- HR Solutions 1,798 companies

Recurring ratio⁵

Companywide
87.3%

- Marketing Solutions 94.5%
- HR Solutions 84.5%

ARPU⁶

Companywide
387 thousand yen

- Marketing Solutions 356 thousand yen
- HR Solutions 402 thousand yen

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

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

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of September 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 September 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 4Q	FY2024 4Q	YoY change
Net sales¹	11,171 million yen	13,914 million yen	24.6 % up
Ordinary profit²	3,711 million yen	4,540 million yen	22.4 % up
Ordinary profit	33.2 %	32.6 %	-0.6 points
MRR³	845 million yen	1,018 million yen	20.4 % up
Number of customers⁴	2,223 cases	2,668 cases	445 cases up
Revenue churn rate⁵	0.50 %	0.58 %	0.08 points up
ARPU⁶	380 thousand yen	387 thousand yen	1.7 % up

Note 1: Results for 4Q of FY2023 and 4Q of FY2024

Note 2: Results for 4Q of FY2023 and 4Q of FY2024

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

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

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of September 2023 and September 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 4Q of FY2023 and 4Q of FY2024 by the average number of paid billing enterprise users of each month for the same period. Excluding Kimisuka.

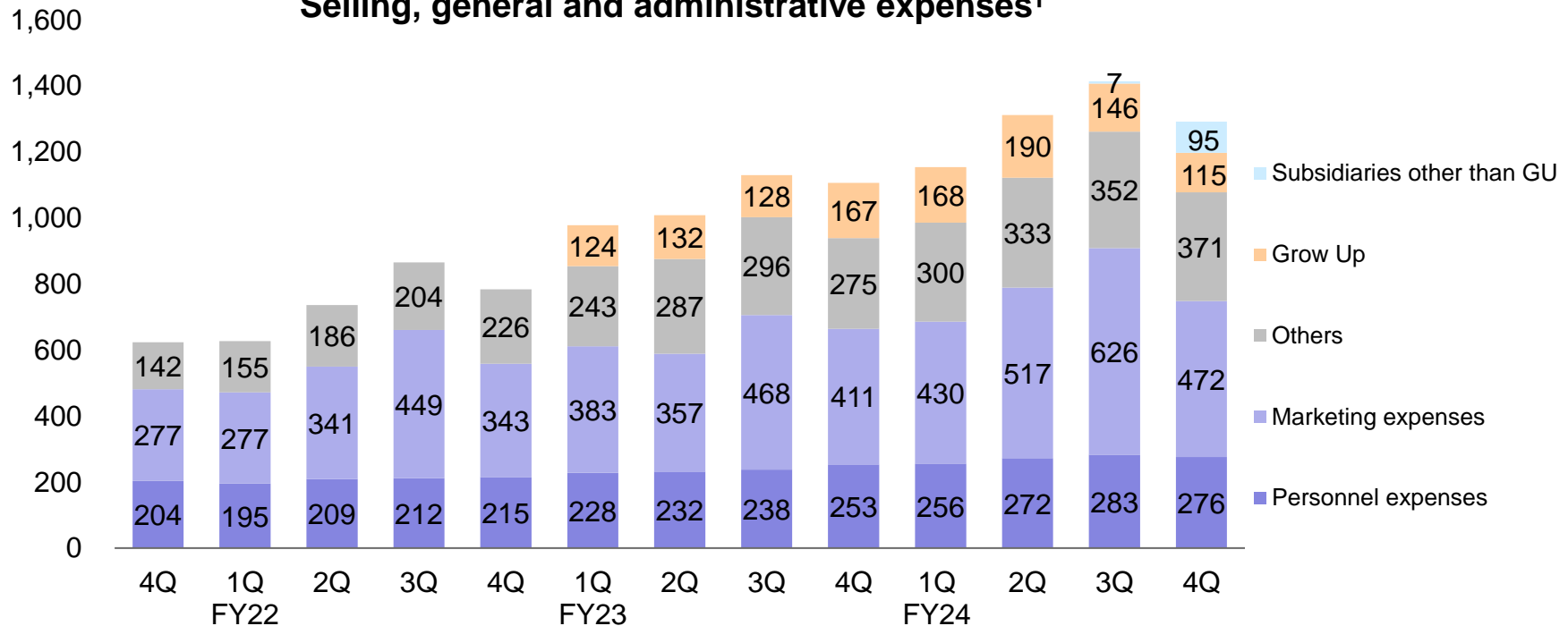
Trends in selling, general and administrative expenses

Consolidated basis

- Personnel expenses and marketing expenses were largely in line with plans
- In contrast to 3Q, when marketing expenses increased due to a concentration of exhibitions, 4Q returned to a normal pace

(Million yen)

Selling, general and administrative expenses¹



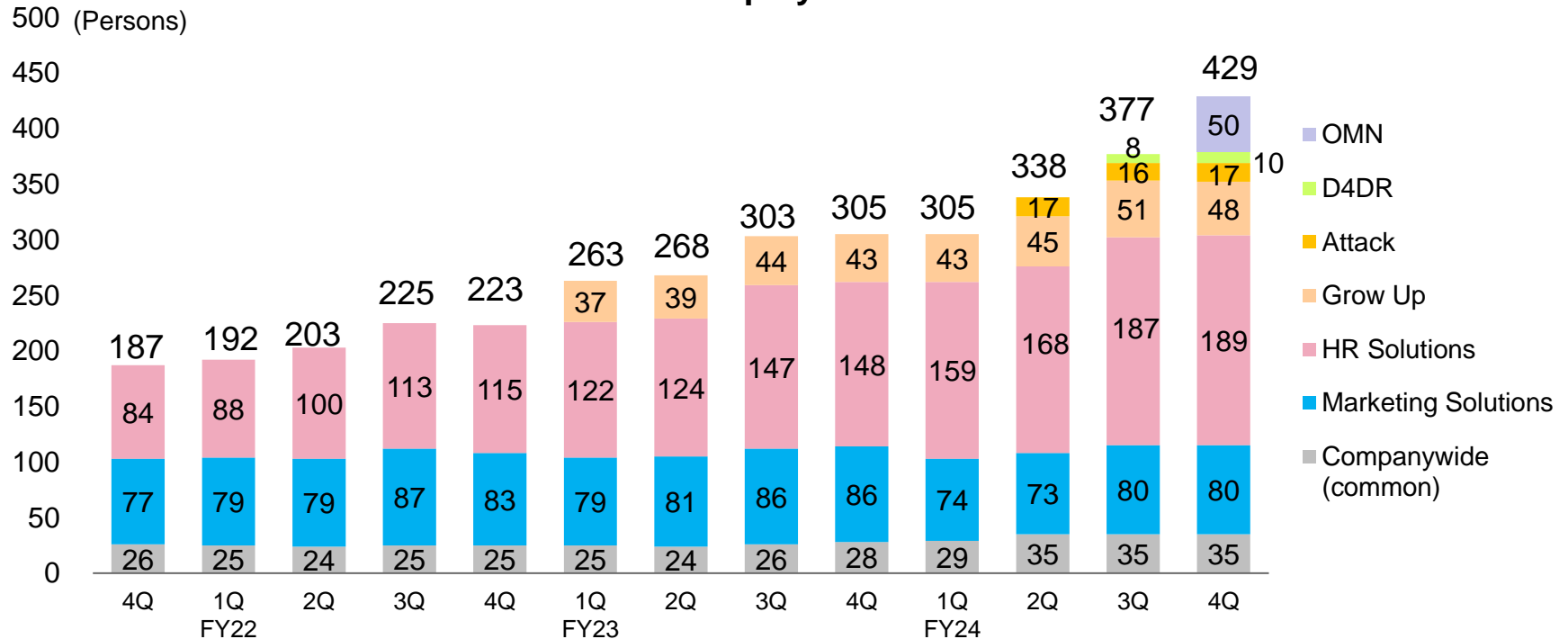
Note 1: Amortization of goodwill, etc. and one-time expenses associated with M&A are not included in the above figures.

Trends in the number of employees

Consolidated basis

- Both engineers and consultants are being hired smoothly and according to plan
- Personnel increased by 50 due to OMN being newly consolidated

Number of employees



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 2,655 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 79.1%

(Million yen)	Sep. 30, 2023	Jun. 30, 2024	Changes from Sep. 30, 2023
Current assets	9,702	12,077	up 2,374
(Cash and deposits)	8,278	10,189	up 1,911
(Accounts receivable-trade)	1,219	1,599	up 379
Non-current assets	2,313	3,190	up 876
Total assets	12,016	15,267	up 3,251
Current liabilities	2,464	2,968	up 504
Non-current liabilities	106	197	up 91
Net assets	9,445	12,101	up 2,655
Equity ratio	78.6%	79.1%	

03 Latest topics

Latest topics

- (1) Accelerating penetration into enterprises through advanced talent management
- (2) Including an “alumni” function to maintain relationships with retirees and support re-employment
- (3) “Counseling services” to follow up on mental health issues at an early stage
- (4) New establishment of a consulting organization to support more efficient and advanced human resource operations using generative AI
- (5) Survey on the current state of human capital management initiatives (think tank information dissemination)

Topic (1):

Accelerating penetration into enterprises through advanced talent management

Penetration into enterprises accelerated due to a wide range of advanced talent management functions and consulting, including visualization of human resource data and skills, streamlining and sophistication of evaluation tasks, optimal assignment, and training linked to LMS.



Nisshin Seifun Group Inc.
 Number of Employees : Approx. 9,500

Visualization of HR data HR data analysis

Strengthening human resource development



Aoyama Trading Co., Ltd.
 Number of Employees : 10,796 (consolidated)

Visualization of skills

Training
 Management

Improvement of efficiency
 of personnel operations

Linkage with
 Kimisuka



HOKEN NO MADOGUCHI GROUP INC
 Number of Employees : Approx. 4,000

More efficient and advanced transfer
 and assignment operations

More efficient and advanced
 evaluation operations



GEO HOLDINGS CORPORATION
 Number of Employees : 5,912

personnel evaluation

Optimal
 assignment

HR data analysis

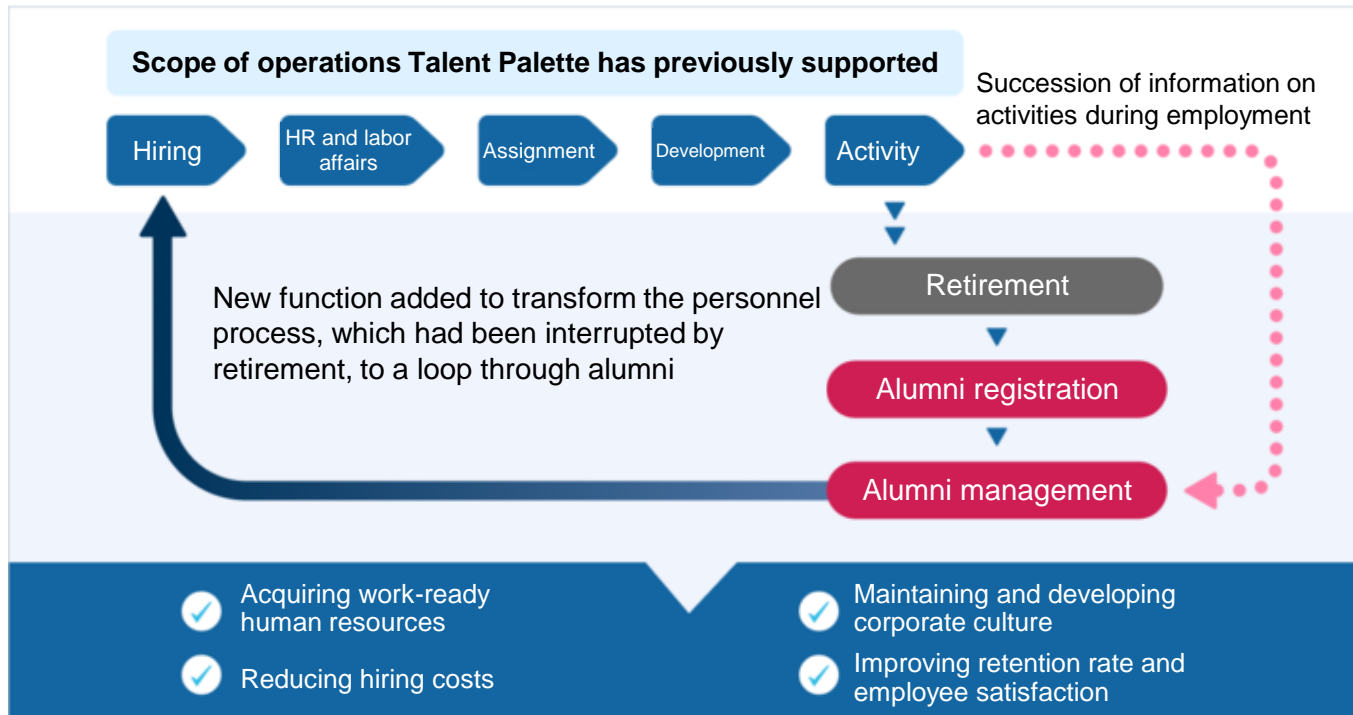
* The above is a partial list of companies that have introduced Talent Palette.

Topic (2):

Including an “alumni” function to maintain relationships with retirees and support re-employment

Achieving new forms of employment that build ongoing relationships with alumni (retirees) and support re-employment

- It utilizes data such as the department to which the retiree belonged during their employment, work history, skills, evaluations, and reasons for retirement
- It provides support for recruitment through alumni application management functions and communication functions with companies



Topic (3):“Counseling services” to follow up on mental health issues at an early stage

From Talent Palette, the human resources department can conduct online industrial physician interviews for employees who are under high stress or who work long hours. Employees can consult with a doctor with specialized knowledge of psychiatry/psychosomatic medicine and interviews without sharing information with the company



Topic (4): New establishment of a consulting organization to support more efficient and advanced human resource operations using generative AI

- We provide consulting tailored to each company in order to make the most of Talent Palette's generative AI functions
- We create prompts tailored to each company's personnel strategy, including evaluation criteria and personnel requirements, and provide ongoing maintenance support, such as advice on setting personnel evaluation targets and searching for personnel to match job types and organizational requirements



Topic (5): Survey on the current state of human capital management initiatives (think tank information dissemination)

Survey of the actual situation of “human capital management” at companies that have introduced Talent Palette, communication of information as a think tank

- Approximately 40% of companies are “currently working on” human capital disclosure, and if those “planning to start in the future” are included, the figure rises to over 80%. Interest is also increasing among unlisted companies.
- The main reason for conducting human capital management is “to improve engagement.”
- Issues in the disclosure of human capital management include “there are no fixed indicators to use” and “management strategy and human resource strategy are not linked.”




Talent Palette
 タレントパレット

**Survey of the actual situation
 of “human capital
 management” at
 companies that have introduced Talent
 Palette**

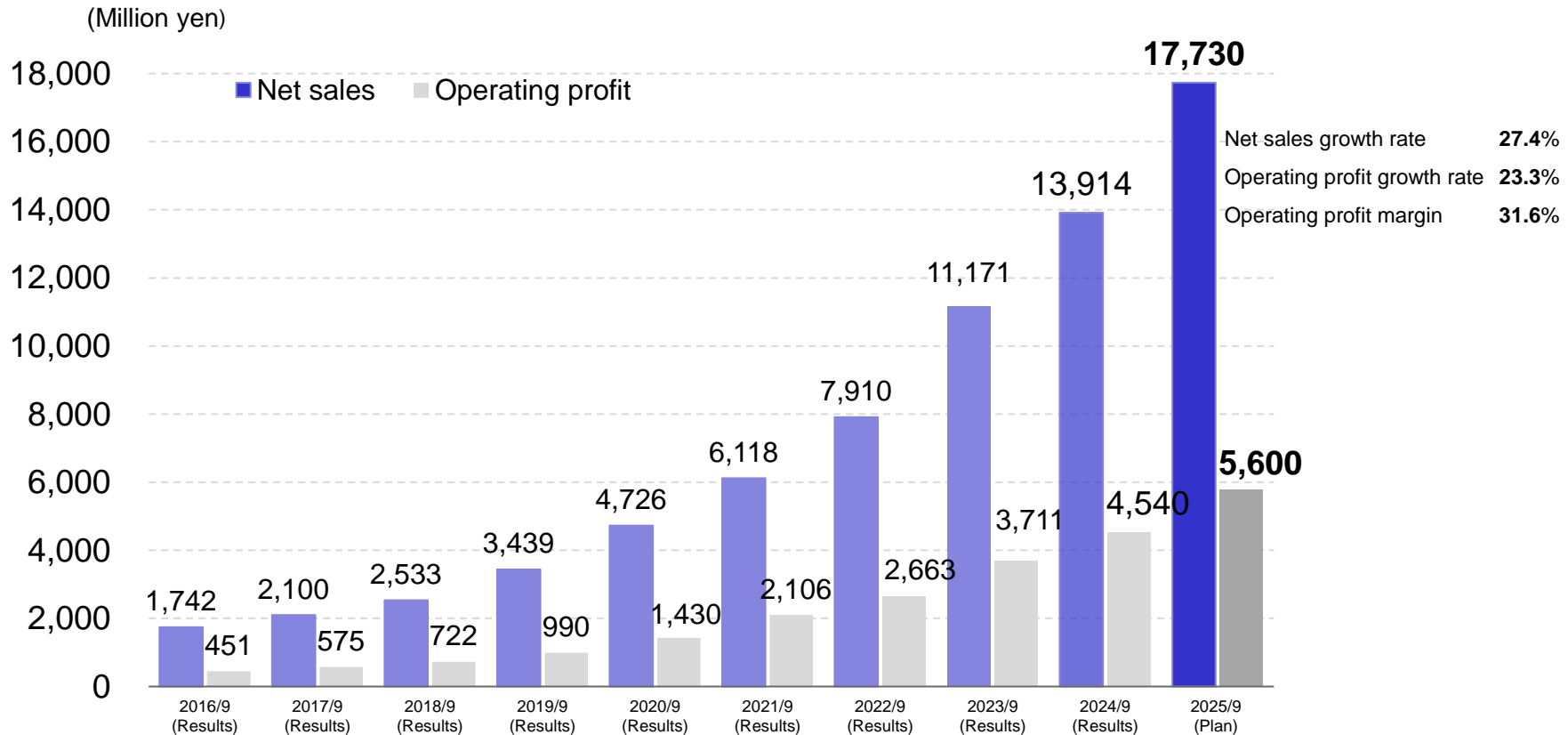
With investors also increasing their focus,
 interest in unlisted companies is increasing

04 Earnings forecasts for the fiscal year ending September 30, 2025

Earnings forecasts for the fiscal year ending September 30, 2025

Consolidated basis

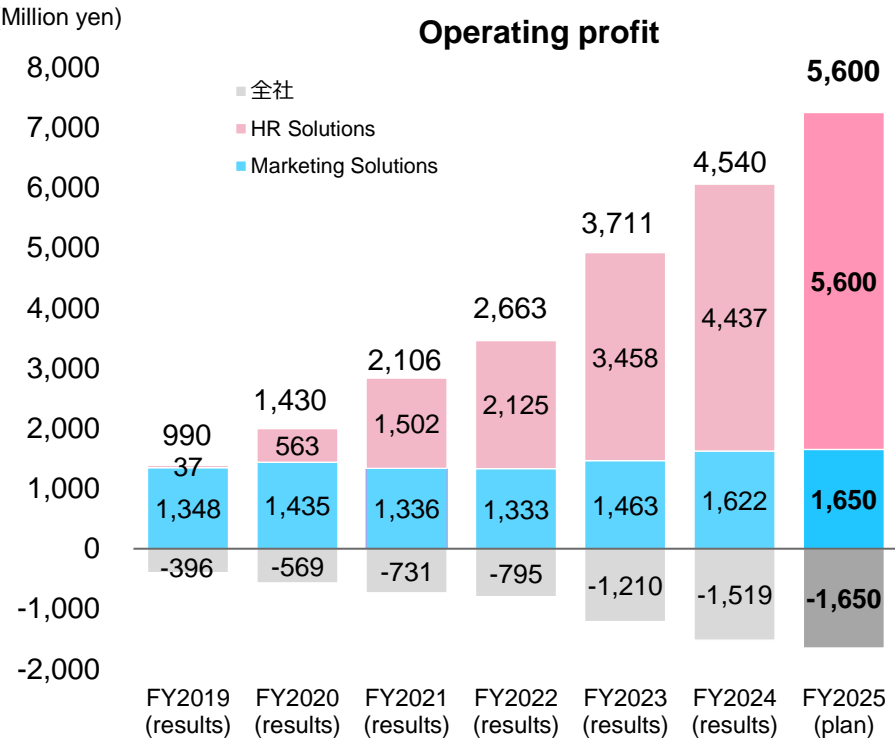
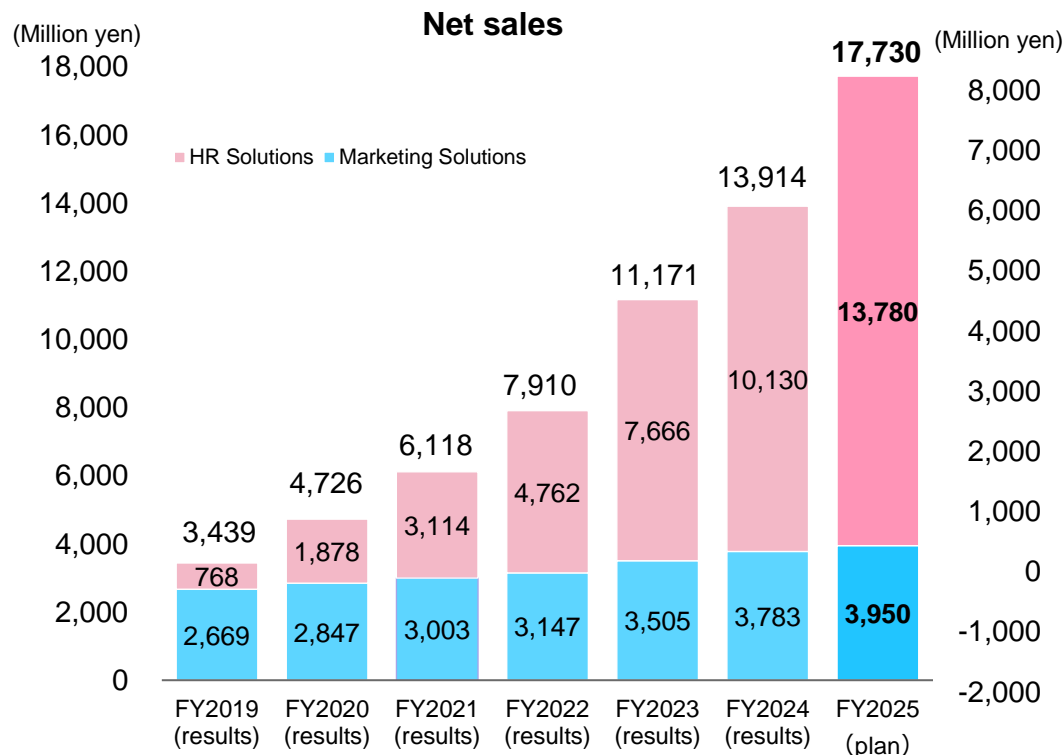
- We are aiming for continued high growth rate and profit margin



(By segment)

Consolidated basis

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

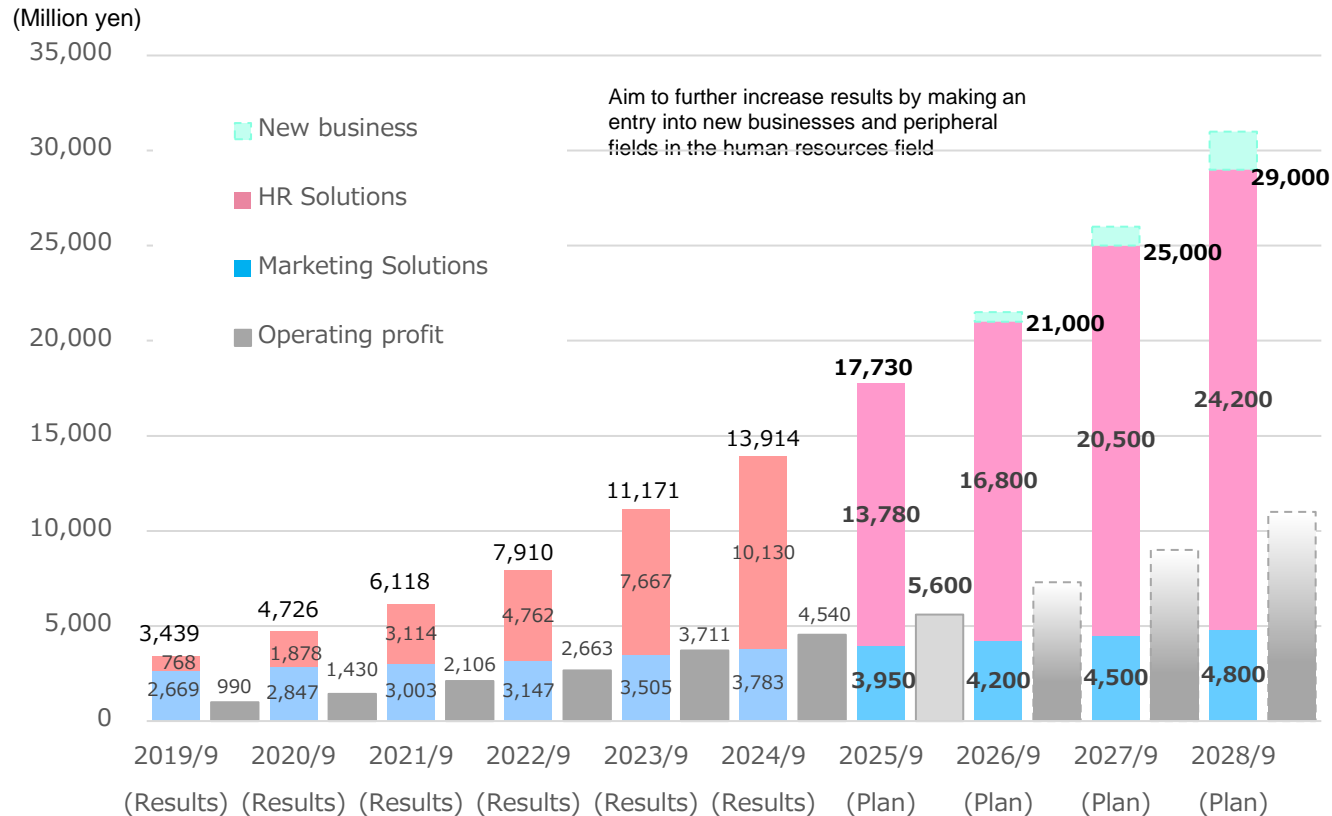


* Figures for FY2023 and earlier are retroactively restated according to the new segment classifications.

* Companywide includes amortization of goodwill, etc.

Medium-term growth image

- In addition to continued expansion of HR Solutions, expected to develop HR-related areas and new businesses
- In the medium term, aim for sales of 30 billion yen and operating profit of 10 billion yen or more.






- Figures for FY2023 and earlier are retroactively restated according to the new segment classifications.
- *Operating profit takes into account expenses incurred for M&A, etc.

05 Reference materials

Business strengths

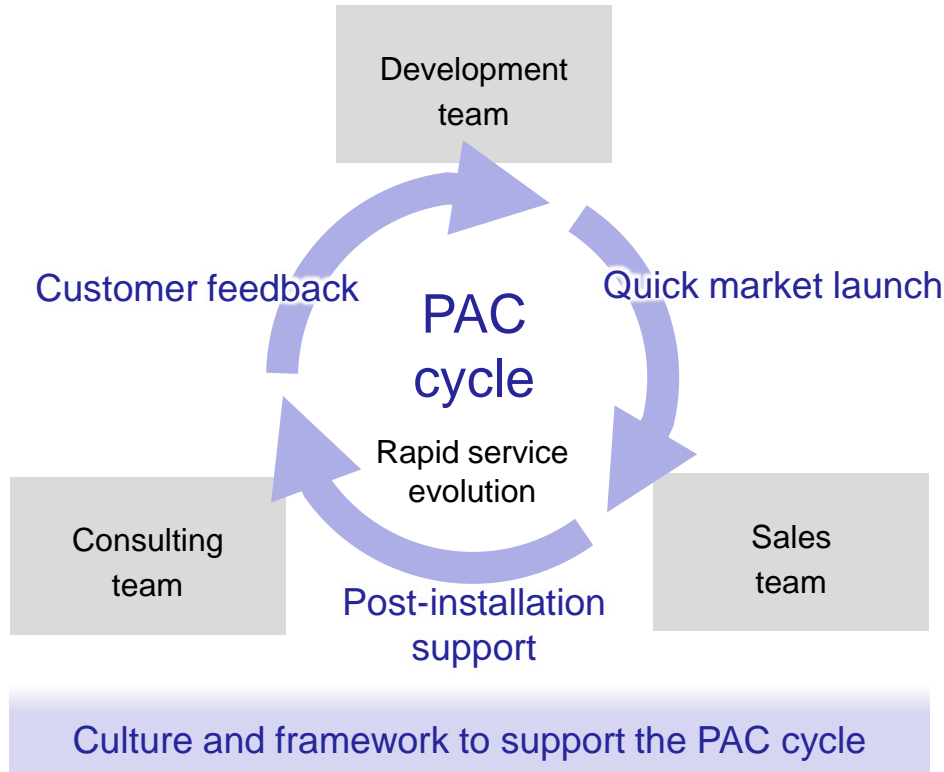
Service characteristics

	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

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

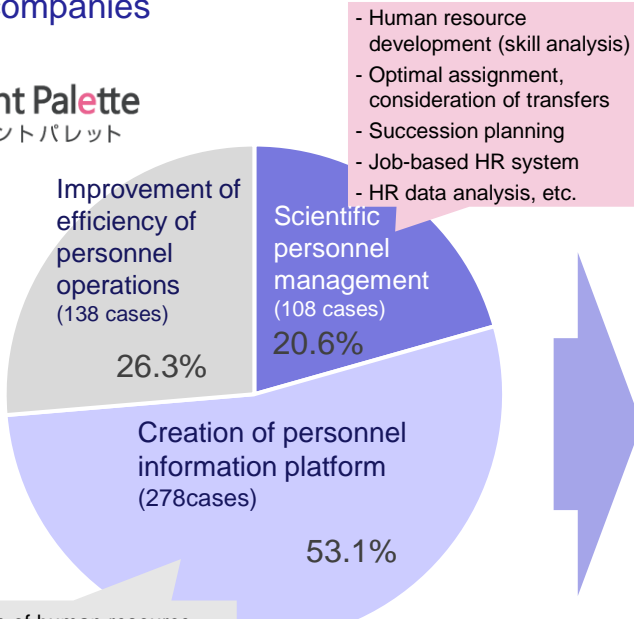
of new functions and businesses

Business strengths

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

Realizing increased added value of services by leveraging enterprise consulting capabilities

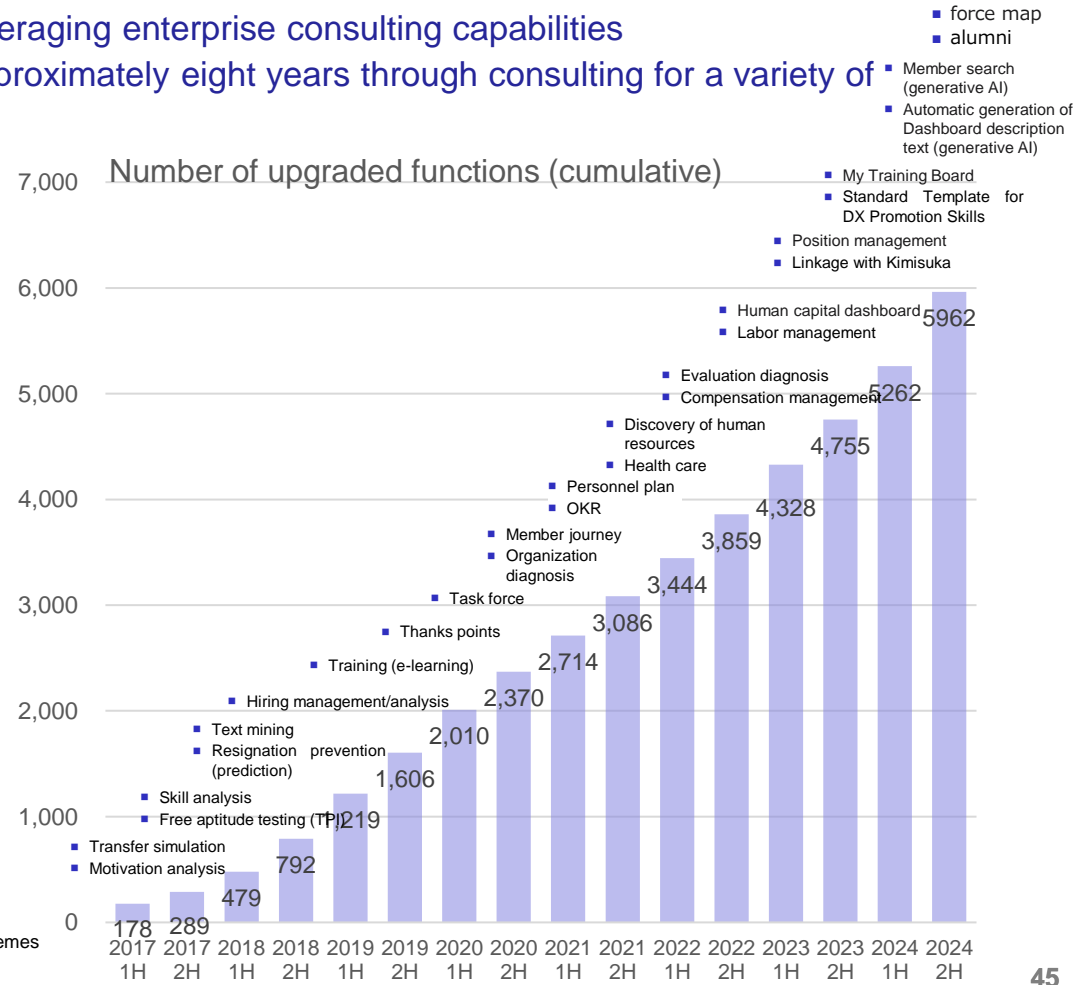
Over 5,900 functions installed as standard over approximately eight years through consulting for a variety of leading companies



- 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

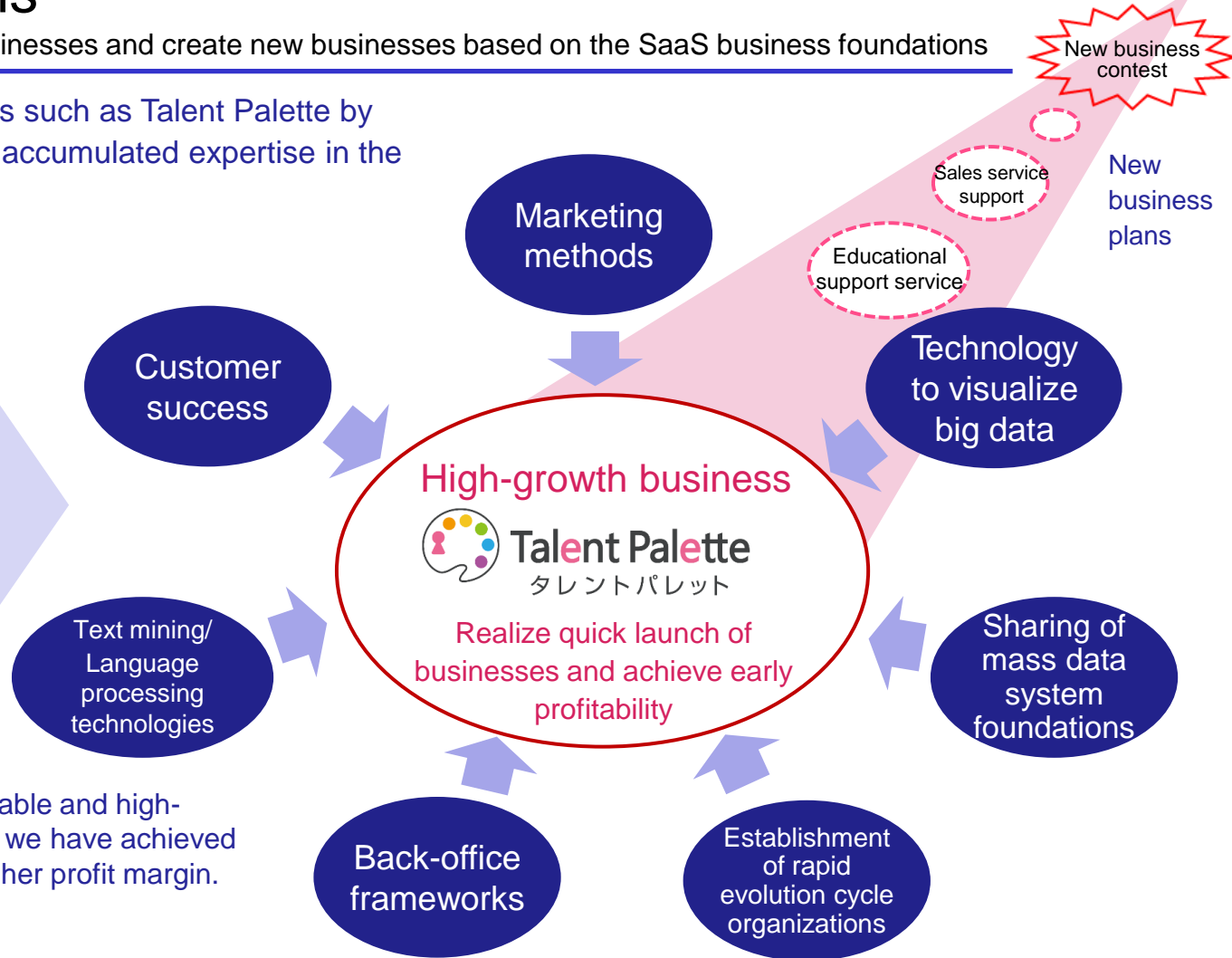
Highly profitable business

 見える化エンジン

Stable growth business

 CustomerRings
カスタマーリングス

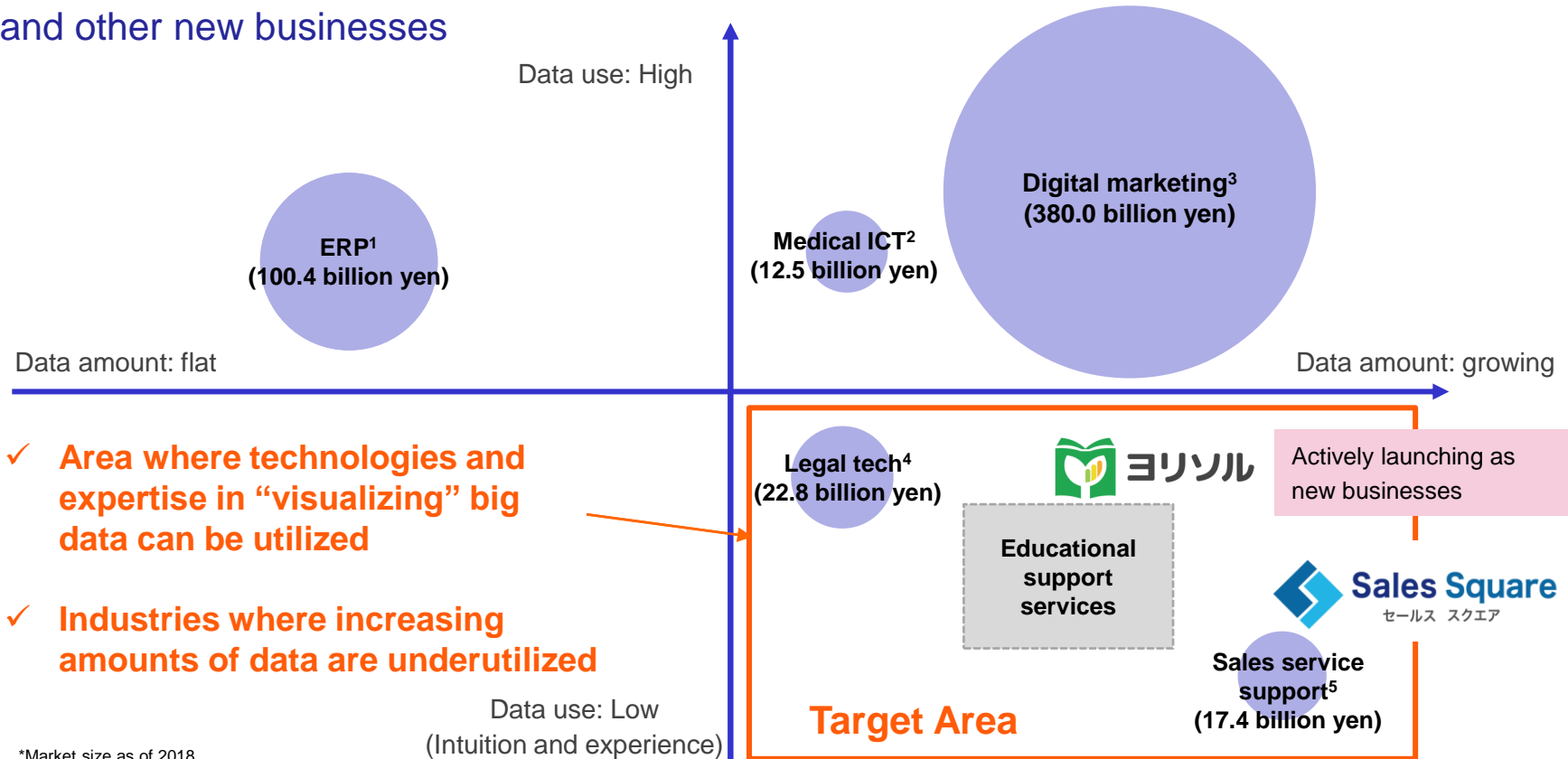
By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.



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

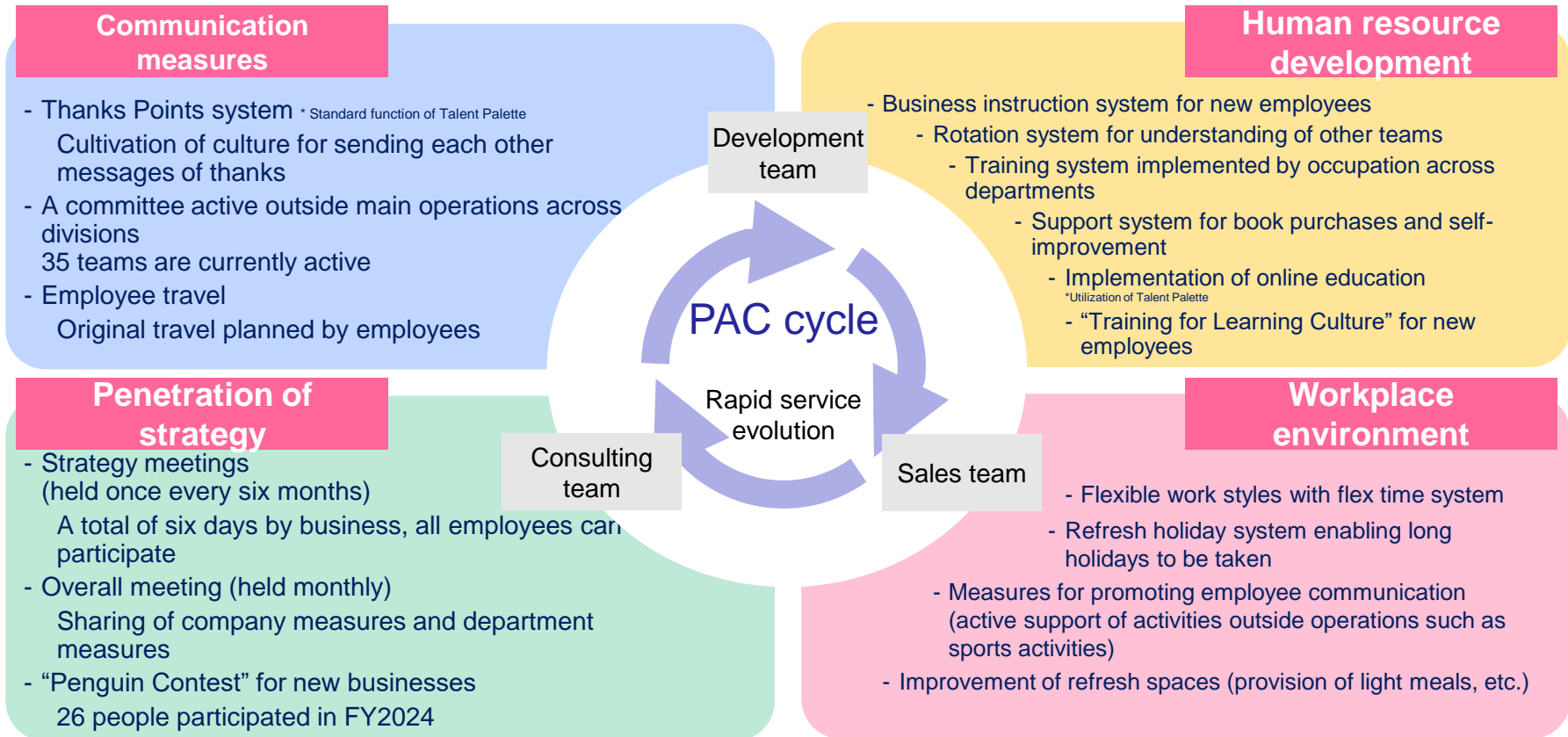
Note 2: “Current State and Future of the Next Generation Medical ICT Market, FY2020 Edition,” Yano Research Institute

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: 7.5%

HR solution business overview

Background of Rapid Growth of Talent Palette

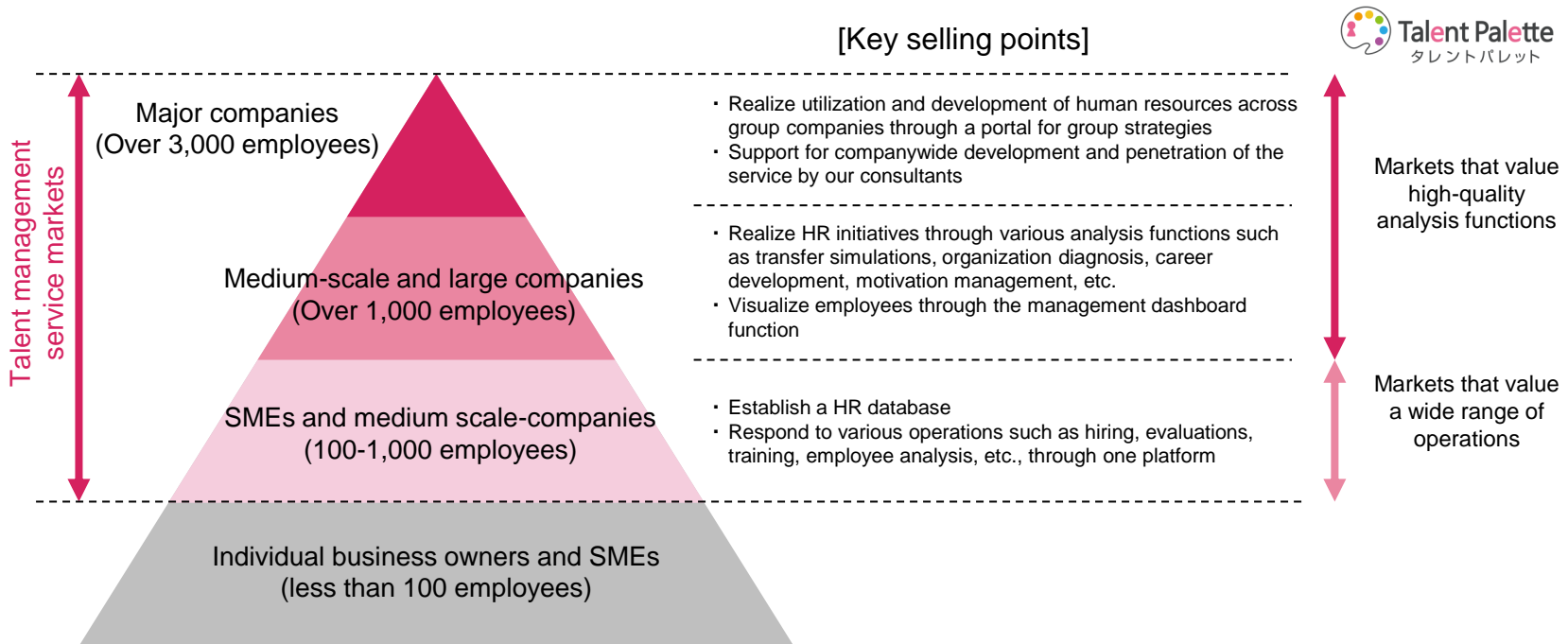
- It has become necessary to take initiatives such as how to **maximize utilization of HR** by current employees and whether **reskilling** can be achieved amid the increasingly serious labor shortage caused by the low birthrate and aging population and the diversification of work styles.
- COVID-19 has led to an **outflow of talented human resources** and a 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.

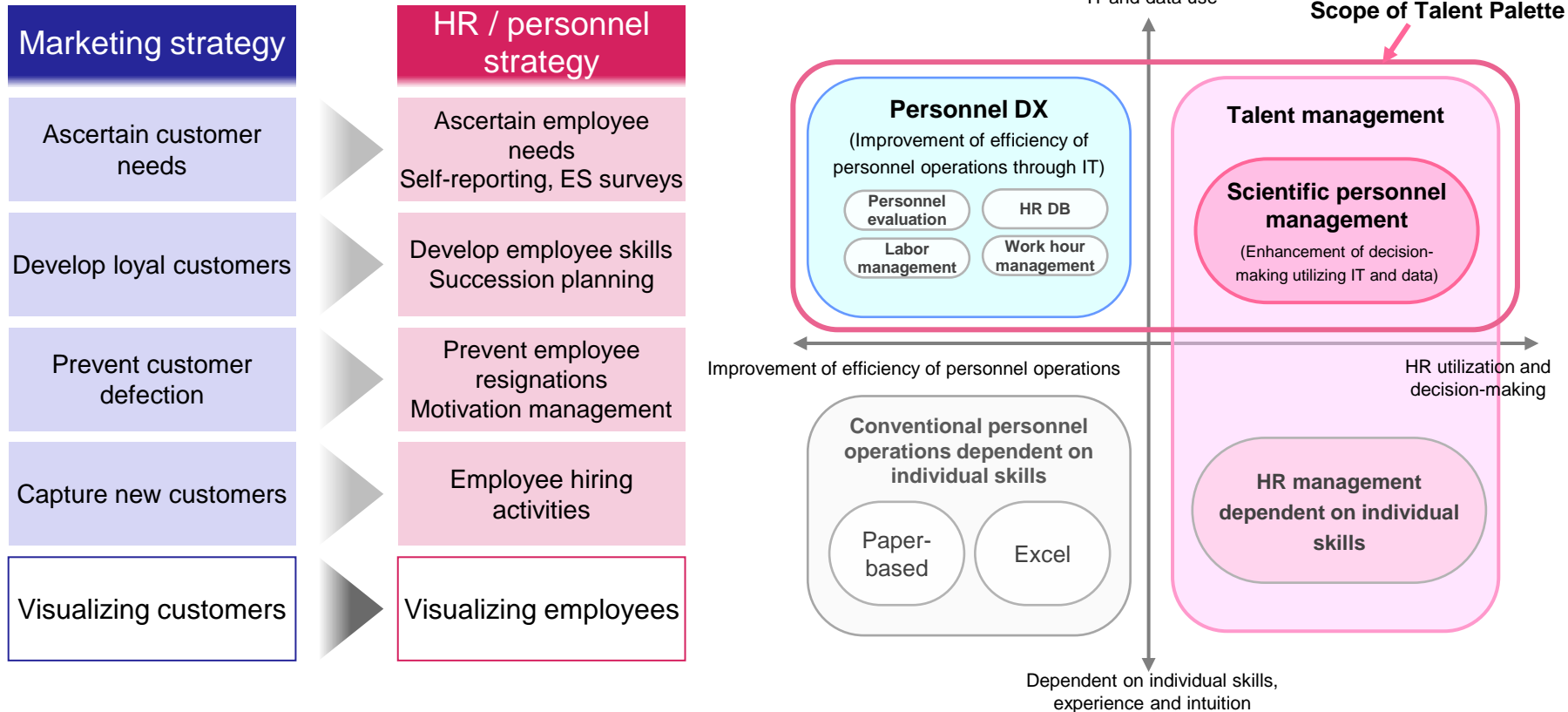
Target markets and selling points of the talent management service



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

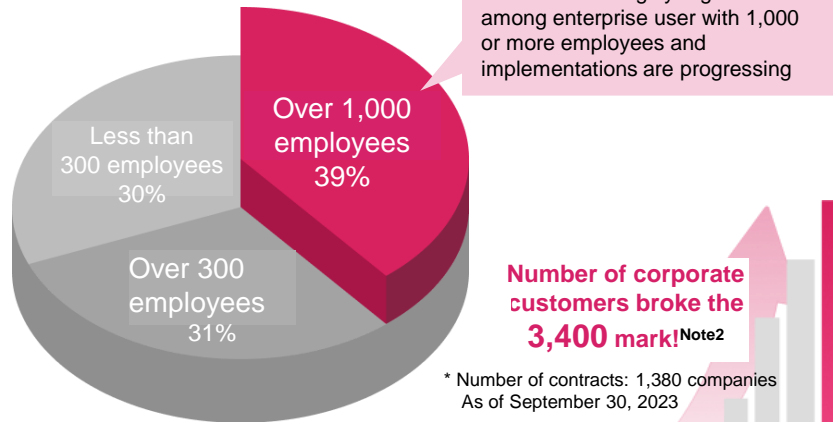
Enterprise penetration and high evaluation

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, 2024

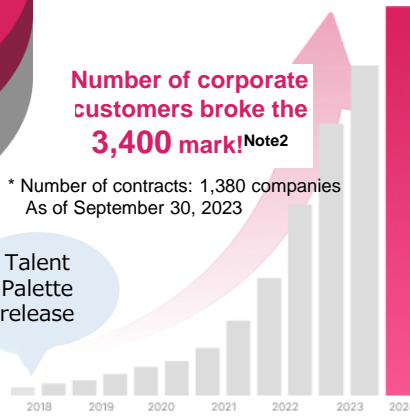


The service is highly regarded among enterprise user with 1,000 or more employees and implementations are progressing

Number of corporate customers broke the 3,400 mark!^{Note2}

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

Talent Palette release



Note 1: 2024 Forecast of Personnel and Assignment Cloud Market Deloitte Tomatsu MIC Research Institute Co., Ltd. "HRTech Cloud Market Facts and Outlook FY2023"

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

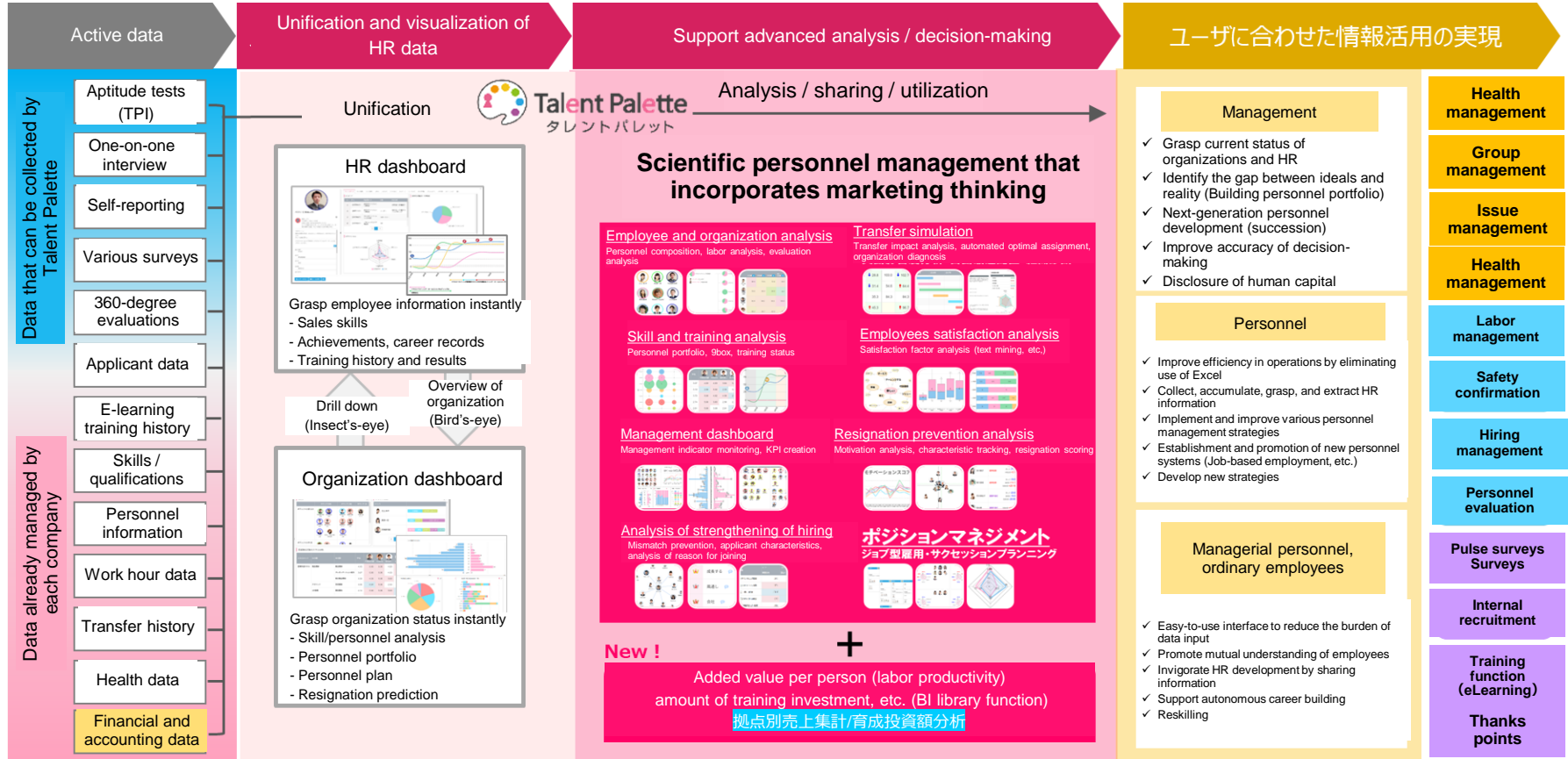
Rapid development system and interoperability

Consulting and concierge services

Evolution of Talent Palette

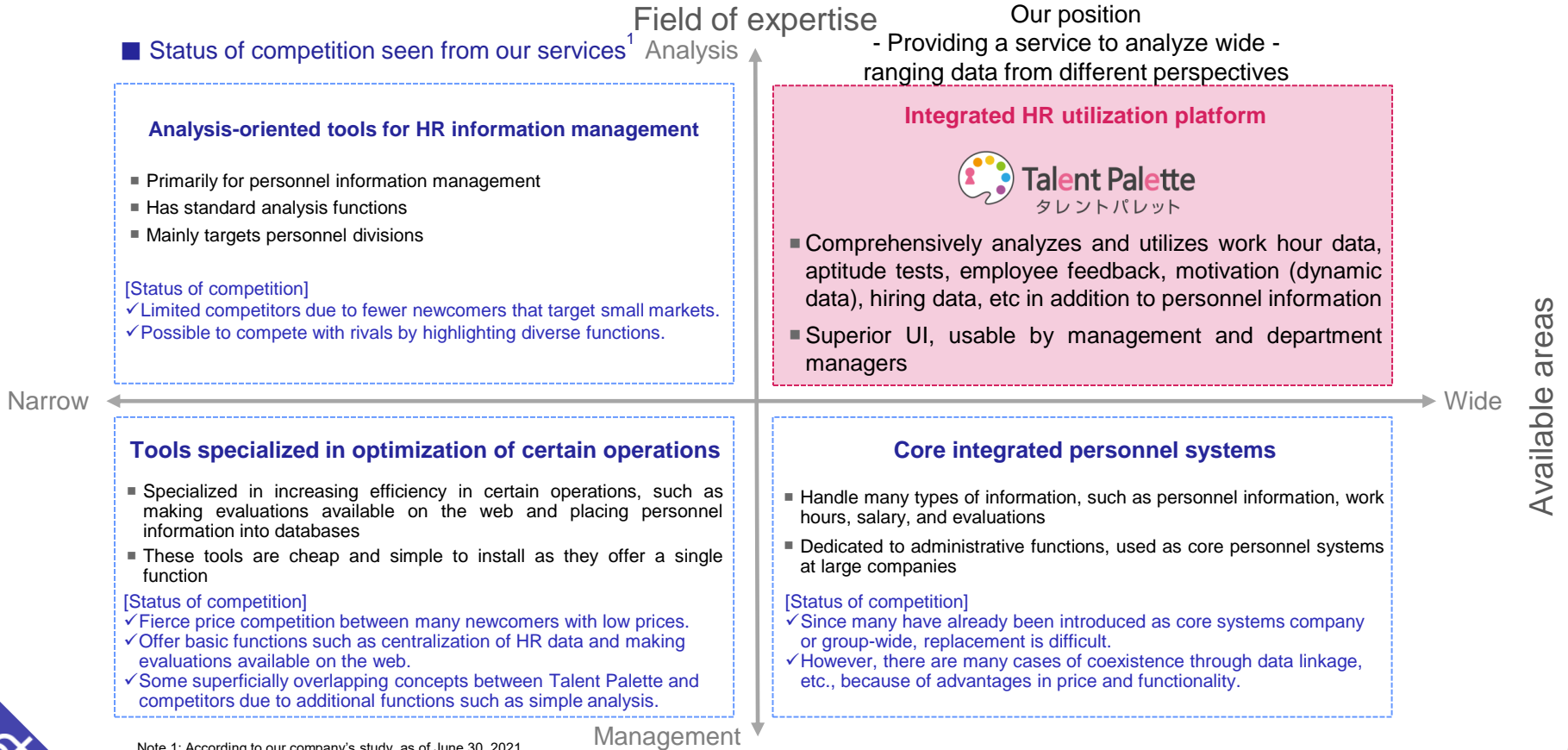
Integrated personnel information platform

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

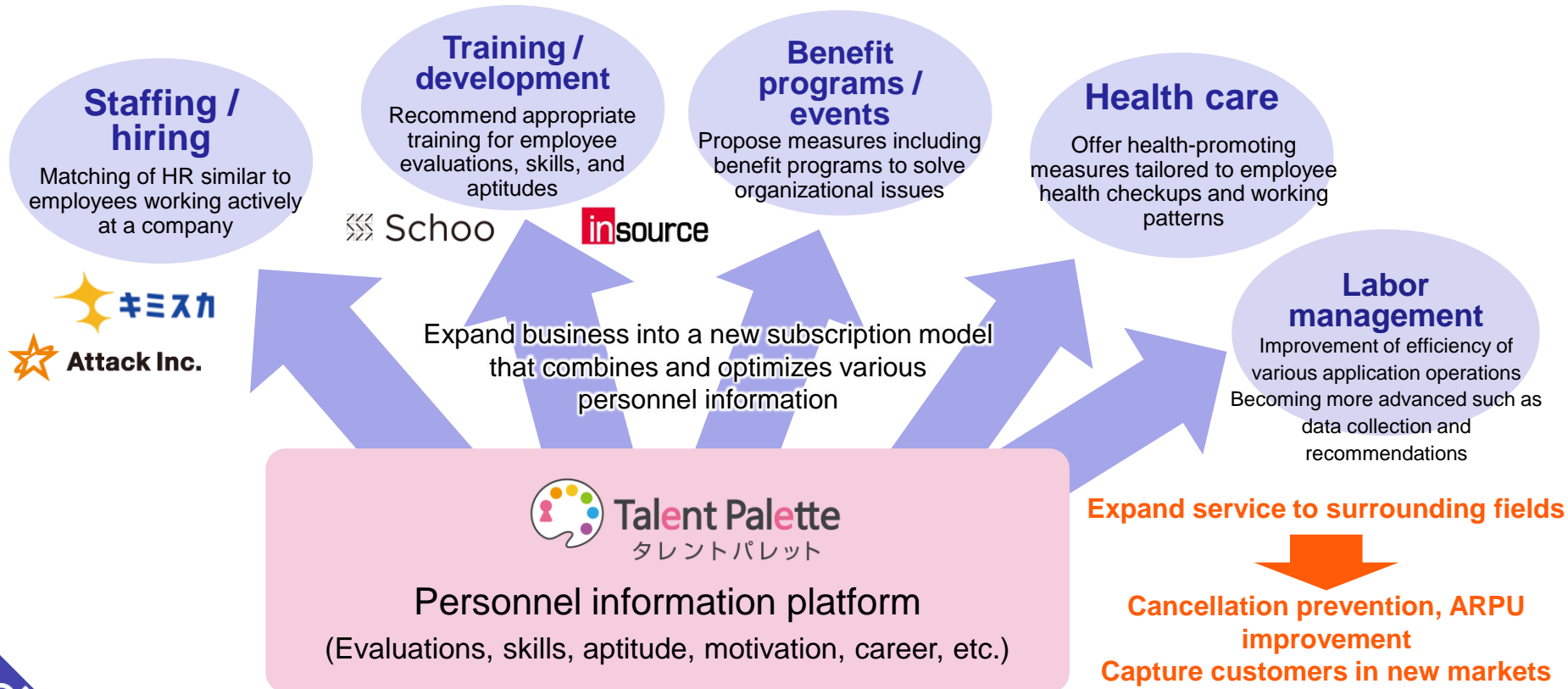
Differentiate Talent Palette from competing services by supporting a wide range of operations with integrated and accumulated personnel data, and enriching analysis functions



Further development of Talent Palette Business

Expand services to sectors surrounding HR

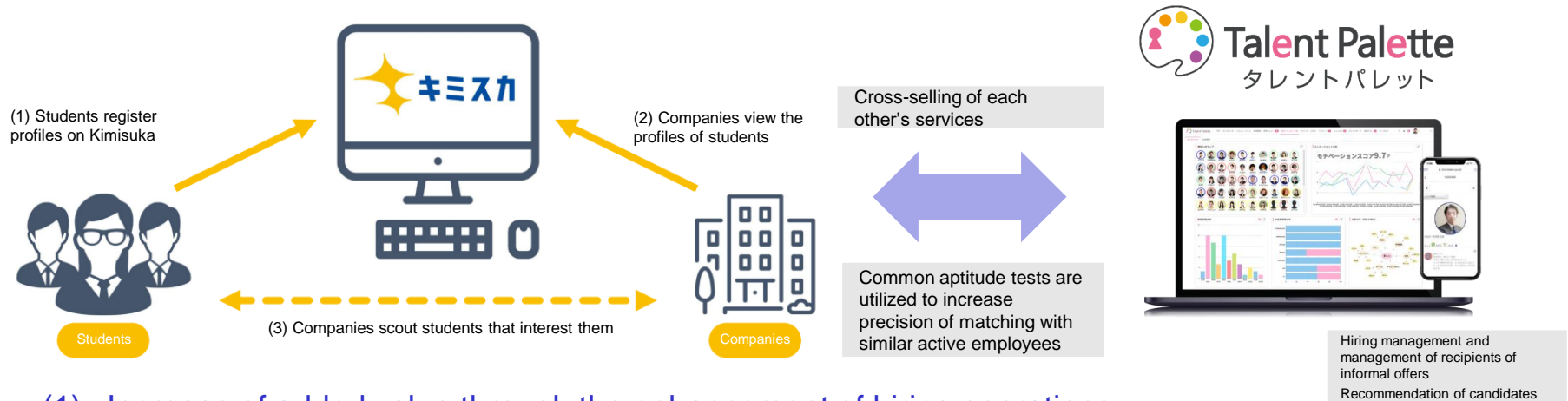
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel. We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies



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

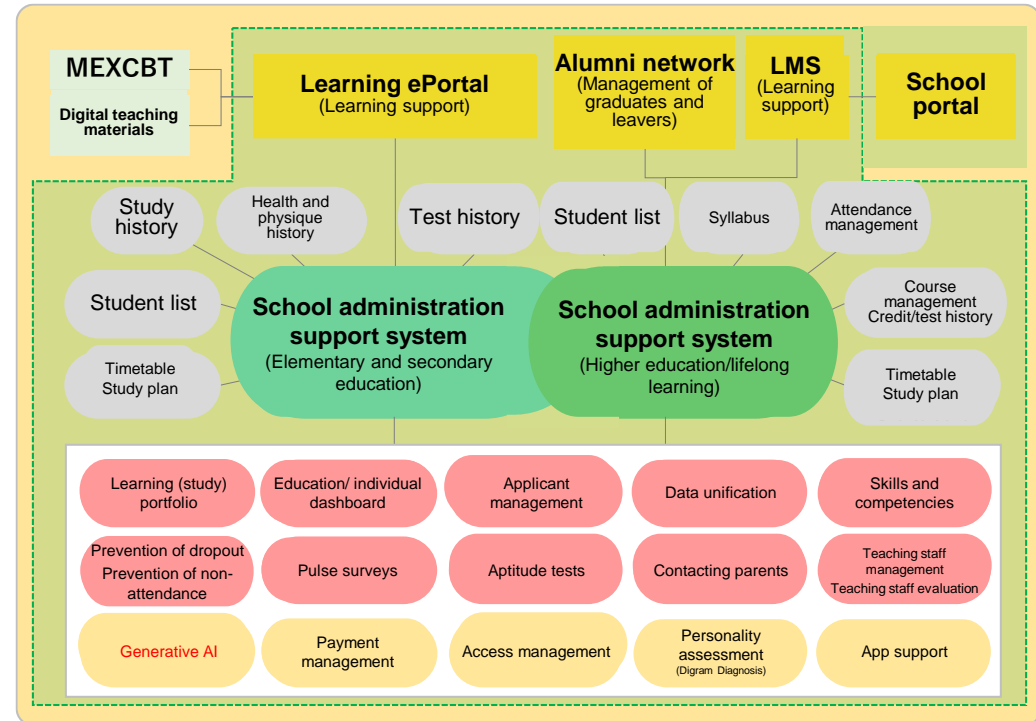
Visualization by central management of information on teachers, students and parents, and promotion of educational data use and utilization

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**



Launch of new business

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

In addition to universities, vocational schools, junior and senior high schools, elementary schools, kindergartens, and other school institutions, it is being introduced in a wide range of advanced educational institutions, including cram schools, prep schools, and adult (recurrent) education

Universities



日本で唯一の生産工学部
日本大学生産工学部



ノートルダム清心女子大学
NOTRE DAME SEISHIN UNIVERSITY



帝塚山学院大学



奈良女子大学
Nara Women's University

Objectives

- ◎ Visualization of study results (analysis of individual learners)
- ◎ Personnel evaluation (work style reform for faculty and staff)

Local governments

豊中市役所

喬木村役場

Objectives

- ◎ Education dashboard
- ◎ Child SOS detection

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

- ◎ School affairs support (attendance, Grade management ledger)
- ◎ Education Dashboard (analysis of school as a whole)

Vocational school



学校法人 河原学園



映像テクノアカデミア



ATEC



学校法人 今村学園
今村学園ライセンスアカデミー

Objectives

- ◎ Data unification from applicants to graduates
- ◎ LMS、Learning support

Elementary schools and kindergartens

サムエル幼稚園



さやか星
小学校
SAYAKABOSHI
Elementary School

Objectives

- ◎ Support for school administration (time schedule, guidance plan)
- ◎ Growth journals, survey analysis

Adult education (recurrent)

株式会社 類設計室



JFAEL

Objectives

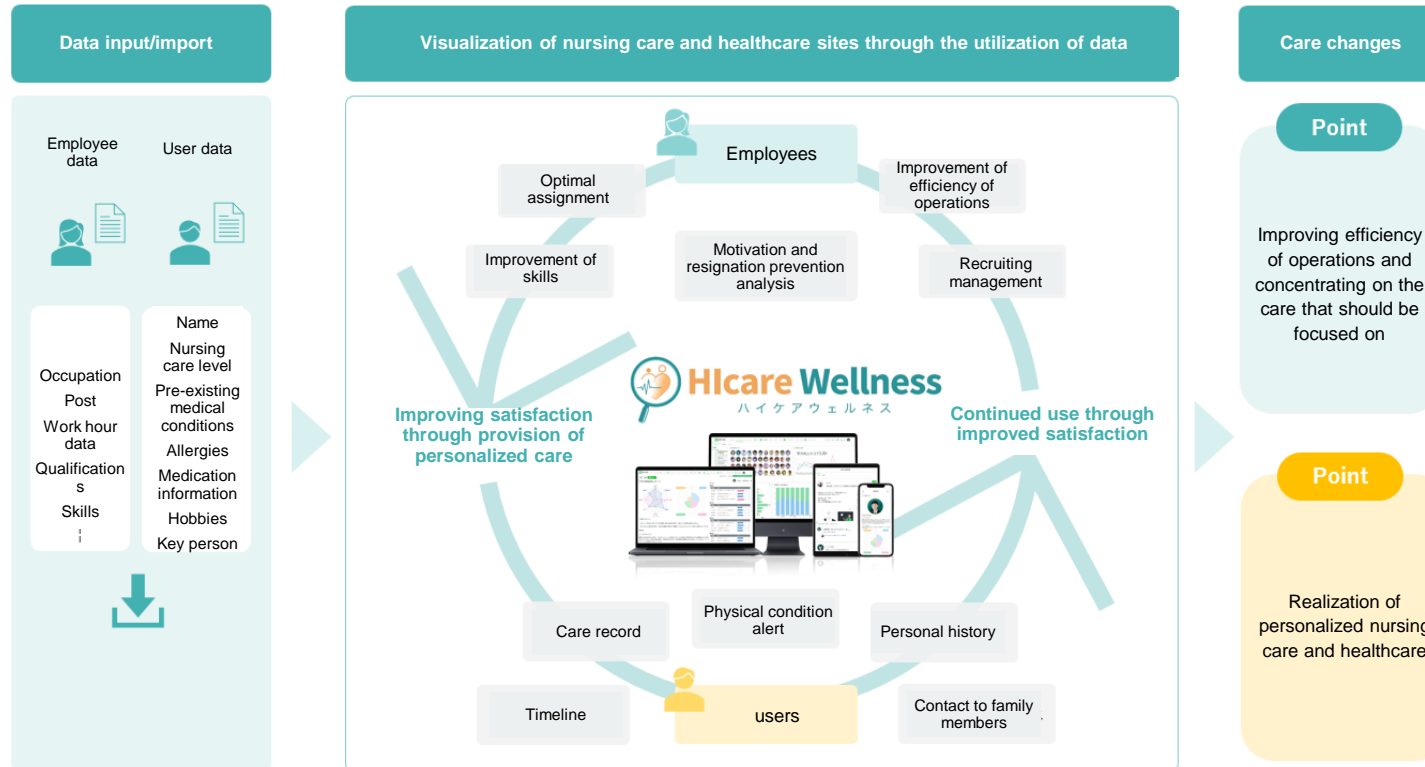
- ◎ Unification of student data across all schools
- ◎ Parent communication

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

Launch of “Hicare Wellness,” a new service for the medical and nursing care sector

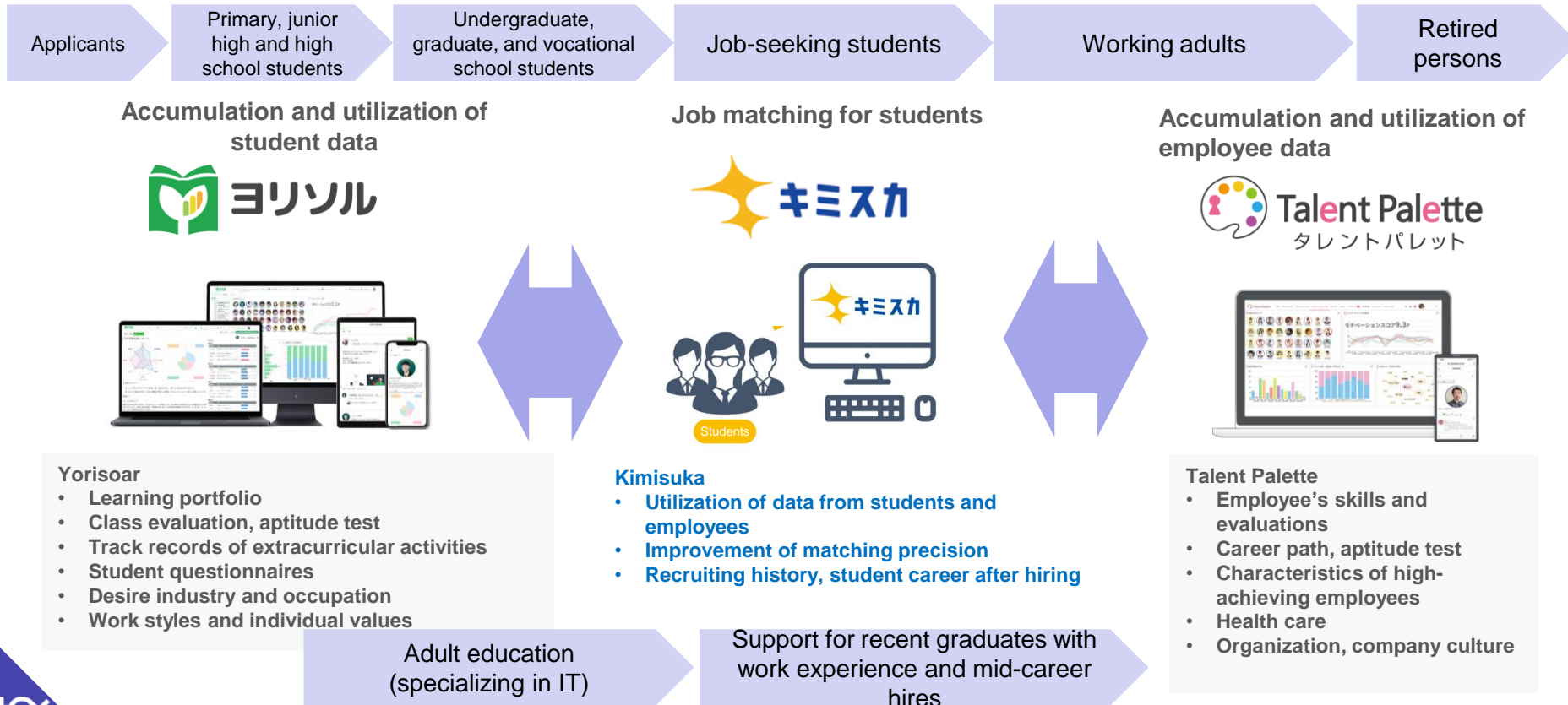
“Hicare Wellness,” a new service that supports the use of data by staff and users in the nursing care and medical sector

- 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



“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

 **These are the key points!**

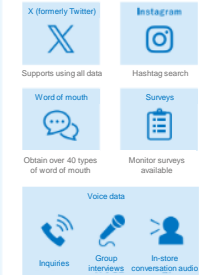
- Text mining analysis of massive amounts of diverse customer feedback from call logs, voice recognition data, surveys and social media such as X (formerly Twitter)
- Customer insight: Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support using dashboard functions,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

Supporting CX improvement through Japan's top text mining technology and generative AI

Supporting VOC, surveys, social media and audio

Information gathering

A wide range of data can be utilized



Supports using all data

Hashitag search

Obtain over 40 types of word of mouth

Monitor surveys available

Voice data

Inquiries

Group interviews

In-store conversation audio

Analysis of market feedback using text mining

Evolution of analysis through generative AI functions

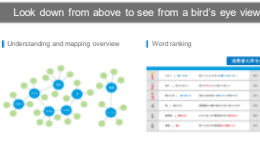
Over 40 analysis methods and output for all kinds of analysis purposes included as standard

Market analysis

Look down from above to see from a bird's eye view

Understanding and mapping overview

Word ranking



Understand the trends and realities of consumers

Obtain policy ideas



Planning~Hypothesis testing

Understand the target audience

Understand the gap with the value provided

Comparison map

Profile analysis

Gap analysis

Understanding needs



Narrow down the speaker and generate a persona

Generate target image

Speedy analysis of consumer sentiment

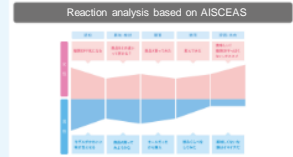
Instantly obtain voices of multiple segments



measure
implementation

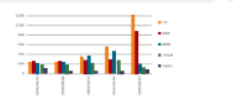
Post-launch monitoring and response analysis Understanding the gap in customer experience

Effect verification



Capture changes and reactions over time

According to the numerical changes in the weekly topic categories, the most common topic was "gloss," which increased by 1,218 instances during the period.



We fully utilize customers feedback to support ideas
Standard inclusion of generative AI functions (+ speech recognition, summarization, and analysis and commentary generation, etc.)

We provide comprehensive support for the use of voice data in customer centers, from speech recognition to summarization and conversation analysis

Integrated voice data utilization solution including speech recognition and summarization

Text conversion of a variety of audio data
(Voice recognition processing)

cleansing/summary

Text mining
(Natural language processing)

Visualizing
"conversations"

Derivation
of insights

Audio data
(Call recording)

Text conversion of
audio data

Removing filler

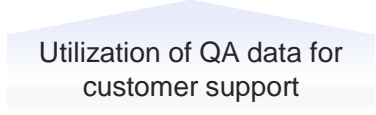
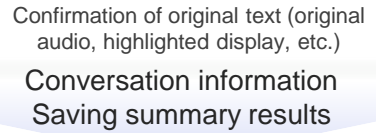
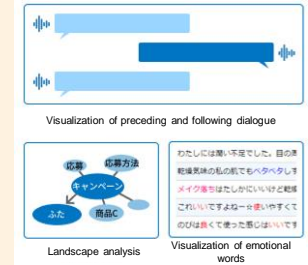
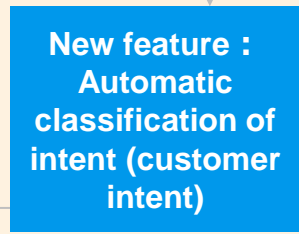
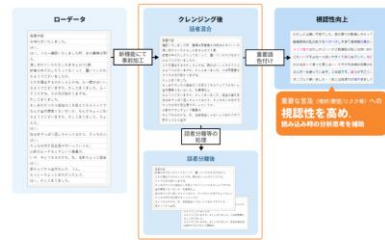
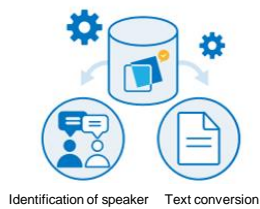
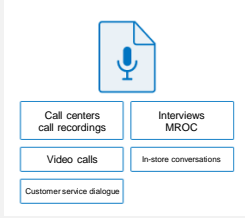
mold

call sign
Understanding intent
Confirming intent from long
audio recording

VoC
Analysis

Conversation
Analysis

Generative AI
element



New feature: QA generation using a generative AI

- ✓ Analysis along axes of call, speaking and speaker
- ✓ Deeper insight provided only by conversation
- ✓ Match rate with talk script

Companies that have introduced visualization engine

Achieved No.1 share of implementation for 13 years ※1  見える化エンジン

Manufacturing



Finance Bank



Retail distribution business



IT Communication EC



Infrastructure Communications finance



Pharmaceutical



other Service



*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

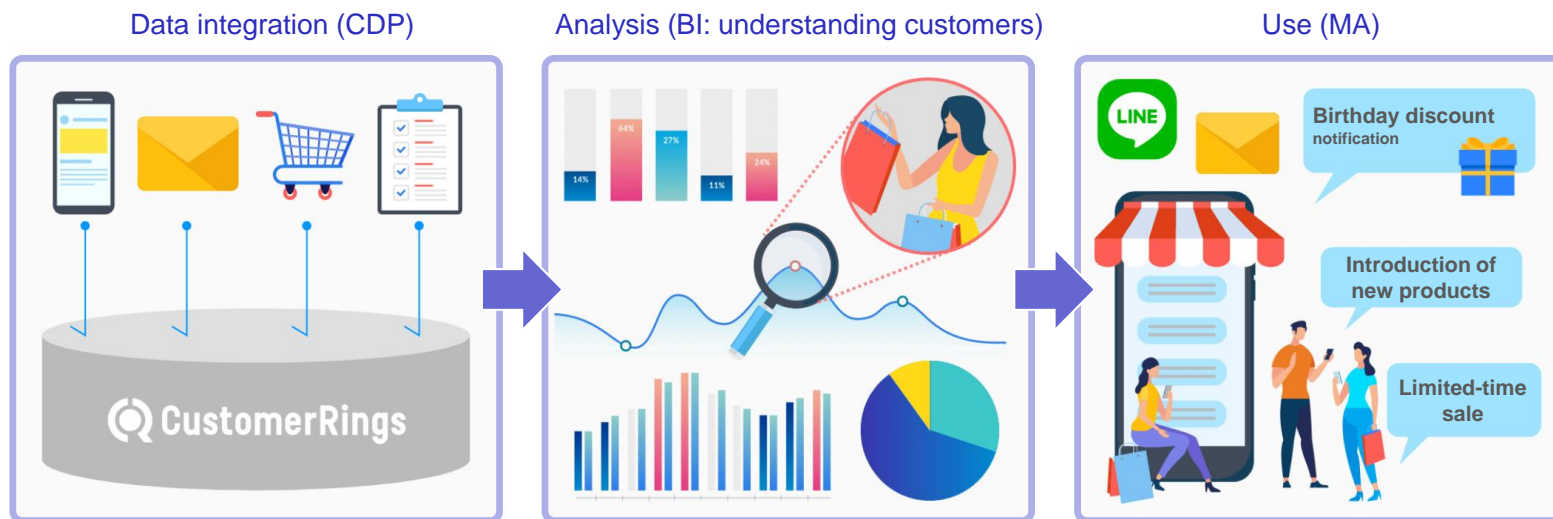
Service characteristics

- 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

Health foods



Cosmetics/ salon



Apparel



Food



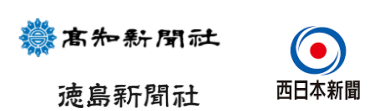
Travel and tourism



Insurance and finance



Media and publishing



General mail order sales, other mail order sales



BtoB mail order sales



Member services



HR/ career



Contact



Growth strategy for Customer Rings Business

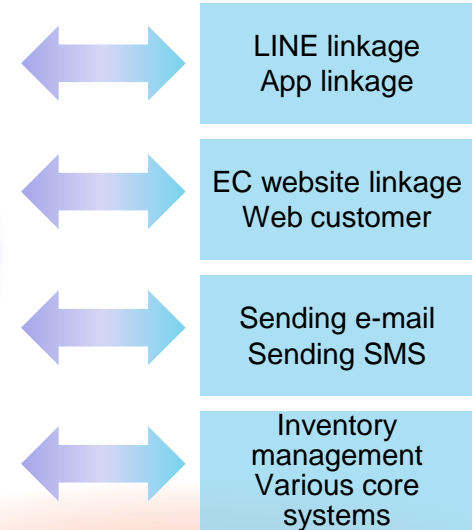
As a “customer feeling” MA, it aims to evolve into a marketing platform that supports the expansion of approximately 30 types of customer analysis functions to visualize each individual customer, the enhancement of high value-added analysis consulting services, and the improvement of the range and accuracy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