

Second Quarter of the Fiscal Year Ending September 30, 2022 Financial Results Briefing Materials

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

May 13, 2022

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01 Company outline

Company outline

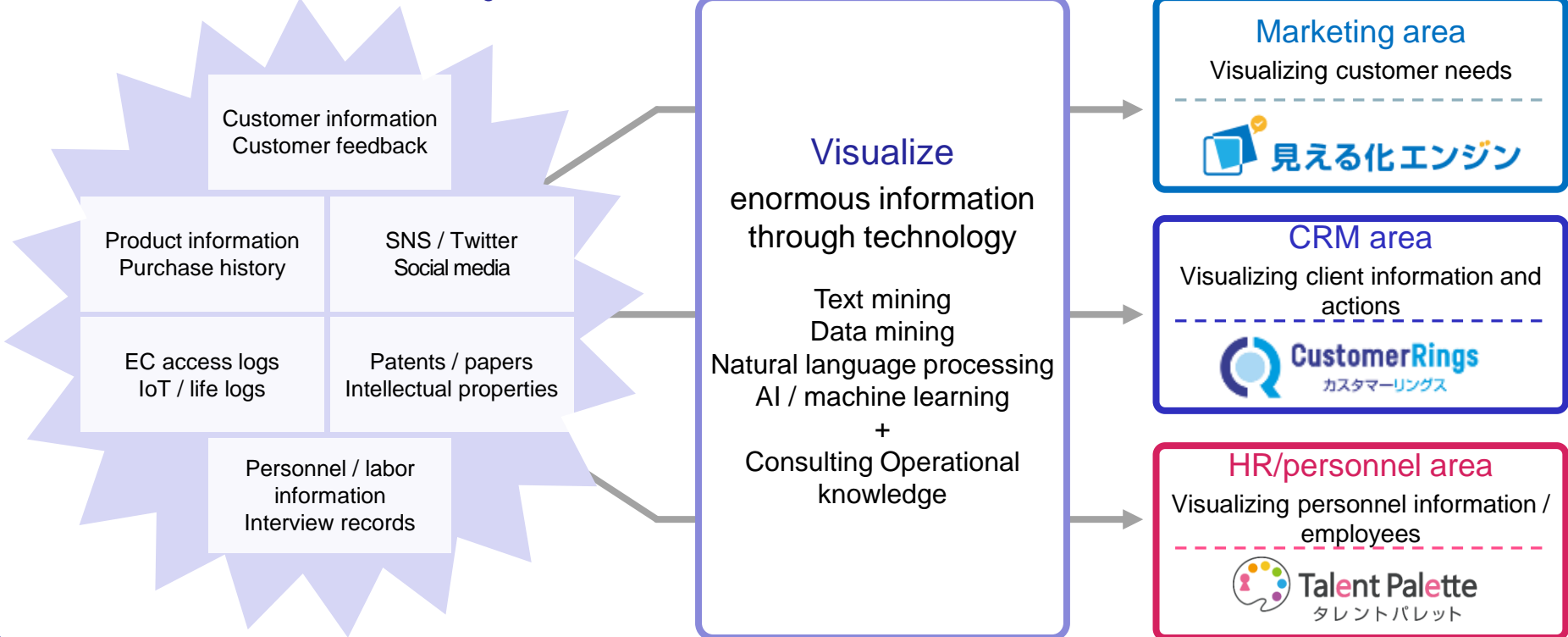
- Company name Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Growth: 4071)
- Representative Katsuya Mimuro, Representative Director and President
- Headquarters location 25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
- Osaka Branch 13F Osaka Nakanoshima Building, 2-2-2 Nakanoshima, Kita-ku, Osaka-shi, Osaka
- Fukuoka Branch 4F Grand Cabin Tenjin-minami, 3-3-33 Yakuin, Chuo-ku, Fukuoka-shi, Fukuoka
- Established December 25, 2006
- Capital 87,115 thousand yen (as of March 31, 2022)
- Business content Providing cloud services for data analysis platforms
- Number of employees 203 (as of March 31, 2022)
- 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



Main services

Developing profitable SaaS businesses in multiple areas

Marketing solutions



Text mining analysis for the use of customer feedback data from call logs, Twitter, etc.

Monthly subscription according to the amount of analyzed data

CRM solutions



Customer analysis using purchase histories, web access logs, etc., and automation of marketing initiatives

Monthly subscription according to the number of customers/e-mails delivered

HR solutions



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

Monthly subscription according to the number of employees

Subscription products

Technology and expertise behind the services

Language processing technologies

Visualized mining technologies

Mass data analysis expertise

Industrial / operational knowledge

Utilization support consulting

Business strengths

Advanced technologies to visualize big data for practical use

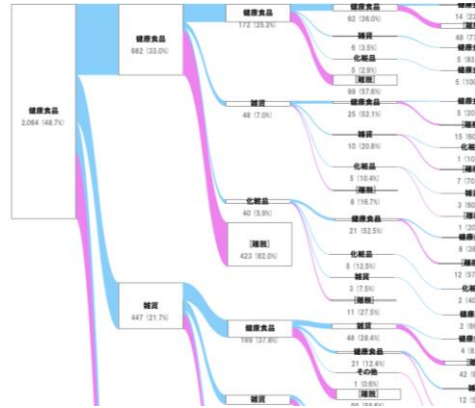


Syntax analysis, word maps



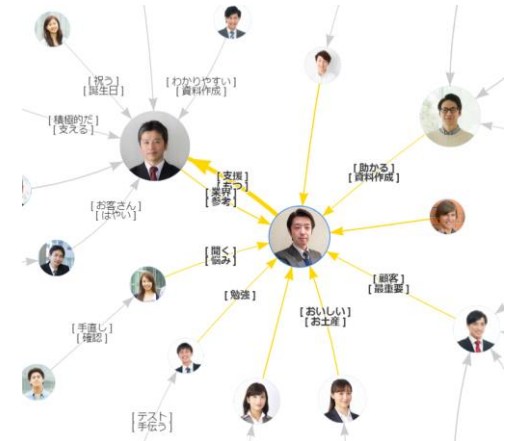
Analyze Japanese text to create maps for subjects / predicates and positive /negative sentiment to see customer feedback at a glance

Purchasing pattern analysis



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

Employee network diagram

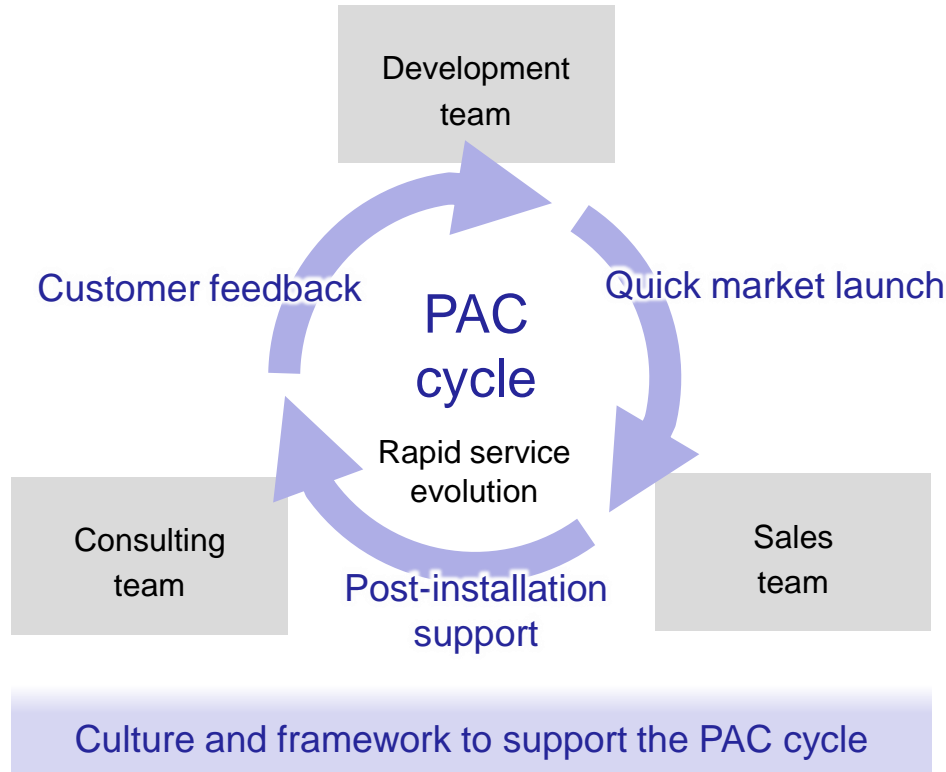


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

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

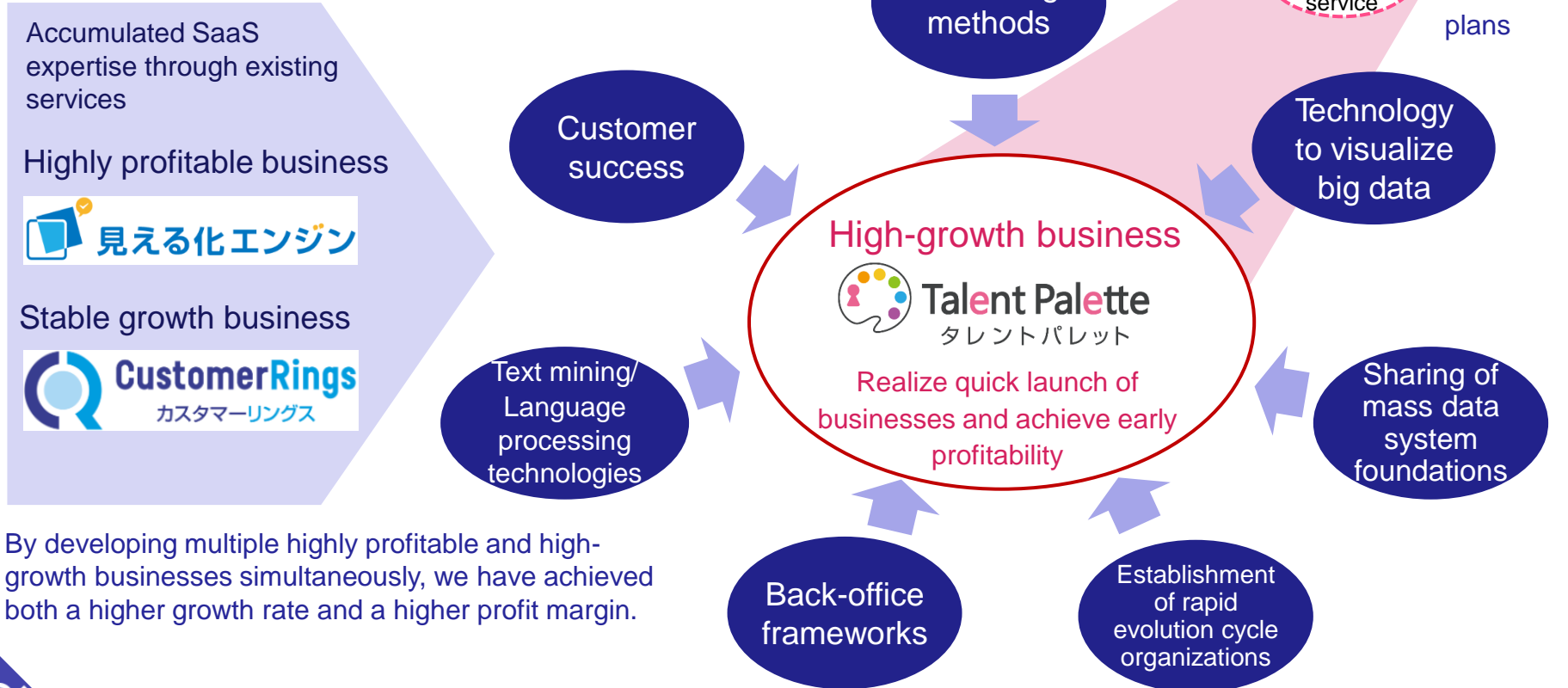
Early market launch

of new functions and businesses

Business strengths

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 approximately 15 years of accumulated expertise in the SaaS business

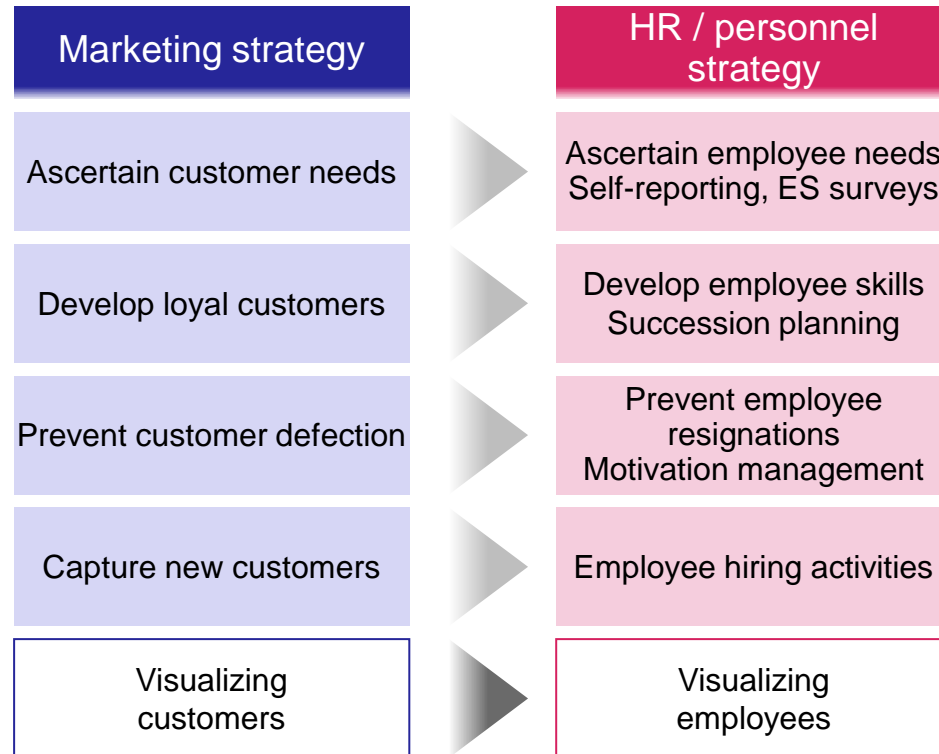


By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.

Characteristics of Talent Palette

Entering the HR sector leveraging our expertise in “scientific personnel management”

By applying our marketing analysis method to the HR sector, we not only increase efficiency in HR operations but also support the decision-making process.

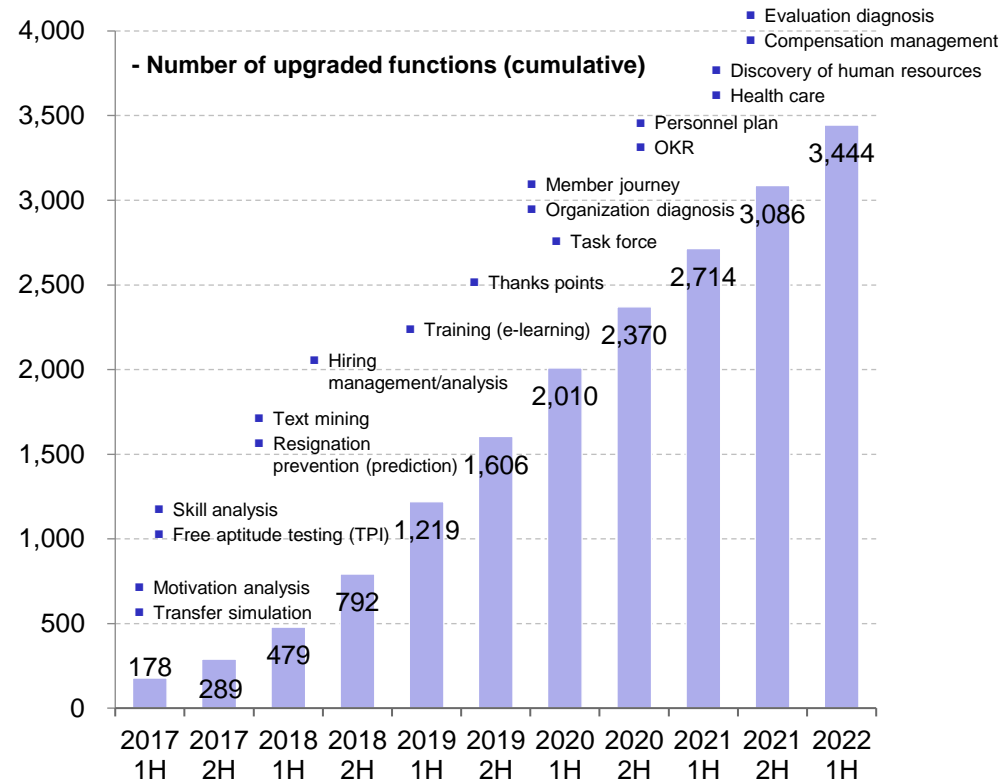
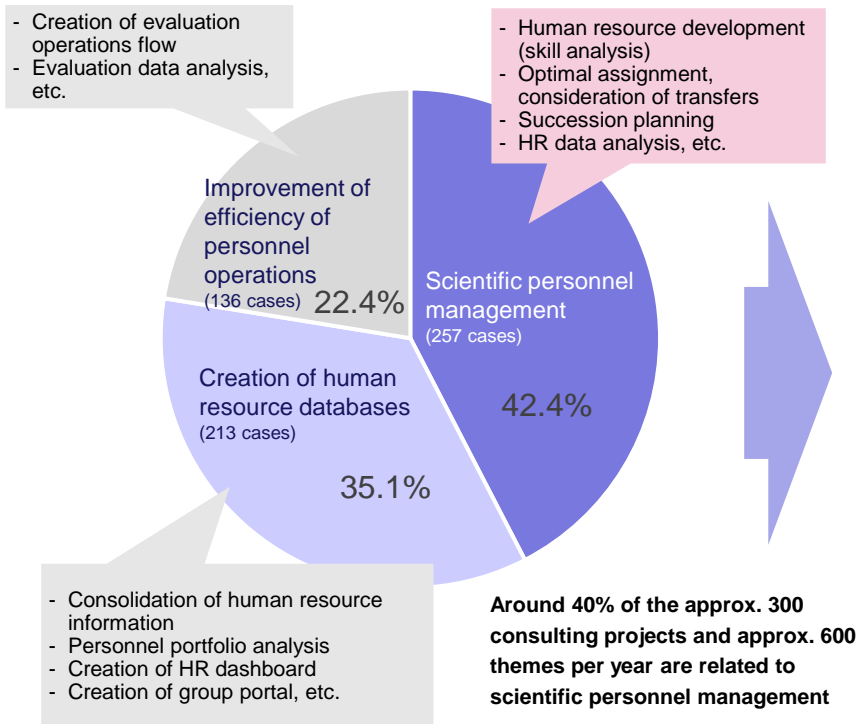


Revolutionized personnel management by thinking of employees as customers and using various analysis methods in personnel strategy

Evolution of Talent Palette

Rapid functional development based on multiple consulting cases

- Provision of high added value services through the combination of SaaS business and consulting
- Over 3,400 functions installed as standard over approximately five and a half years through consulting for a variety of leading companies

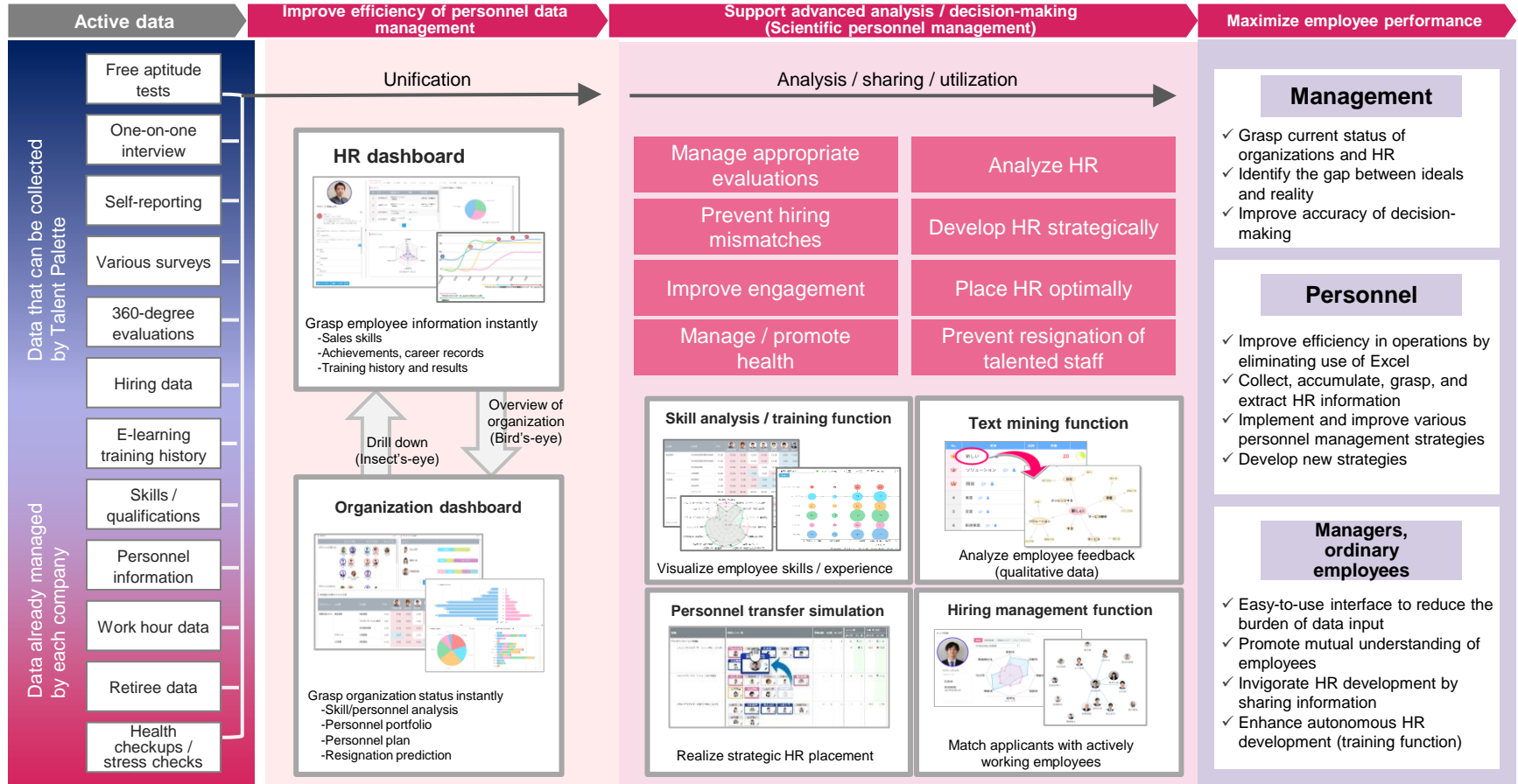


Note) Annual delivery basis. Duplicates counted if a single project includes two or more themes

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



Accelerating use of Talent Palette at leading companies

メーカー(生活関連・部品・化学・医薬・建築・その他)



金融(銀行・生損保・カード・リース)



公共インフラ(電力・ガスなど)・自治体・運輸・その他



流通・小売・外食・不動産・サービス・医療・介護・福祉



IT・システム開発・通信業界・コールセンター・エンタメ



広告・マスコミ・調査・人材・教育



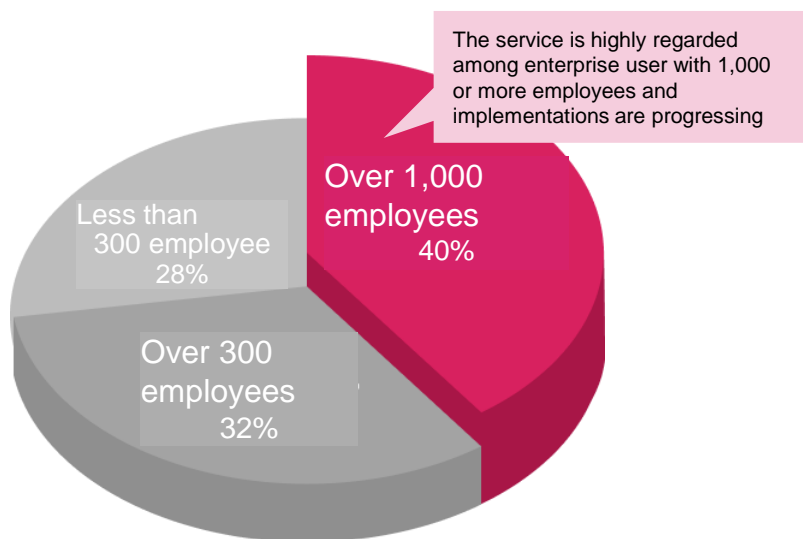
*Some of the companies' logos are shown here with permission. (In no particular order)

Strengths of Talent Palette

Enterprise penetration and high evaluation

- The percentage of implementation in large enterprises with 1,000 or more employees (on a contract basis) is approximately 40% or more
- Detailed functions and advanced consulting for enterprises are highly regarded

Percentage of contracts by plan



As of the end of March 2022

Received the **Leader** award in the talent management segment of the ITreview¹ enterprise review site



Evaluation points

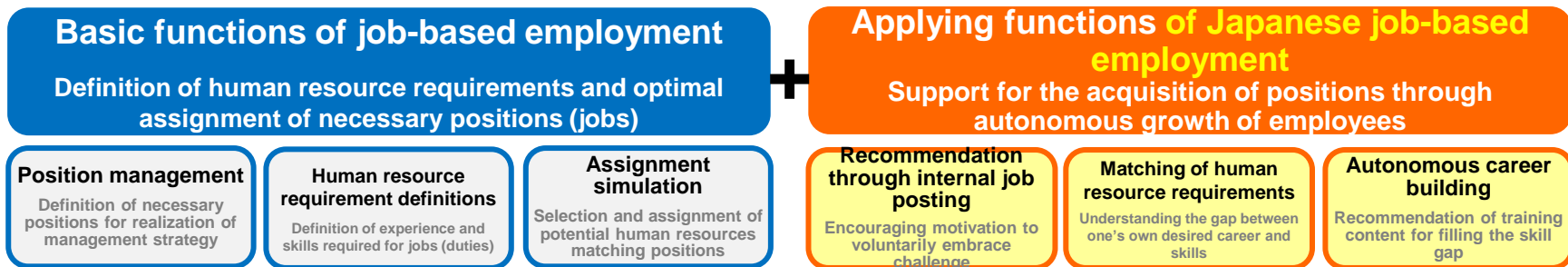
- Analysis functions specializing in diverse HR measures
- Systems for collecting a variety of data such as employee questionnaires
- Setting of detailed authority to refer to various HR data
- Flexible data linking functions with core systems
- Speedy development and frequent updates of required functions
- Advanced consulting and strong support system

Note 1 ITreview Grid Award 2022 Spring Talent Management Segment, HR Evaluation and OKR Segment

Enterprise Measures ①

Response to the Japanese Job-based Employment System

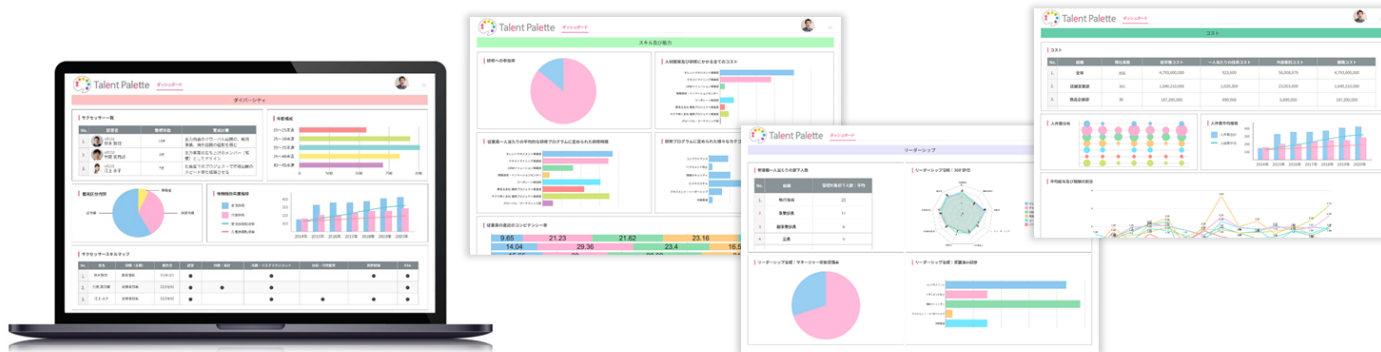
- There has been an increase in the number of companies making the transition to a job-based employment system as a personnel measure for supporting management strategy
- Provision of enterprise functions and consulting supporting the Japanese job-based system



Enterprise Measures ②

Response to disclosure of human resource information

Provision of consulting services supporting initiatives such as the formulation of human resource disclosure indicators and the creation of a dashboard



1. Basic information on human resources

- Diversity
- Total number of employees
- Age, gender, years of service, composition ratio
- Employment type, occupation, position
- Productivity, personnel expenses, personnel planning, etc.

2. Engagement and organizational soundness

- Organizational culture
- Employees' opinions, employee satisfaction
- Engagement indicators
- Communication score
- Wellbeing indicators, etc.

3. Hiring capability, turnover, optimal assignment

- Hiring and turnover rate
- Employees' opinions, employee satisfaction
- List of people requesting transfers and reasons
- Activity after joining and reason for joining
- Turnover exit point, reason, etc.

4. Succession planning and voluntary challenges

- Definition and improvement of personnel requirements in key positions
- Supply of potential personnel and talent pool
- Level of improvement and rate of preparation of successors
- Next-generation personnel development plan
- Challenge indicators
- Rate of internal offering and acceptance of positions, etc.

5. Skills and capabilities

- Definition of skills required for the organization
- Skill map, personnel available, level of skill
- Personnel portfolio
- Learning conditions, development conditions
- Percentage of training received in each organization, etc.

6. Health management

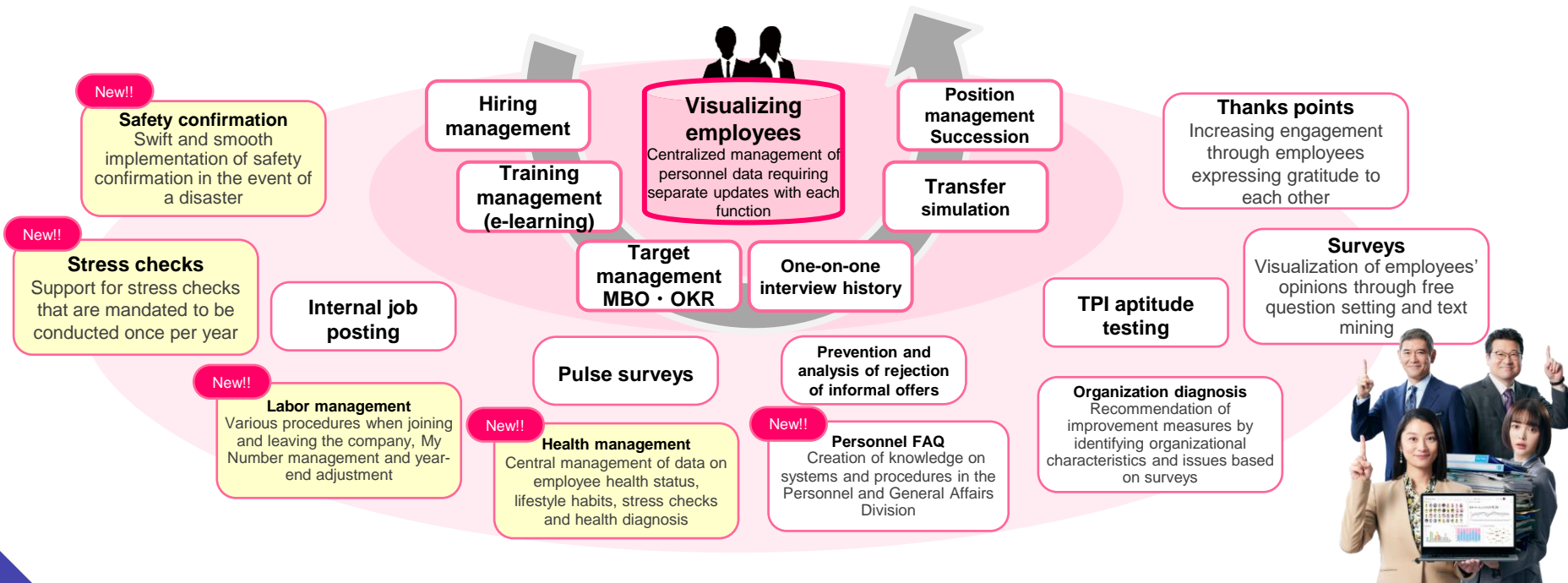
- Health care score (Mental, lifestyle habits, smoking...)
- Percentage of medical examinations taken, number of people with findings
- Number of people on leaves of absence, number of interviews
- Labor conditions and overtime
- State of stress by organization, etc.

SMB Measures

Inclusion of all-in-one functions for HR operations

Inclusion of hiring management, training management, labor management, healthcare, safety confirmation functions, etc. to provide all-in-one services improving the efficiency of HR operations Reduction of burden of redundant registrations of HR information, contribution to the improvement of convenience through unification

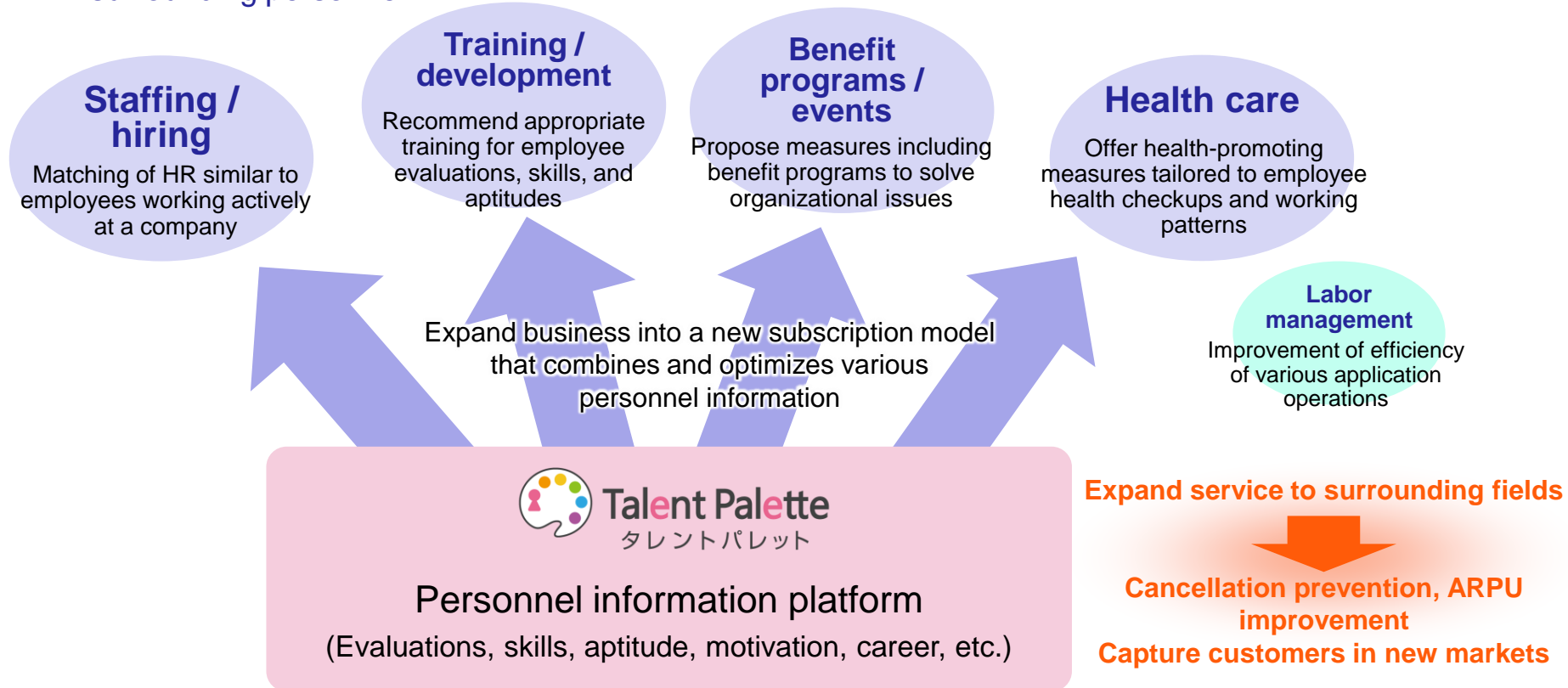
人事の「ほしい」が。
オールインワン! Talent Palette covers all HR operations and measures
タレントパレット



Further development of Talent Palette Business

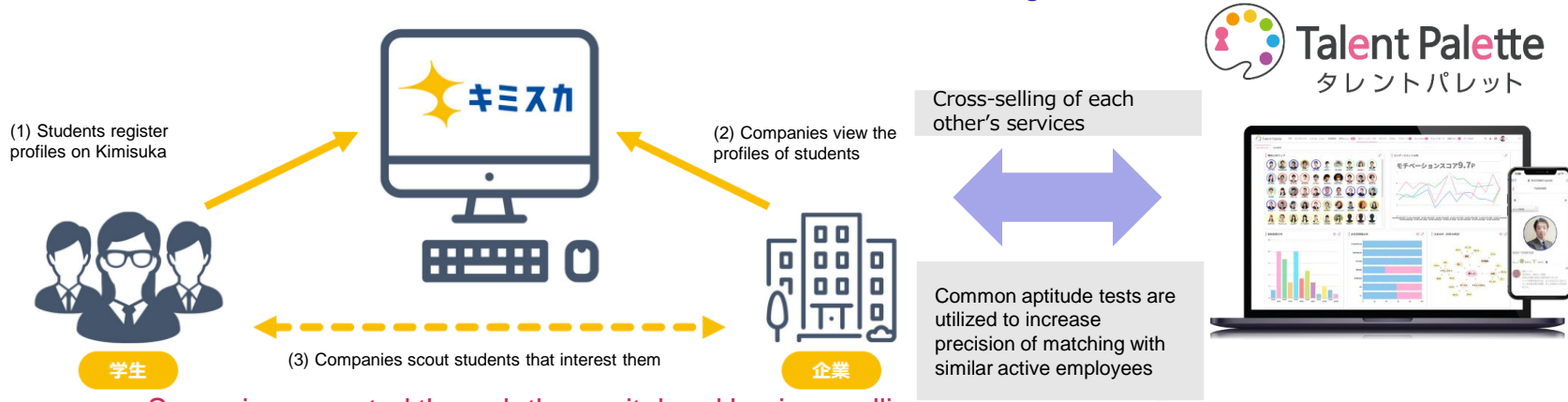
Expand services to sectors surrounding HR

By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel.



Further development of Talent Palette Business Staffing / Hiring

- Capital and business alliance with Grow Up Co., Ltd. (GU) (35% of shares issued by GU to be acquired on April 1, 2022)
- GU operates the “Kimisuka” direct recruiting service for new graduates



Synergies expected through the capital and business alliance

(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

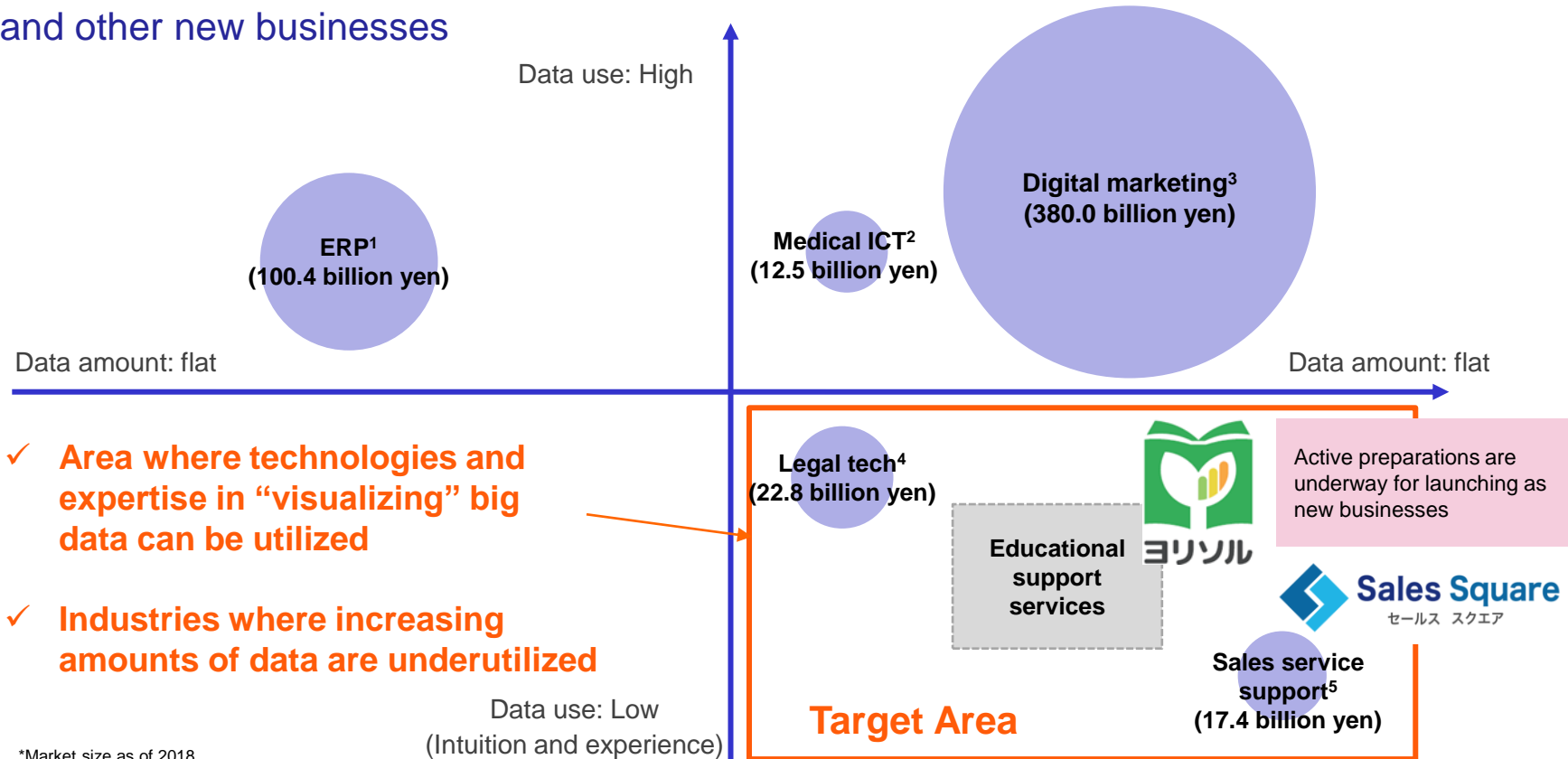
(3) Sharing of knowhow on functional development and the hiring business

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

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

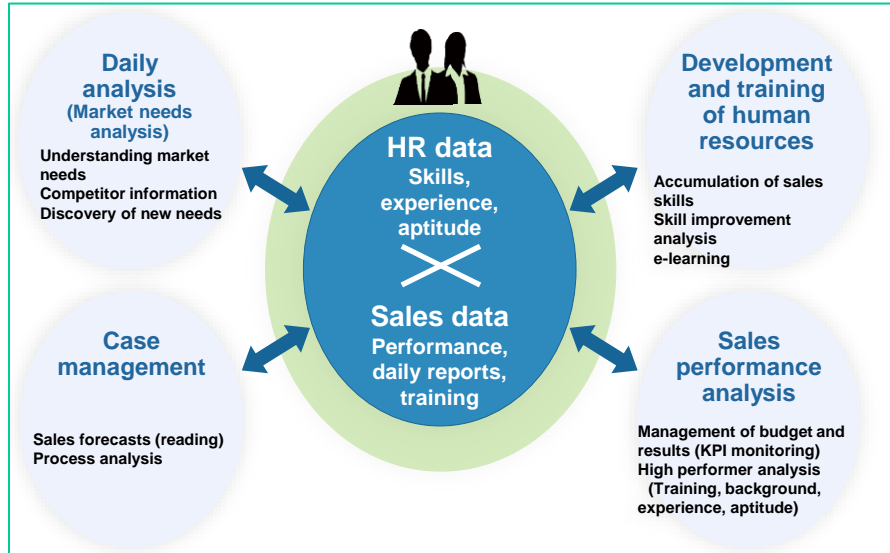
Operation of New Businesses

Start of provision of beta versions of two new businesses

Sales service support area



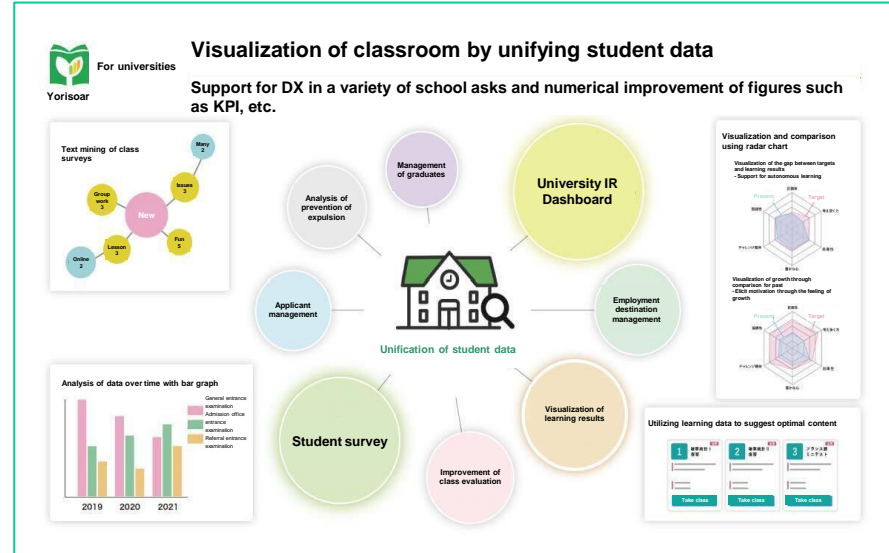
Integrated sales strategy solution for simultaneously realizing maximization of sales results and improvement of organization performance



Educational support services area



School management system supporting visualization of classrooms and university IR



02

Financial results for the six months ended March 31, 2022

Highlights

■ Overview

- Talent Palette Business continues to perform well. The number of customers continued to grow in 2Q, and performance exceeded targets
- Visualization Engine and Customer Rings made progress generally as planned

■ Financial results for the six months ended March 31, 2022 (2Q)

- Financial results for the six months ended March 31, 2022, showed a **30.2%** increase in net sales and a **24.7%** increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **34.7%**.
- Recurring revenue (MRR) for the company as a whole grew steadily to **561** million yen (up **29.0 %** year on year)
- The Talent Palette Business continued to perform well, showing a **57.2%** increase in net sales and a **50.8 %** increase in operating profit
- The Talent Palette business continued to expand in terms of the number of customers due to an increase in new customers and the revenue churn rate remaining low, and average revenue per user (ARPU) also continued to rise, with the steady accumulation of recurring revenue contributing to strong performance

■ Earnings forecasts for the fiscal year ending September 30, 2022

- Performance has been strong until the six months ended March 31, 2022 (2Q), but marketing expenses are expected to increase toward the second half of the fiscal year, and no change is planned for the initial full-year forecast.
- We forecast net sales of **7,650** million yen (up **25.0 %** year on year) and operating profit of **2,500** million yen (operating profit margin of **32.7%**)

Financial results highlights

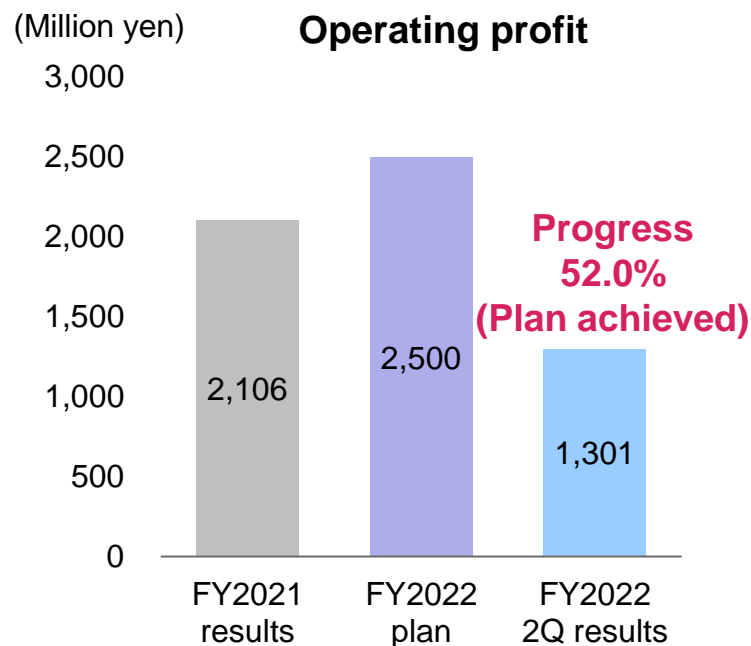
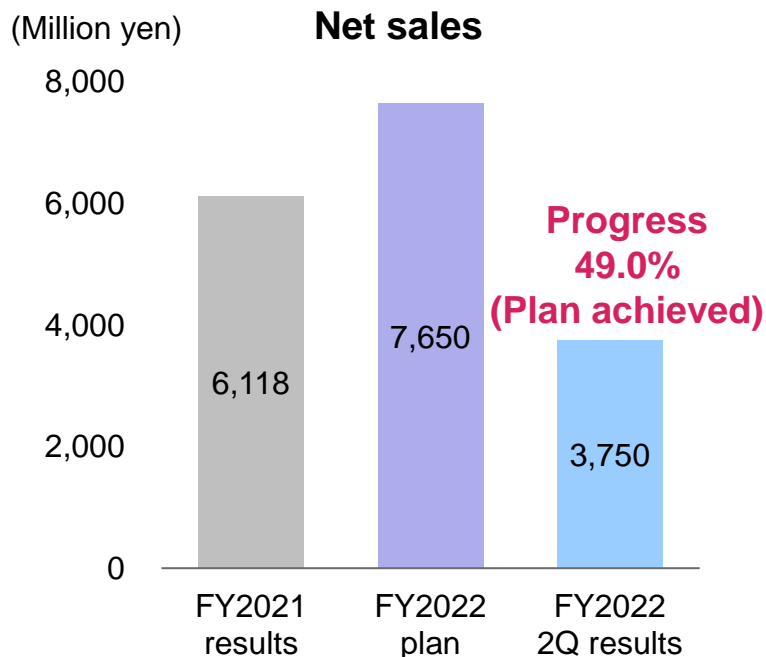
- Financial results for the six months ended March 31, 2022 (2Q), showed a 30.2% increase in net sales and a 24.7% increase in operating profit from the same period of the previous fiscal year.

<Cumulative 2Q>

Net sales	3,750 million yen	YoY change	30.2 % up
Operating profit	1,301 million yen	YoY change	24.7 % up
Ordinary profit	1,293 million yen	YoY change	23.2 % up
Profit	855 million yen	YoY change	24.3 % up

Financial results progress (companywide) for the six months ended March 31, 2022 (2Q)

- Net sales in 2Q were 49.0% of the full year plan, proceeding smoothly in excess of the planned level.
- Operating profit made a high level of progress at 52.0%, but marketing expenses are expected to increase toward the second half of the fiscal year.



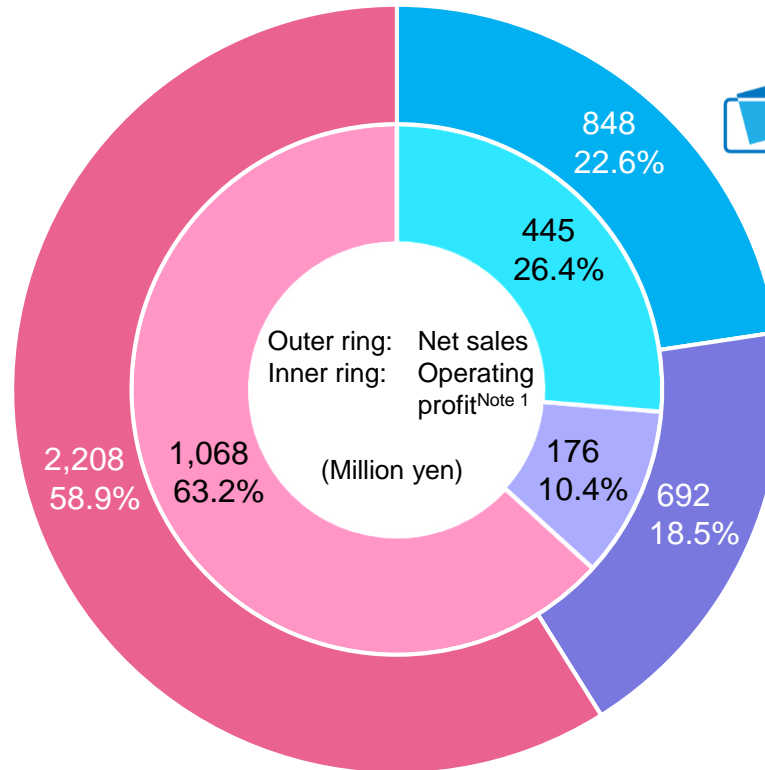
Financial results summary (companywide)

- Net sales and operating profit continued to increase in 2Q
- Performance was steady for the six months ended March 31, 2022, with a 30.2% increase in net sales, a 24.7% increase in operating profit and an operating profit margin of 34.7%

Million yen	FY2022 (Jan.-Mar.)			FY2022 (Oct.-Mar.)			FY2022 (Oct.-Sep.)	
	2Q			Cumulative 2Q			FY2022 plan	
	FY2021 results	FY2022/9 2Q results	YoY	FY2021 results	FY2022/9 2Q results	YoY	Plan	Progress
Net sales	1,523	1,939	27.3%	2,880	3,750	30.2%	7,650	49.0%
Cost of sales	426	584	37.2%	833	1,080	29.7%		
Gross profit	1097	1,354	23.4%	2,047	2,669	30.4%		
Selling, general and administrative expenses	534	738	38.2%	1,004	1,367	36.2%		
Operating profit	563	616	9.4%	1,043	1,301	24.7%	2,500	52.0%
Ordinary profit margin	37.0%	31.8%	-	36.2%	34.7%	-	32.7%	-
Ordinary profit	563	607	7.8%	1,050	1,293	23.2%	2,450	52.8%
Profit	369	406	9.9%	688	855	24.3%	1,600	53.4%

Financial results (by segment) for the six months ended March 31, 2022 (2Q)

- Talent Palette accounted for 58.9% of companywide sales and 63.2% of profit, driving companywide growth
- The highly profitable Talent Palette business contributed to the improvement of companywide profitability



Note 1: Amount of operating profit of the segment in 2Q of FY2022 (before elimination of shared expenses)

Financial results highlights (Talent Palette Business)

- The Talent Palette Business continued to perform well, showing a 57.2% increase in net sales and a 50.8% increase in operating profit

<Talent Palette Business -cumulative 2Q>

	Cumulative FY2021 2Q	Cumulative FY2022 2Q	YoY change
Net sales¹	1,405 million yen	2,208 million yen	57.2 % up
Operating profit²	708 million yen	1,068 million yen	50.8 % up
Ordinary profit	50.4 %	48.4 %	2.1 point down
MRR³	197 million yen	314 million yen	59.6 % up
Number of customers⁴	568 Cases	836 Cases	47.2 % up
Revenue churn rate⁵	0.49 %	0.42 %	0.07 point down
ARPU⁶	346 Thousand yen	378 Thousand yen	9.3 % up

Note 1: Results for 2Q of 2021 and 2Q of 2022 (cumulative)

Note 2: Amount of operating profit of the segment in 2Q of FY2021 and 2Q of FY2022 (before elimination of shared expenses)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2021 and in March 2022

Note 4: Number of monthly billed contracts as of March 31, 2021 and March 31, 2022

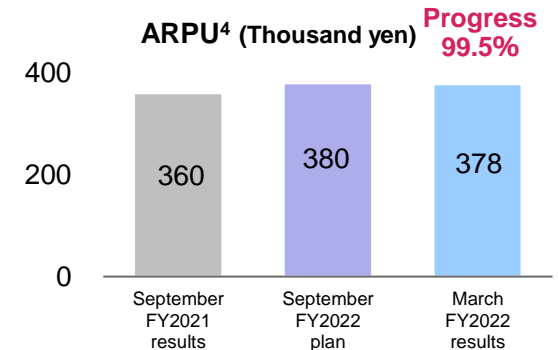
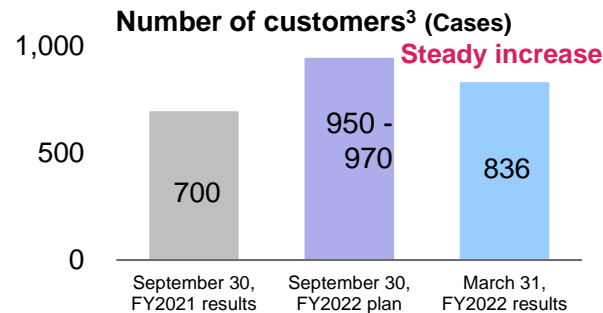
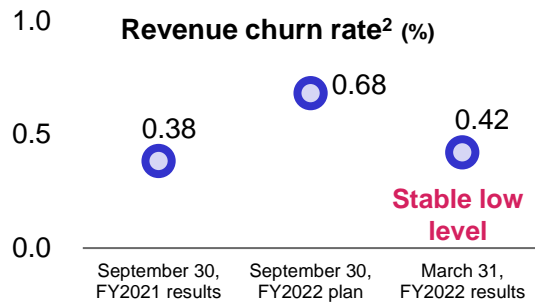
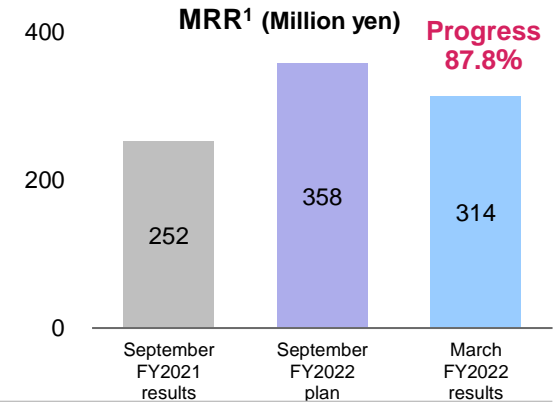
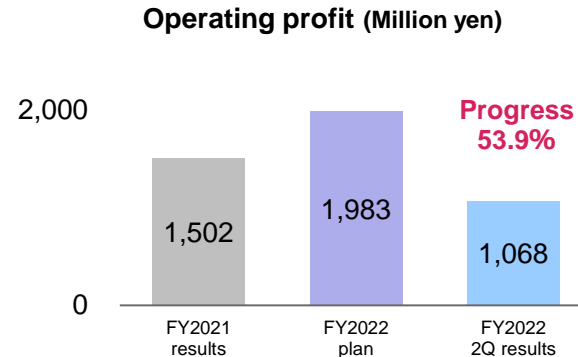
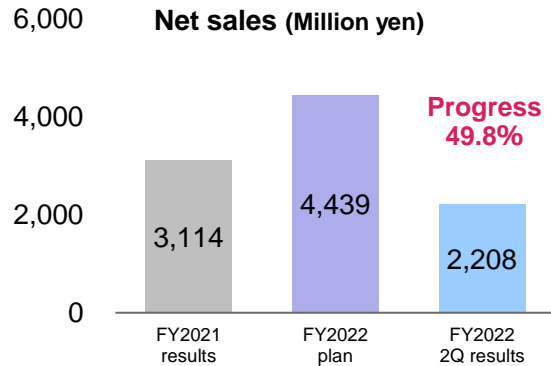
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2021 and March 2022 (average for the past 12 months).

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 2Q of FY2021 and 2Q of FY2022 by the average number of paid billing enterprise users of each month for the same period.

Financial results progress (Talent Palette Business)

- In the Talent Palette Business, all major KPIs exceeded initial plans.
- In addition to strong orders at the end of the previous fiscal year, orders will continue to be strong this fiscal year, and the number of customers is steadily increasing

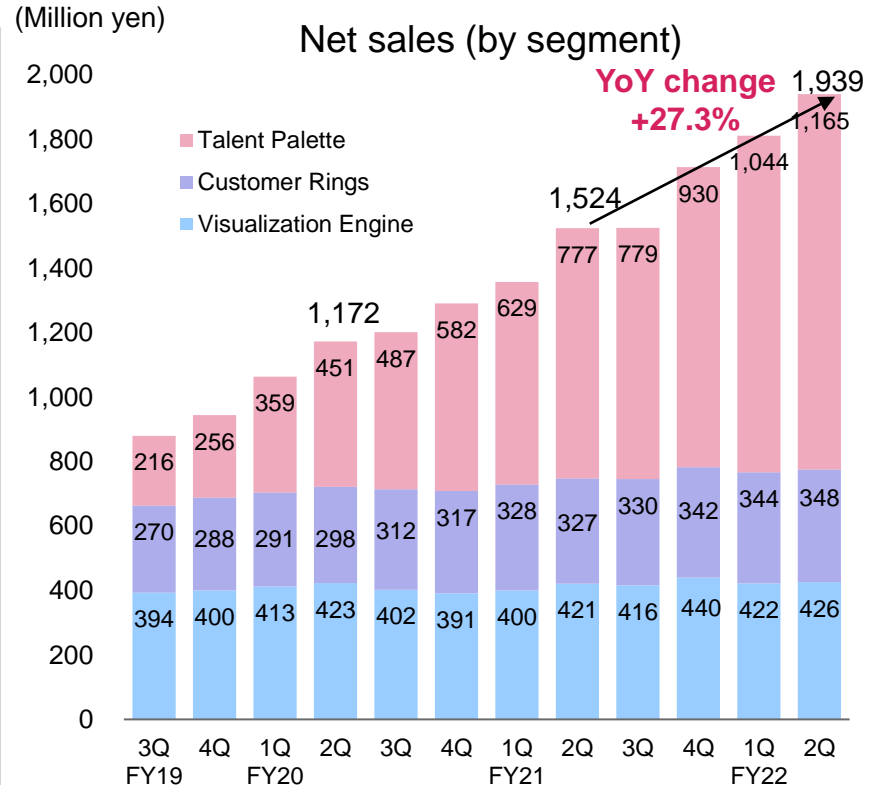
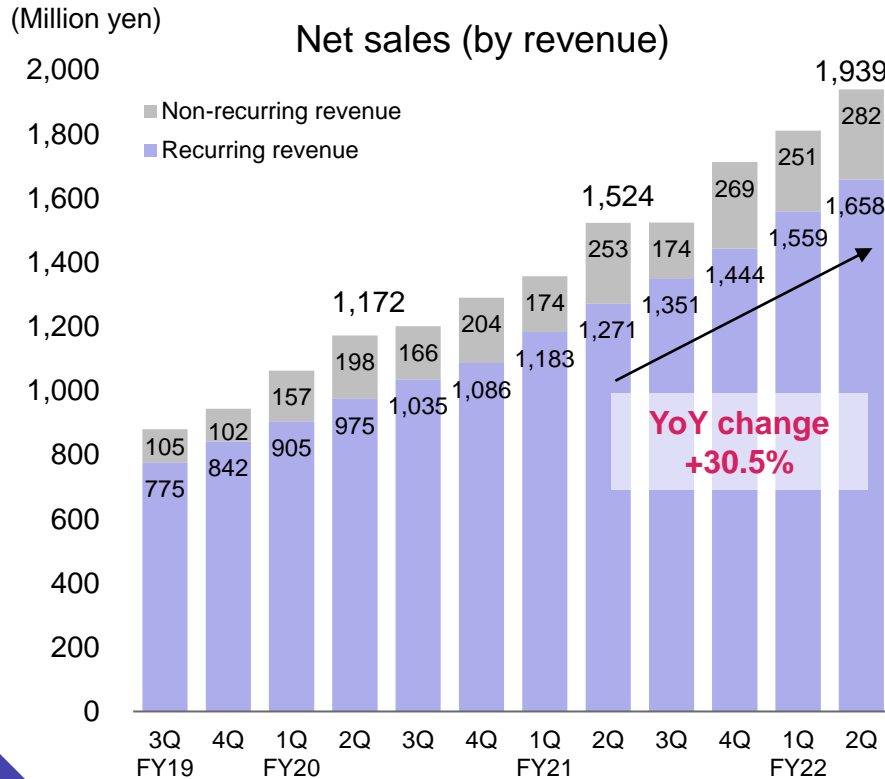


Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
 Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)

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

Net sales trends (companywide)

- Recurring revenue steadily increased and expanded to 1,658 million yen (+30.5% year on year) in 2Q
- Sales in each business exceeded those of the previous fiscal year, and expanded to 1,939 million yen in 2Q (up 27.3% year on year)

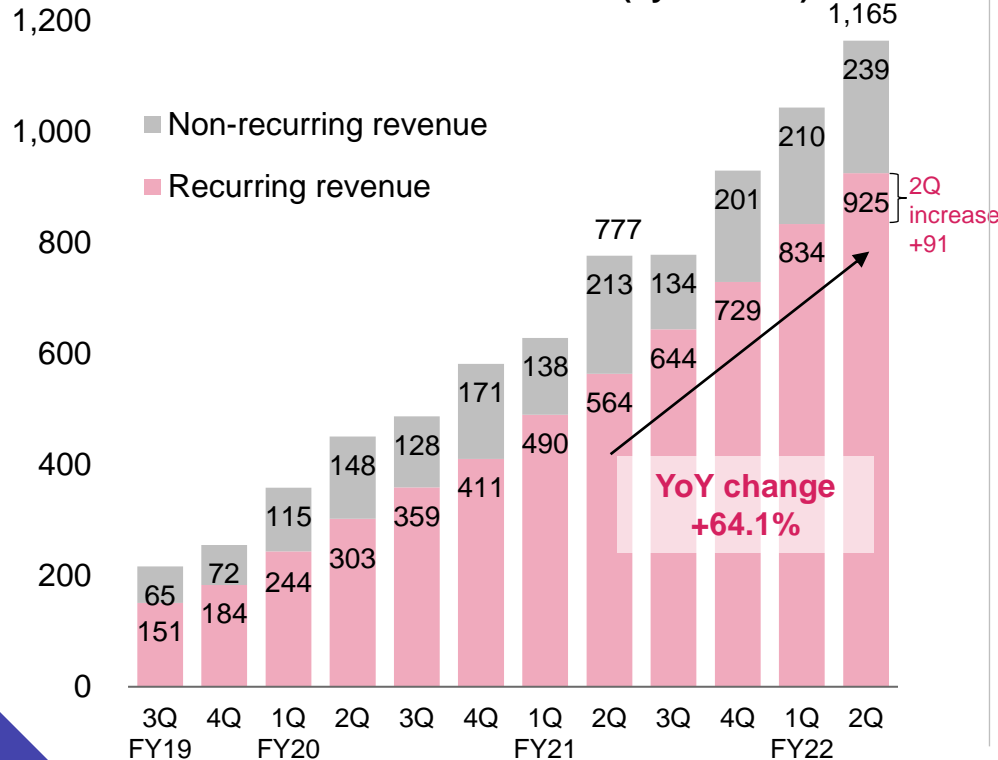


Net sales trends (Talent Palette)

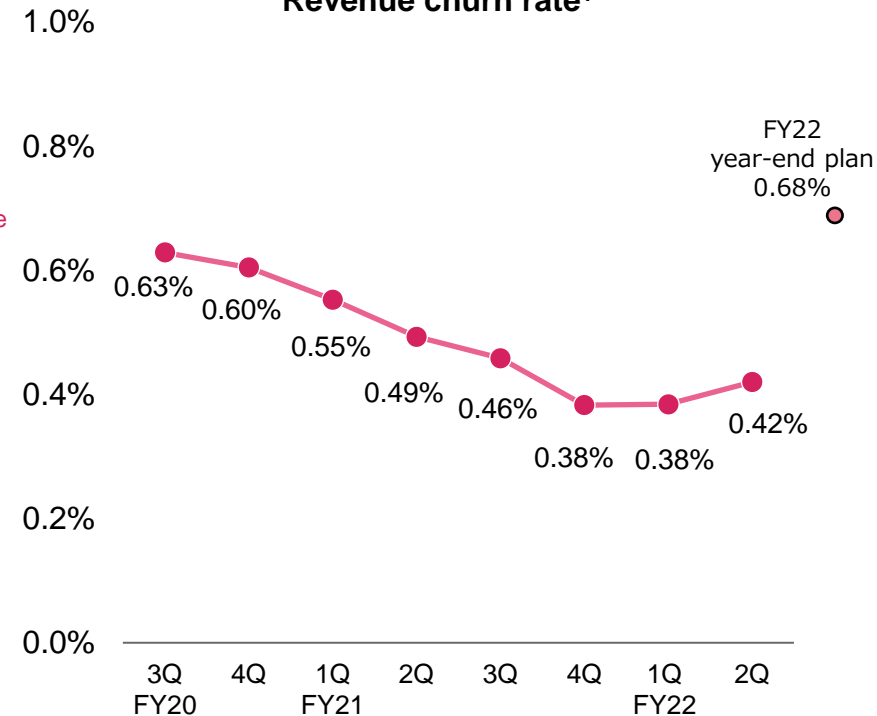
- Recurring revenue steadily increased and expanded to 925 million yen (+64.1% year on year) in 2Q
- The cancellation rate was stable a 0.42%, which was lower than the FY2022 year-end plan of 0.68%

(Million yen)

Net sales of Talent Palette (by revenue)



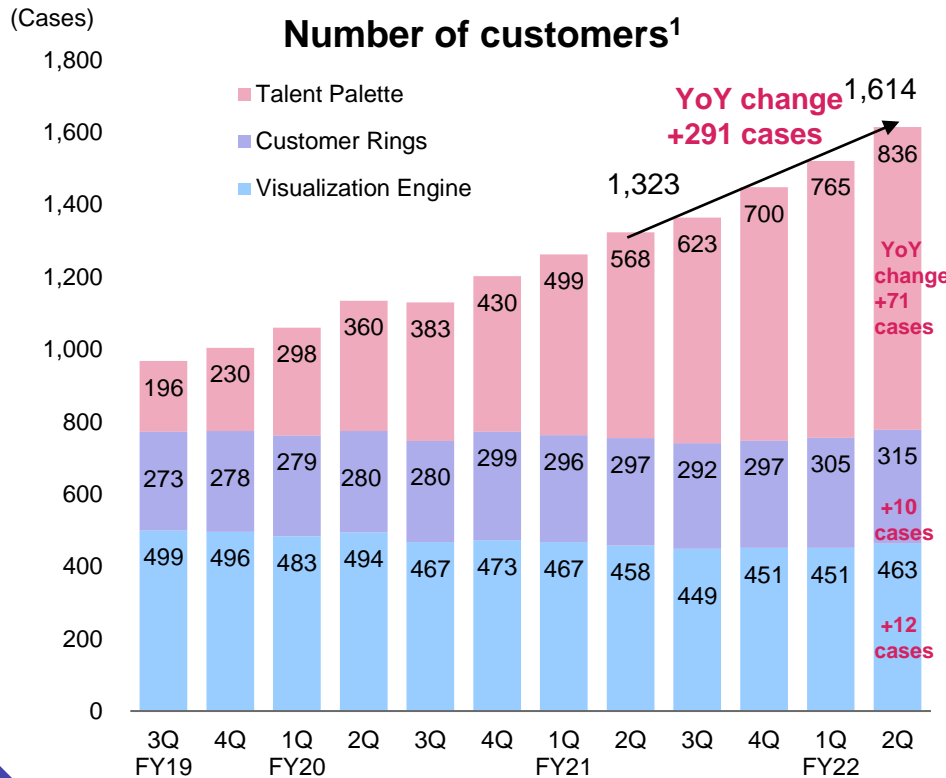
Revenue churn rate¹



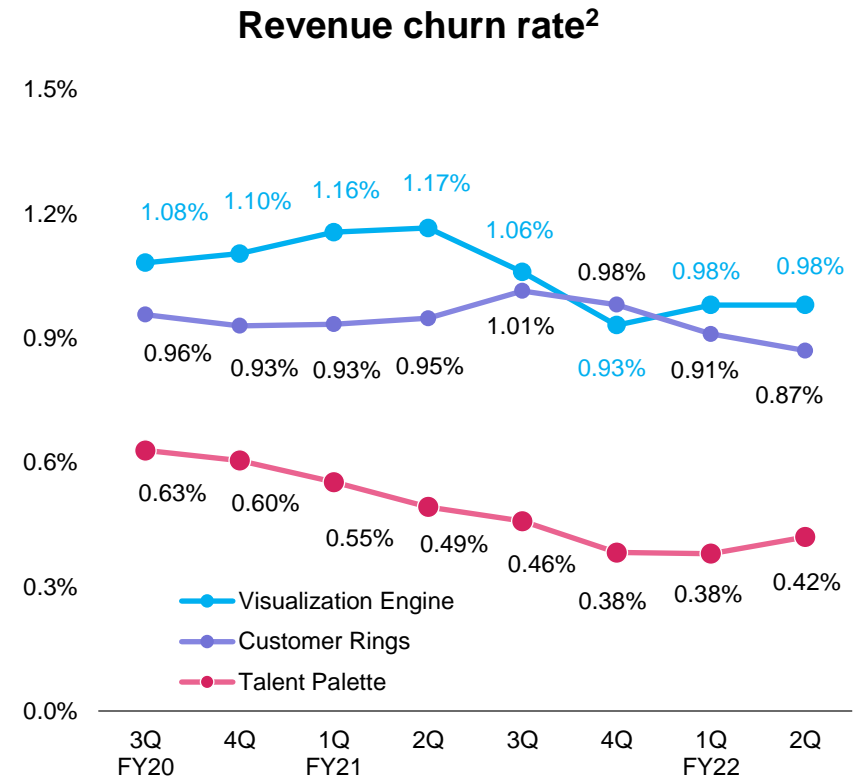
Note 1: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Trends in number of customers and revenue churn rate

- The number of customers has continued to grow due to increased introduction of Talent Palette and a low revenue churn rate
- Visualization Engine and Customer Rings shifted toward new acquisitions as the impact of COVID 19 continued



Note 1: Number of monthly billed contracts

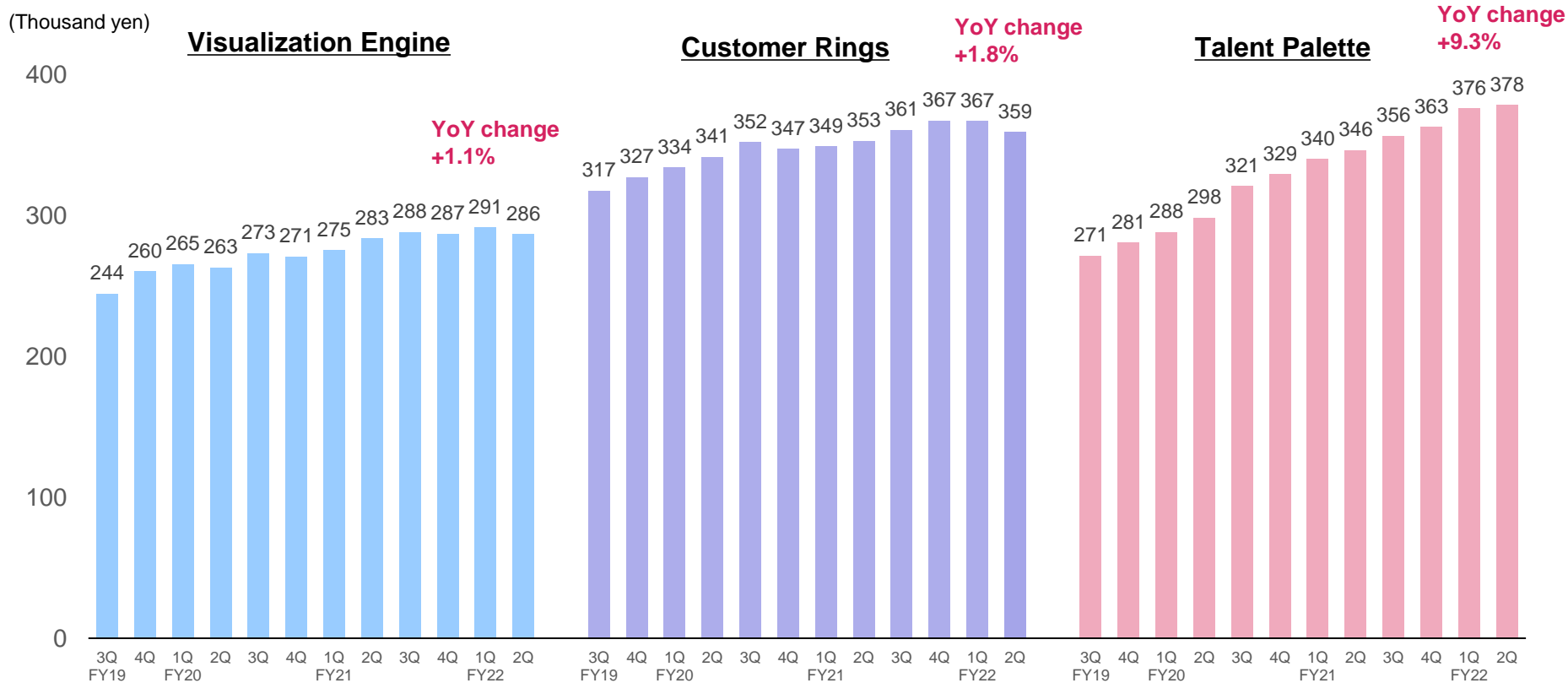


Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

Trends in average revenue per user (ARPU)

- Up-selling and large scale projects continued for Talent Palette, with ARPU¹ increasing more than anticipated.
- Growth of ARPU of Visualization Engine and Customer Rings slowed due to focus on new acquisitions

(Thousand yen)



Note 1: Average Revenue Per User. Average monthly revenue per paid billing enterprise user. Calculated as dividing the average MRR for each quarter by the average number of paid billing enterprise users of each month for the same period.

Major KPIs for 2Q of FY2022

MRR¹

Companywide

561 million yen

■ Visualization Engine	132 million yen
■ Customer Rings	114 million yen
■ Talent Palette	314 million yen

MRR growth rate²

Companywide

29.0%

■ Visualization Engine	-0.1%
■ Customer Rings	8.3%
■ Talent Palette	59.6%

Average monthly revenue churn rate³

Companywide

0.67%

■ Visualization Engine	0.98%
■ Customer Rings	0.87%
■ Talent Palette	0.42%

Number of users⁴

Companywide

1,614 companies

■ Visualization Engine	463 companies
■ Customer Rings	315 companies
■ Talent Palette	836 companies

Recurring ratio⁵

Companywide

85.5%

■ Visualization Engine	93.1%
■ Customer Rings	96.3%
■ Talent Palette	79.5%

ARPU⁶

Companywide

348 thousand yen

■ Visualization Engine	286 thousand yen
■ Customer Rings	359 thousand yen
■ Talent Palette	378 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2022 (excluding temporary sales).

Note 2: MRR growth rate from March 2021 to March 2022

Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of March 2022 (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 March 31, 2022

Note 5: Calculated as dividing total monthly billed amounts for the second quarter of the fiscal year ending September 30, 2022 by net sales for the same period.

Note 6: Average Revenue Per User. Calculated as dividing the average MRR for the second quarter of the fiscal year ending September 30, 2022 by the average number of paid billing enterprise users of each month for the same period. Companywide result is calculated by dividing total amounts of the average MRRs of the three businesses for the same period by the average number of total enterprise users for the three businesses of each month for the same period.

Major KPIs: Year-on-year change

<Companywide Cumulative 2Q>	Cumulative FY2021 2Q	Cumulative FY2022 2Q	YoY change
Net sales ¹	2,880 million yen	3,750 million yen	30.2 % up
Operating profit ²	1,043 million yen	1,301 million yen	24.7 % up
Ordinary profit	36.2 %	34.7 %	1.5 points down
MRR ³	435 million yen	561 million yen	29.0 % up
Number of customers ⁴	1,323 Cases	1,614 Cases	22.0 % up
Revenue churn rate ⁵	0.85 %	0.67 %	0.18 points down
ARPU ⁶	325 Thousand yen	348 Thousand yen	6.9 % up

Note 1: Results for 2Q of 2021 and 2Q of 2022 (cumulative)

Note 2: Results for 2Q of 2021 and 2Q of 2022 (cumulative)

Note 3: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2021 and in March 2022

Note 4: Number of monthly billed contracts as of March 31, 2021 and March 31, 2022

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2021 and March 2022 (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.

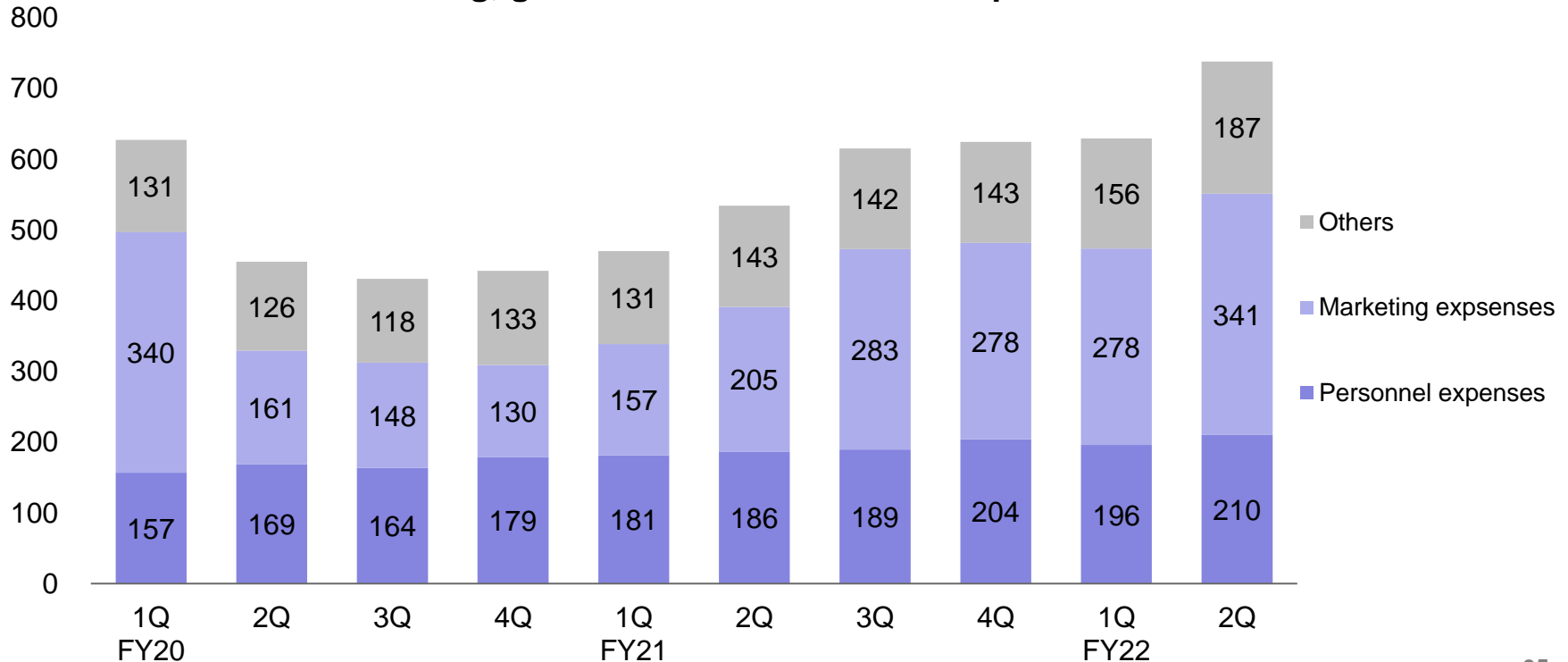
Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 2Q of FY2021 and 2Q of FY2022 by the average number of paid billing enterprise users of each month for the same period.

Trends in selling, general and administrative expenses

- Marketing expenses are increasing as expected from 2Q due to the commencement of measures in Talent Palette.
- Personnel expenses are also increasing due to an increase in personnel. Other expenses include temporary expenses related to relocation of head office.

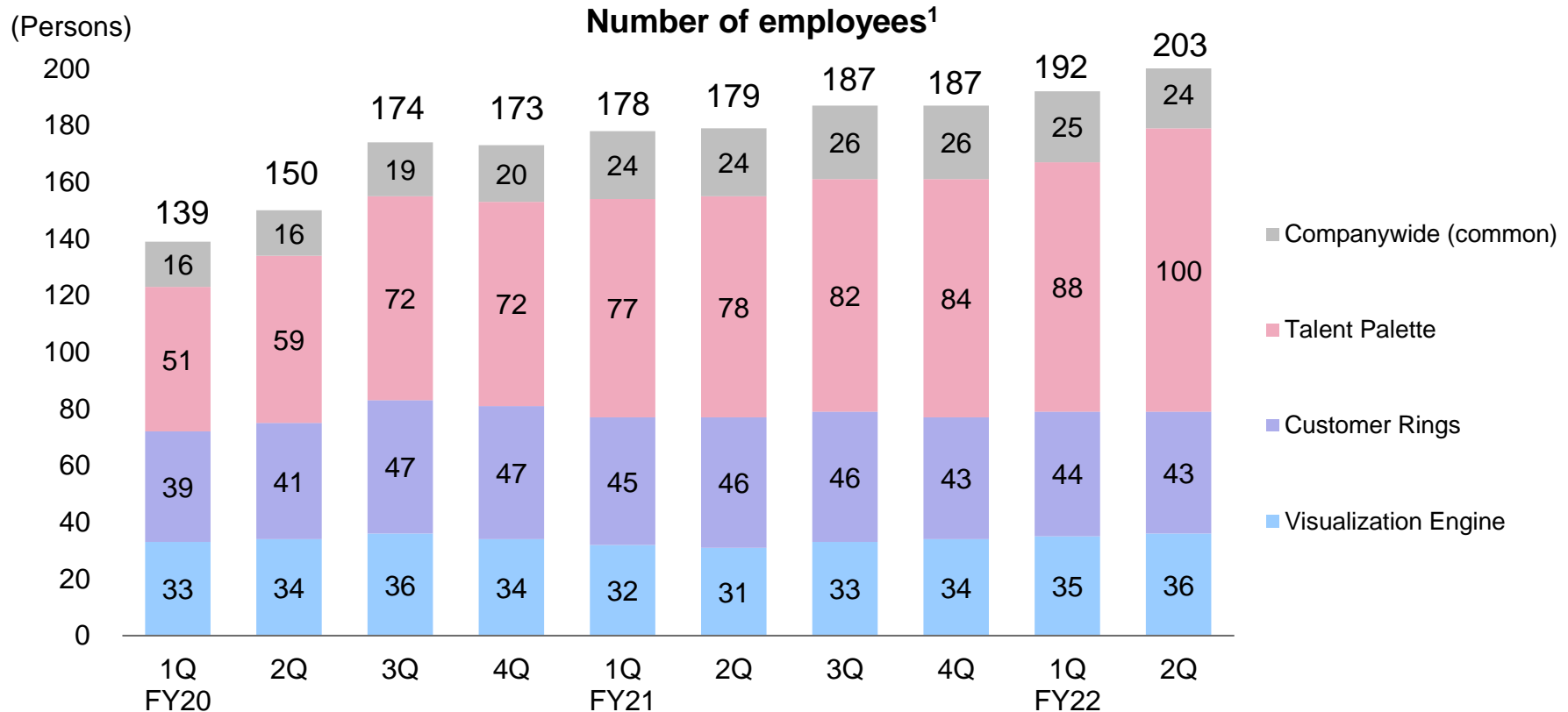
(Million yen)

Selling, general and administrative expenses



Trends in the number of employees

- Increased in the number of personnel, especially in consultant positions, due to the need to respond to the increasing number of Talent Palette customers
- Strengthening of system through up-front investment by continuously hiring engineers for strengthening sales and functions to acquire new business



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

Status of Balance Sheets

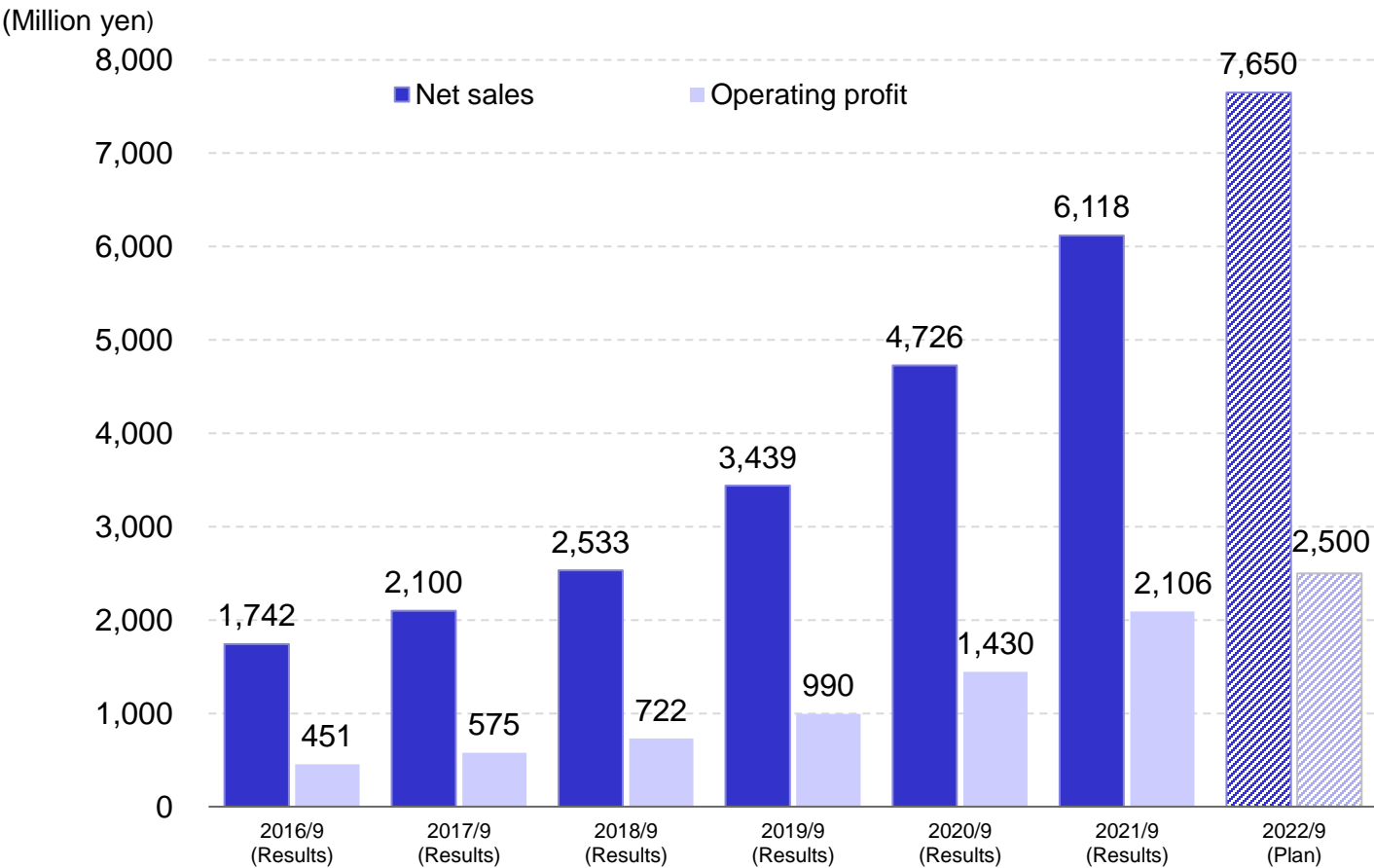
- Net assets increased by 613 million yen from September 30, 2021 due to continuously recording profits
- The slim financial structure was maintained, and the equity ratio rose to 81.4%

(Million yen)	Sep. 30, 2021	Mar. 31, 2022	Changes from Sep. 30, 2021
Current assets	5,498	5,986	up 488
(Cash and deposits)	4,614	4,968	up 354
(Accounts receivable-trade)	751	760	up 9
Non-current assets	636	780	up 144
Total assets	6,135	6,767	up 632
Current liabilities	1,227	1,247	up 20
Non-current liabilities	-	-	-
Net assets	4,907	5,520	up 613
Equity ratio	79.8%	81.4%	

03 Earnings forecasts for the fiscal year ending September 30, 2022

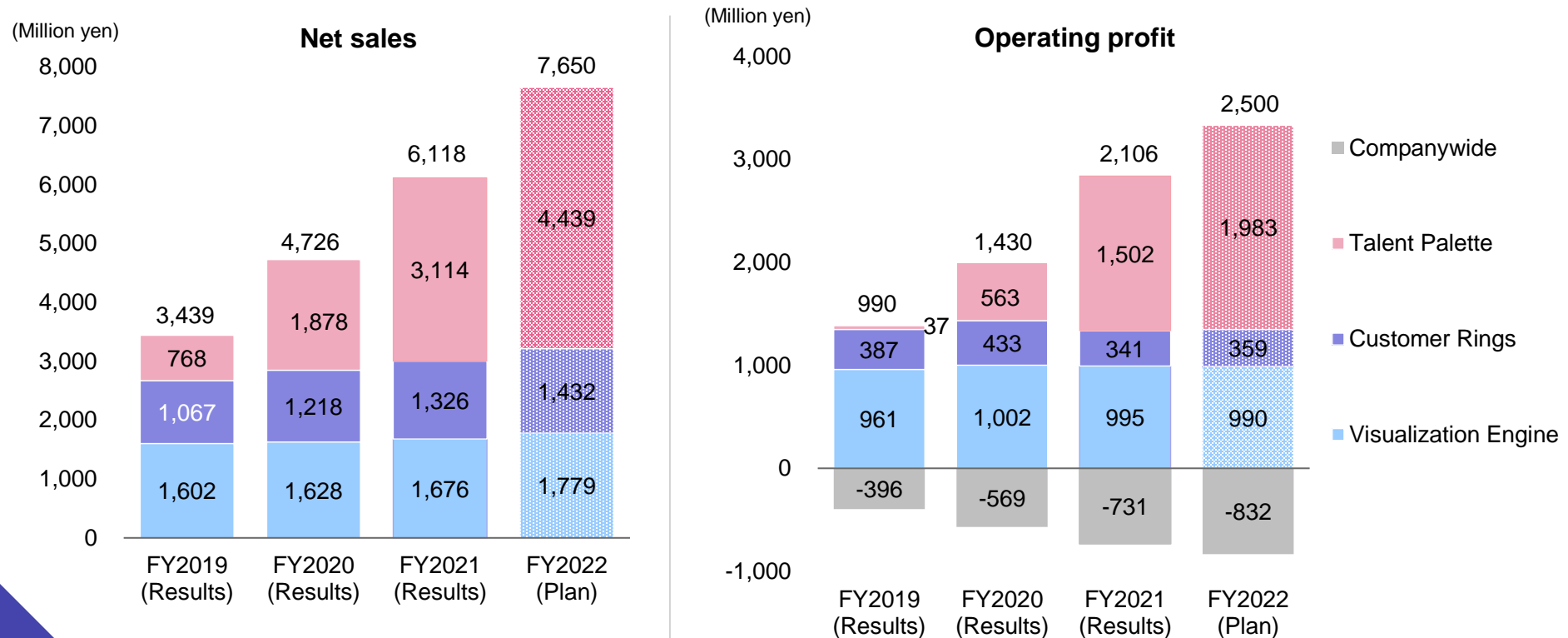
Earnings forecasts for the fiscal year ending September 30, 2022

- Revenues and profits are expected to increase year-on-year in the fiscal year ending September 30, 2022, with sales growth mainly in the Talent Palette Business
- We are aiming for a 25% growth in net sales and an operating profit margin of 32.7%

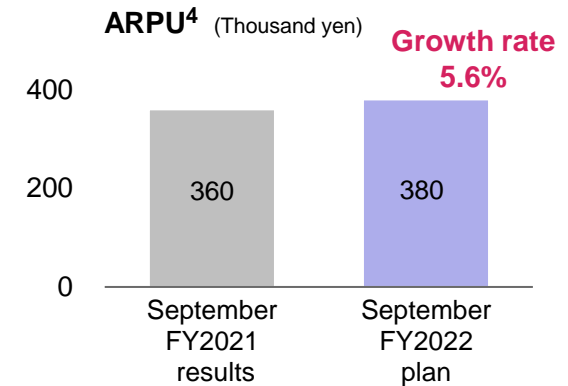
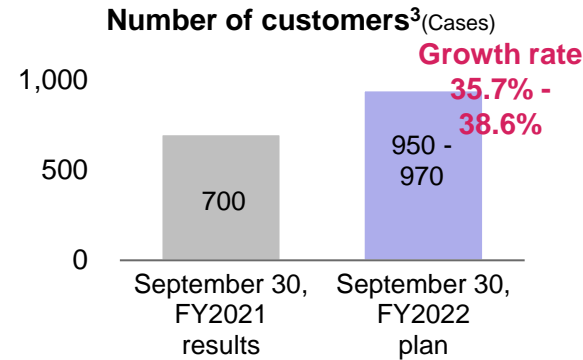
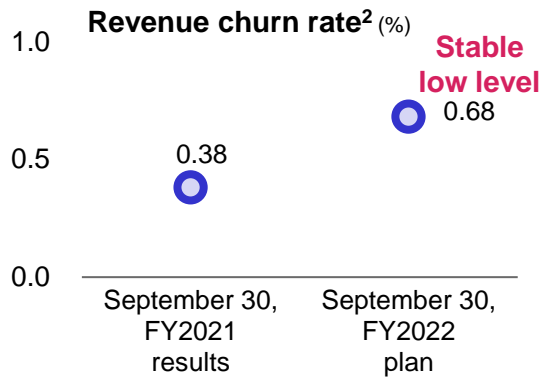
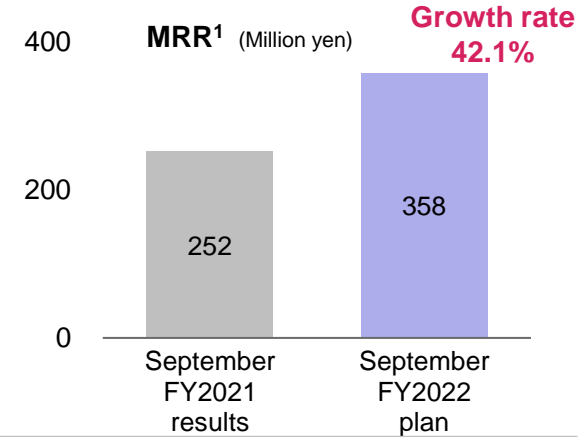
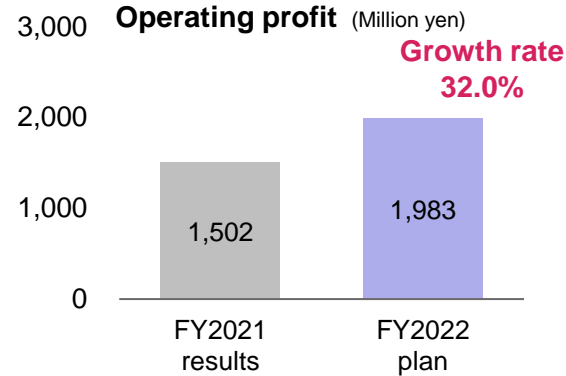
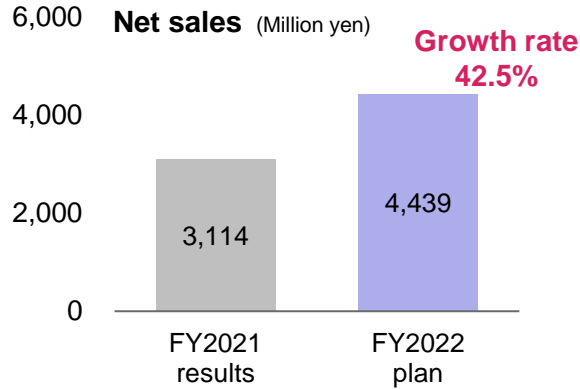


Earnings forecasts for the fiscal year ending September 30, 2022 (By segment)

- Companywide growth in revenues and profits driven by sales and profit growth in Talent Palette
- Net sales increased for Visualization Engine and Customer Rings, but profit is expected to remain the same due to increases in marketing expenses and system expenses



Earnings forecast assumptions (Talent Palette Business)



Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.

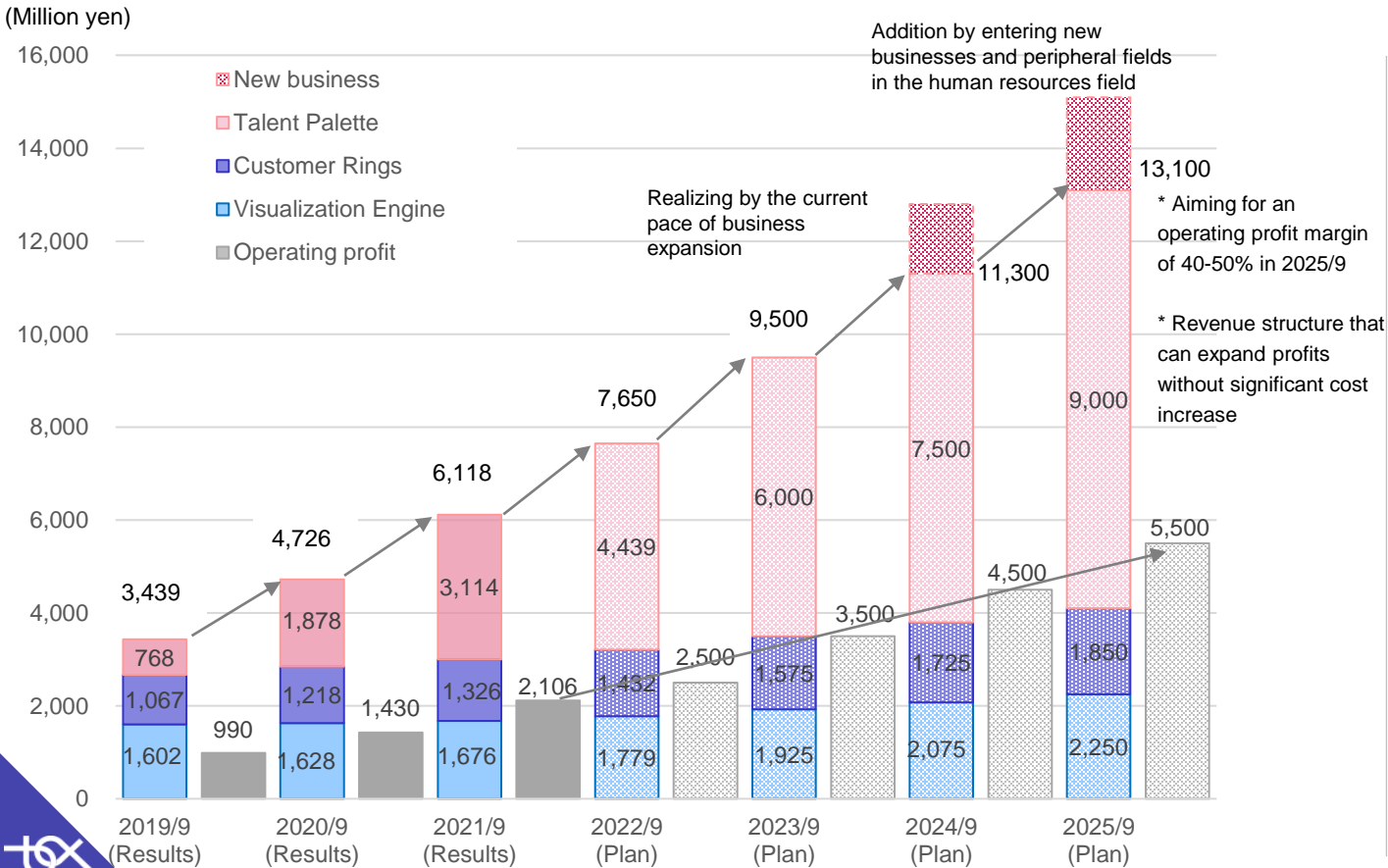
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)

Note 3: Number of monthly billed contracts

Note 4: Average Revenue Per User. Calculated by dividing MRR by the number of customers at the end of the month.

Medium-term growth image

- Sales of 13 billion yen or more, operating profit of 5.5 billion yen or more and ROE of 30% or more expected as an extension of existing business in 2025/9
- Aim to further increase sales by making a full-scale entry into new businesses and peripheral fields in the human resources field



Key performance indicators

• Number of customers




	2022/9 (plan)	2025/9 (increase)
Visualization Engine	467	+100
Customer Rings	319	+100
Talent Palette	950 - 970	+900

• ARPU (thousand yen)

	2022/9 (plan)	2025/9 (forecast)
Visualization Engine	305	330
Customer Rings	370	370
Talent Palette	380	395

04 Reference materials

Service characteristics

	Visualization platform	Marketing automation tool	HR utilization platform
			
Service overview	Text mining analysis of massive amounts of customer feedback from surveys, call logs, social media, 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 divisions Used for improving clients' services 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 the text mining tool area with functions of supporting a wide range of data sources, 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, chat, and apps	Personnel database on employee information, evaluations, and skills. Support for optimal placement, HR selection, resignation analysis/prediction, and improvement in matching efficiency
Fee system	Monthly fee: Monthly subscription plan according to data amount, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of members and distribution, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of employees Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.
Number of users ¹ Rate of recurring revenue ²	Number of users (463 companies) Rate of recurring revenue (93.1%)	Number of users (315 companies) Rate of recurring revenue (96.3%)	Number of users (836 companies) Rate of recurring revenue (79.5%)

Note 1: Number of contracts as of September 30, 2021

Note 2: Ratio of total monthly billed amounts to net sales (average of the fourth quarter of the fiscal year ending September 30, 2021)

Characteristics of Visualization Engine

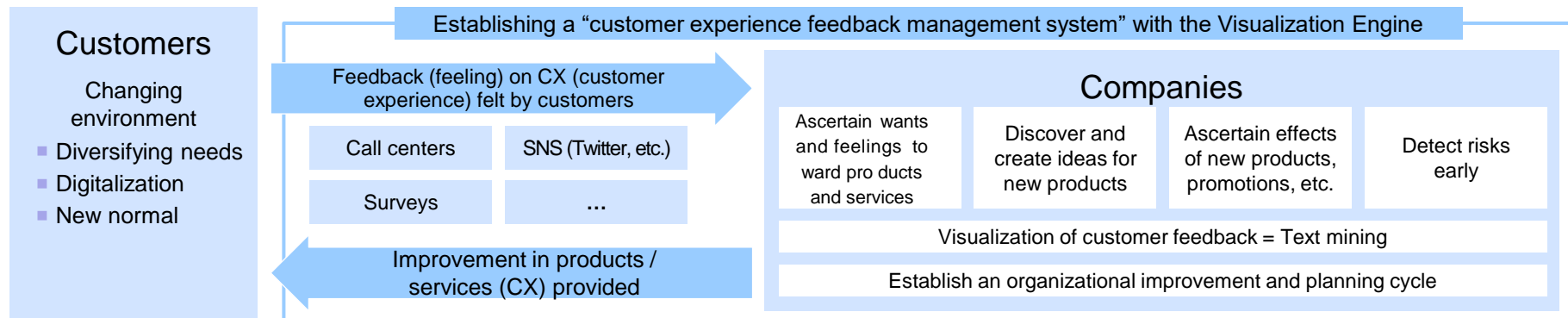
Service characteristics

- Instantly visualize big data (customer feedback and actions) in the digital age
- Tool with No. 1 installation share, used by over 1,500 companies
- Intuitive user interface and high usability
- Highly accurate natural language processing that can handle free-form remarks and comments

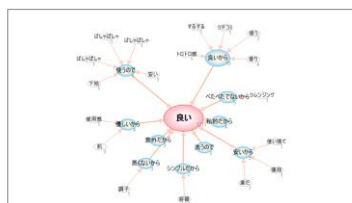


- Text mining analysis of massive amounts of customer feedback from social media such as Twitter, call logs, and even surveys
- Visualization of sentiments such as requests, dissatisfaction, and satisfaction
- One-stop support for customer feedback-oriented improvement activities on a companywide basis using the dashboard function

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



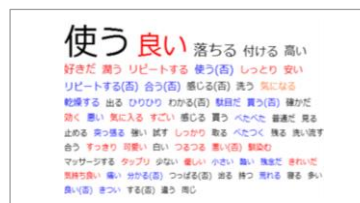
Visualized output of customer thoughts and wants (proprietary text mining technology)



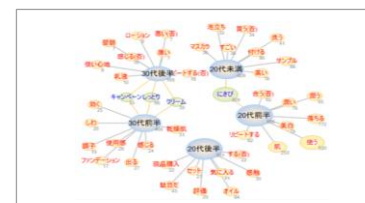
Reason map
(Ascertain elements linked to central word)



Extract needs
(Understand feelings at a glance)



Word cloud
(Ascertain frequency of word occurrence)



Characteristic map
(Compare characteristics by age group)

Companies that have introduced visualization engine



Introduced to many companies as a tool that can visualize the voices of a large number of customers.

No. 1 share for 10 consecutive years¹

Manufacturing



Retail distribution business

Pharmaceutical

Corporate support

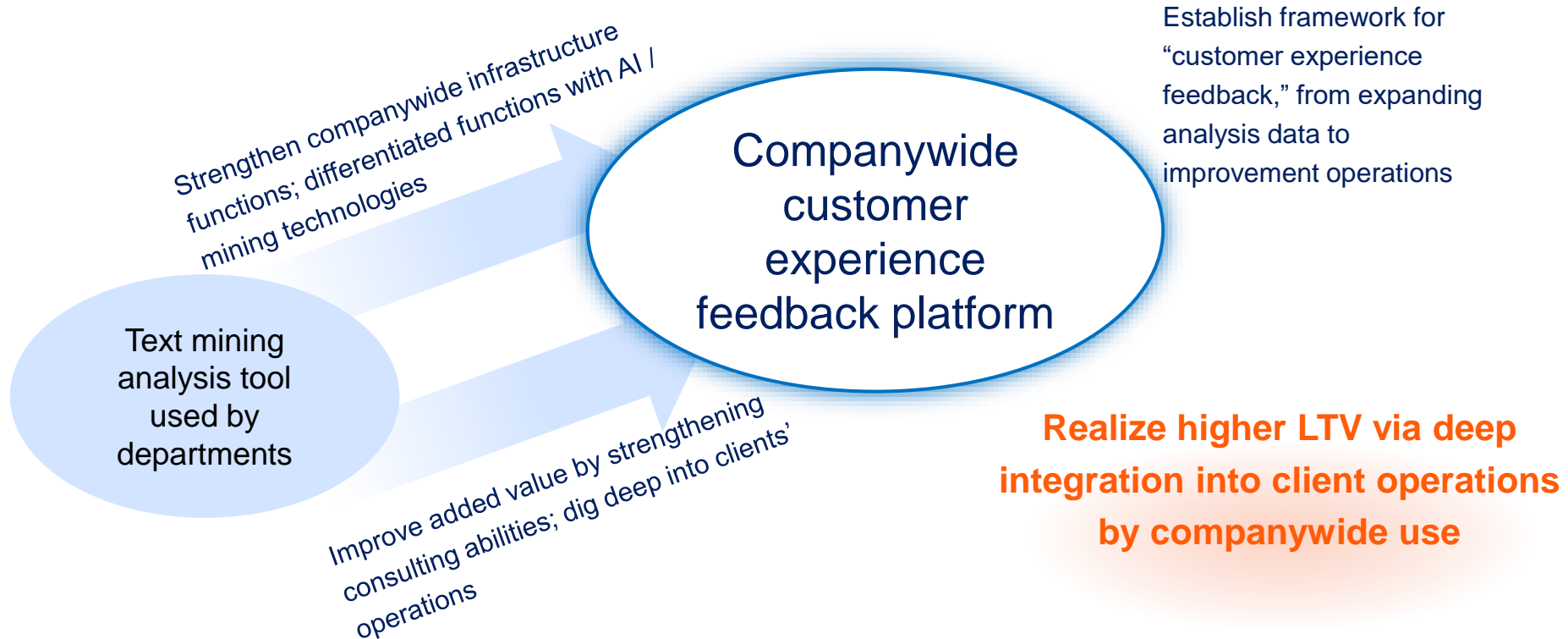
Infrastructure (aviation, railroad, communication)

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Note 1: Fuji Chimera Research Institute, Inc. "New Markets in the Software Business"

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

Strengthen infrastructure functions that facilitate customer experience feedback, expand the scope of applicable data, build intimate relationships with customers through high value-added consulting services, and raise LTV.



Characteristics of Customer Rings

Service characteristics

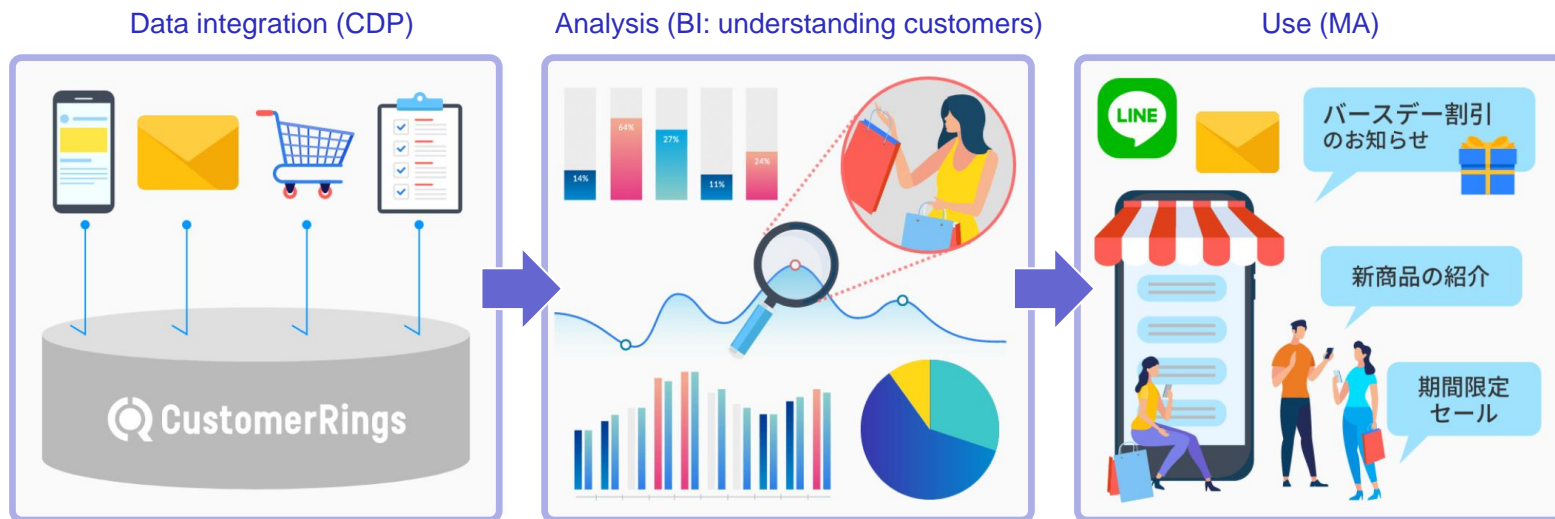
- A CRM/MA tool that realizes optimal communication with customers by integrating and analyzing massive amounts of customer information and purchase histories
- An intuitive interface that does not hamper users' thinking
- Enables timely approaches to customers through optimal channels, ranging from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



ここがポイント！

- Supports the planning and execution of marketing initiatives via diverse analysis functions and a wealth of visualized output that allow users to gain a firsthand understanding of each customer's behaviors and preferences.
- Supports digital marketing strategies in any industry or business type, including EC, finance, and retail businesses.
- Consultants provide comprehensive support by aiding in strategy and analysis.

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



Automation (allows users to focus on more creative work)

Companies that have introduced Customer Rings



Supporting digital marketing / CRM enhancement of more than 650 growing companies in total

健康食品業界



コスメ業界



コンタクト業界



雑貨業界

ヘアケア業界



食品業界



アパレル業界



保険/金融業界



新聞業界



会員サービス業界



総合通販業界



BtoB通販業界



人材業界



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Growth strategy for Customer Rings Business

Expand differentiated “customer feeling” functions, create high added value for analysis consulting, and evolve into a marketing platform that can be linked with various marketing actions.

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

Expand industries by expanding
services through high value-added
consulting

Create a platform that also enables
various marketing actions

A digital marketing
platform highly
sensitive to
customer needs



LINE linkage
App linkage



EC website linkage
Web customer



Sending e-mail
Sending SMS



Inventory
management
Various core
systems

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

Characteristics of Talent Palette

Service characteristics

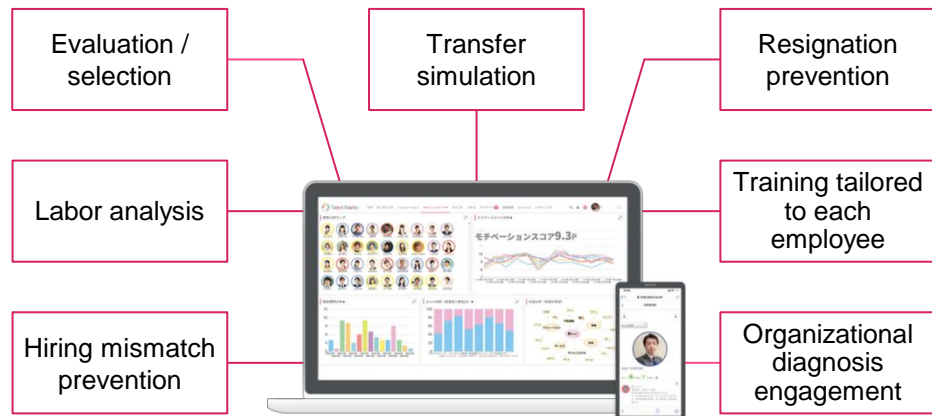
- Realizes data-based scientific personnel management strategy to enable users to succeed in an age of labor shortage
- Employee visualization functions that can be used for optimal employee placement or human resource selection
- Hiring functions including increasing efficiency of hiring operations, mismatch prevention, and performance forecasting
- Employee performance analysis and learning facilitation functions such as e-learning
- Resignation prevention functions such as resignation analysis and prediction and motivation measurement



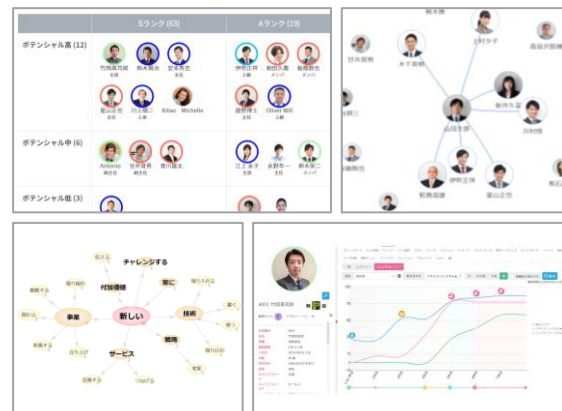
ここがポイント！

- A first in the industry, we took our approach to analyzing massive amounts of data in marketing, an area in which we excel, and applied it to the HR field.
- A human resource platform that realizes “scientific personnel management,” including data-driven optimal placement, appropriate evaluations, discovering and hiring more talents, and resignation prevention.
- Analyzes employees’ aspirations and requests to the company using text mining technology. Enables management to reflect previously untapped “employee voices.”

Realizes proprietary scientific personnel management that incorporates marketing thinking



Intuitive visualization of human resources and organization status



Experience
and intuition

×

Visualization of
employee information

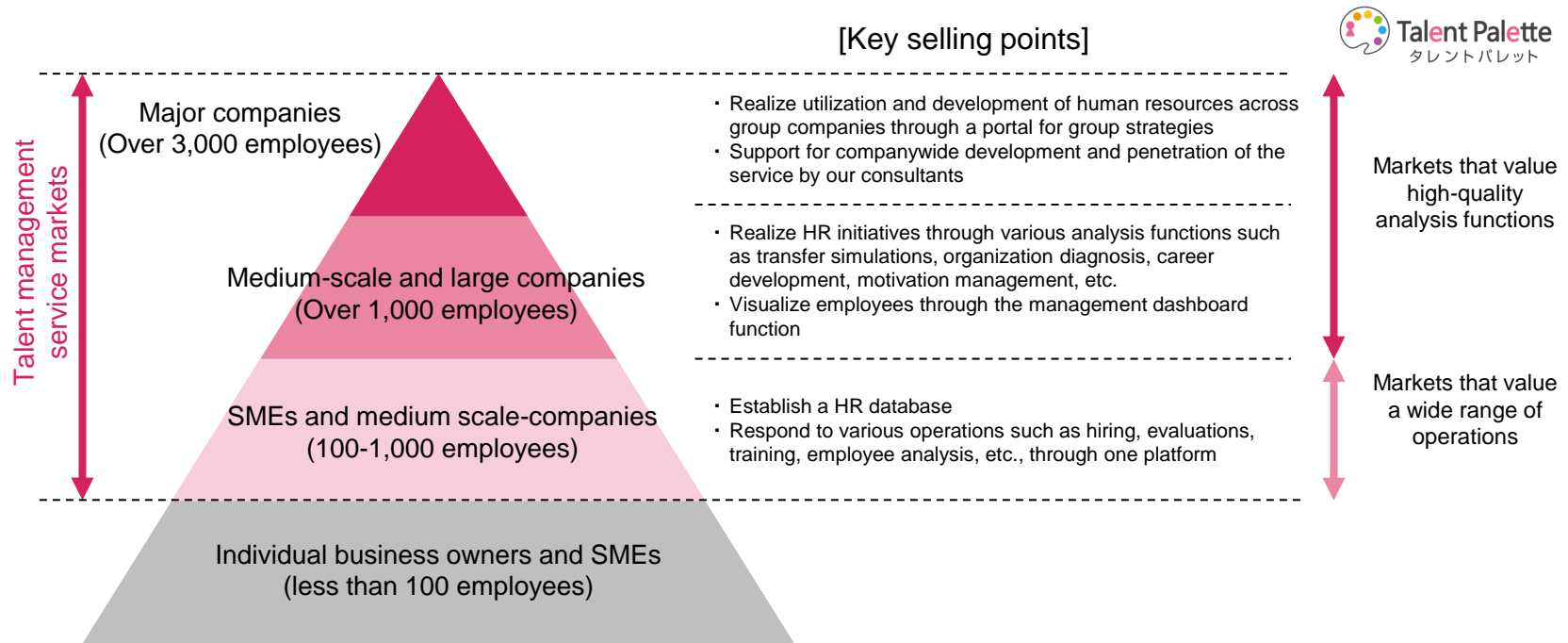
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**Realize scientific personnel
management strategy**
(Data-driven creative personnel strategy)

Talent Palette's target market

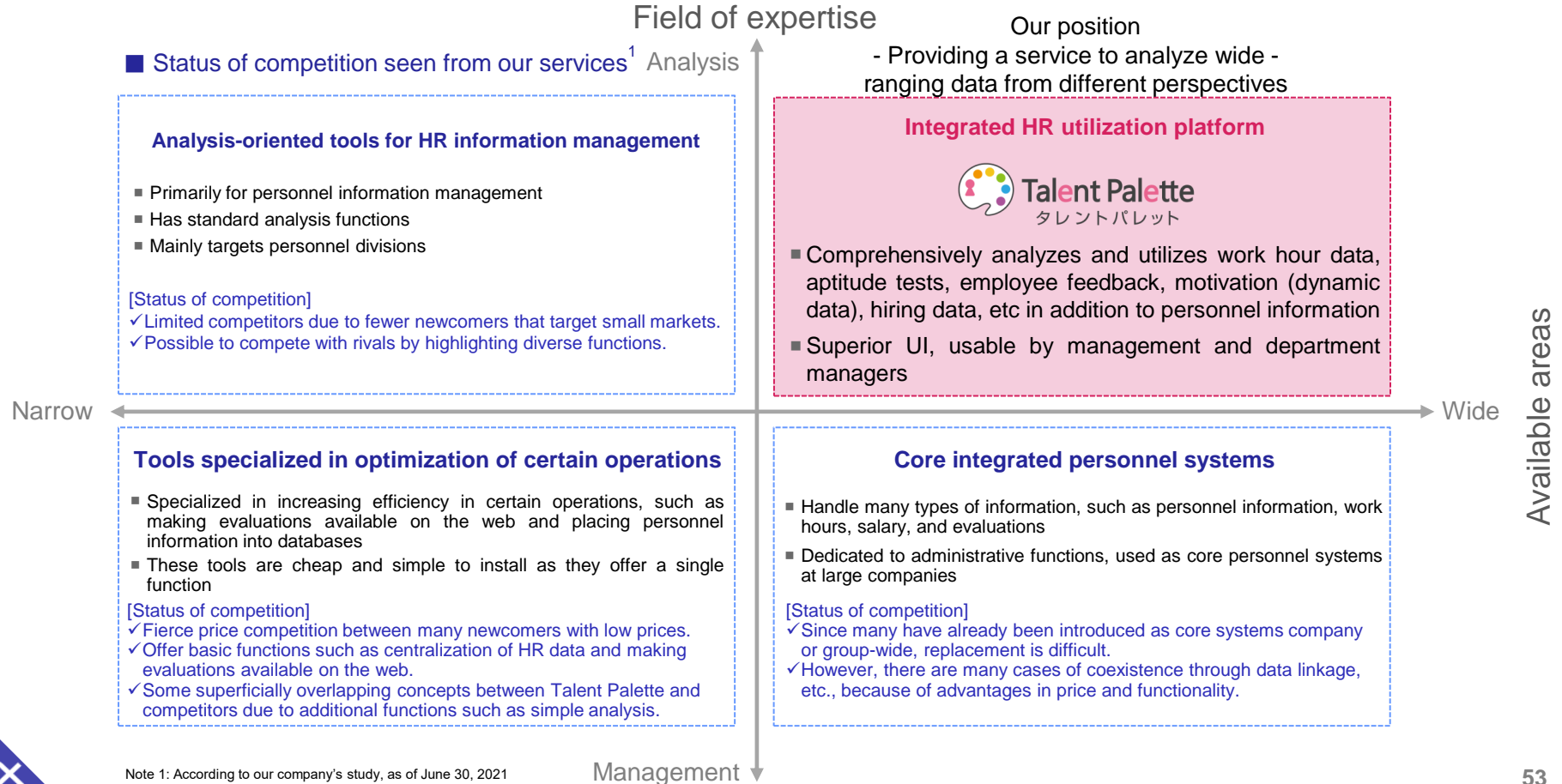
The talent management service is targeted for companies with 100 or more employees. Since market characteristics differ depending on the number of employees, we adopt a method of approach focusing on selling points suitable for each market.

Target markets and selling points of the talent management service



Unique position as an integrated human resource platform

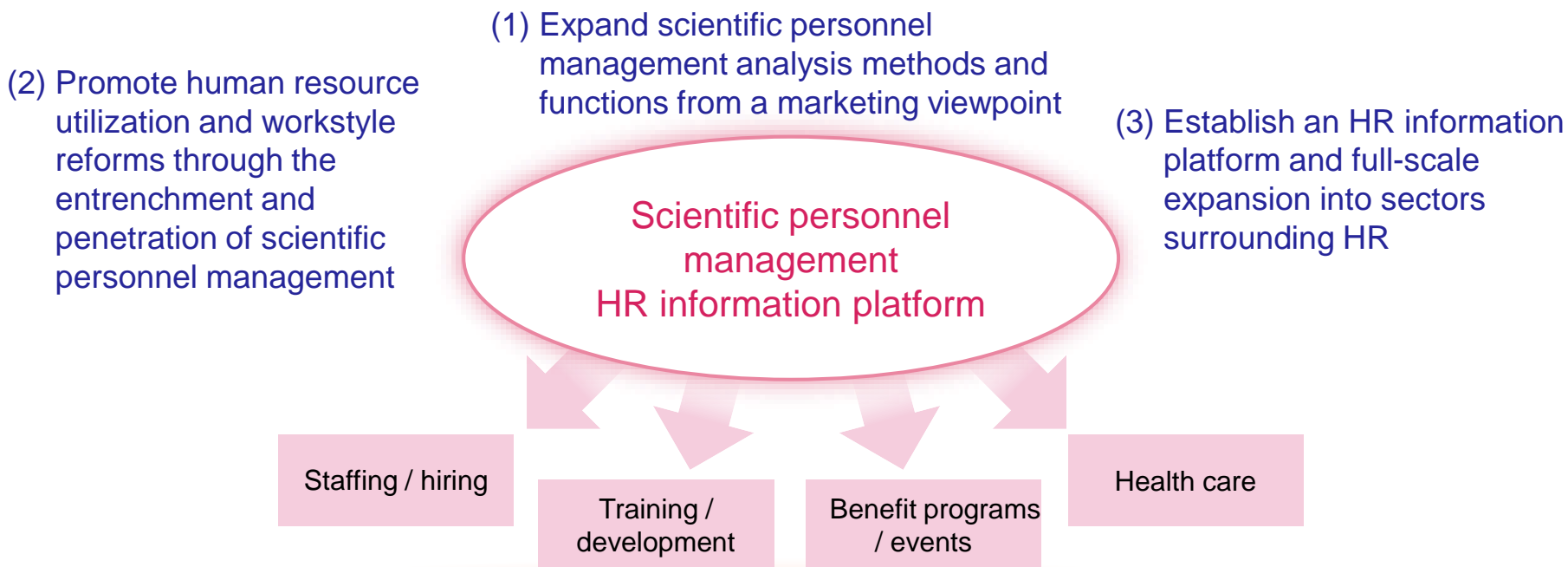
Differentiate Talent Palette from competing services by supporting a wide range of operations with integrated and accumulated personnel data, and enriching analysis functions



Growth strategy for Talent Palette Business



Expand the methodology and functions of “scientific personnel management,” advance expansion in services for sectors surrounding HR, and realize an HR information platform that promotes use of new human resources and workstyle reforms.



Acquire a dominant market share in the HR space by acquiring core personnel data

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