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Consolidated Financial Results for the Three Months Ended December 31, 2022 (Under Japanese GAAP)

February 13, 2023

Company name: Plus Alpha Consulting Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4071
URL: https://www.pa-consul.co.jp
Representative: Katsuya Mimuro, Representative Director and President
Inquiries: Shogo Noguchi, Director, Corporate Division
Telephone: +81-3-6432-0427
Scheduled date to file quarterly securities report: February 13, 2023
Scheduled date to commence dividend payments: –
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2022	2,462	–	761	–	763	–	506	–
December 31, 2021	–	–	–	–	–	–	–	–

Note: Comprehensive income For the three months ended December 31, 2022: ¥506 million [– %]
For the three months ended December 31, 2021: ¥– million [– %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
December 31, 2022	12.59	11.91
December 31, 2021	–	–

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures for the three months ended December 31, 2021, and year-on-year changes for the three months ended December 31, 2022, cannot be shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	8,483	6,707	79.0
September 30, 2022	–	–	–

Reference: Equity
As of December 31, 2022: ¥6,697 million
As of September 30, 2022: ¥– million

Note: The Company began to prepare quarterly consolidated financial statements from three months ended December 31, 2022. Therefore, figures as of September 30, 2022 cannot be shown.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	–	0.00	–	9.00	9.00
Fiscal year ending September 30, 2023	–				
Fiscal year ending September 30, 2023 (Forecast)		0.00	–	13.00	13.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending September 30, 2023	10,600	34.0	3,400	27.6	3,350	25.4	2,600	44.7	64.69

Note: 1. Revision to the earnings forecasts most recently announced: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Grow Up Co., Ltd.)
Excluded: – companies (–)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2022	40,435,920 shares
As of September 30, 2022	40,190,000 shares

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

As of December 31, 2022	93 shares
As of September 30, 2022	93 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2022	40,222,089 shares
Three months ended December 31, 2021	40,069,015 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The financial results forecasts and other forward-looking statements herein are based on information available to the Company at the time of the release of these materials and certain assumptions deemed reasonable, and actual financial results, etc. may differ significantly due to a wide range of factors. For the assumptions used in forecasting financial results and notes regarding the use of financial results forecasts, please see "1. Qualitative Information on Quarterly Financial Results for the Period Under Review (3) Explanation of Financial Results Forecast and Other Forward-looking Information" on page 4 of the Japanese version of the supplementary material.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2022
Assets	
Current assets	
Cash and deposits	4,848,935
Notes and accounts receivable - trade	973,370
Work in process	3,999
Supplies	1,995
Other	155,257
Allowance for doubtful accounts	(335)
Total current assets	5,983,223
Non-current assets	
Property, plant and equipment	169,151
Intangible assets	
Goodwill	1,264,776
Other	428,194
Total intangible assets	1,692,970
Investments and other assets	
Other	638,133
Allowance for doubtful accounts	(281)
Total investments and other assets	637,851
Total non-current assets	2,499,973
Total assets	8,483,196

(Thousands of yen)

	As of December 31, 2022
Liabilities	
Current liabilities	
Accounts payable - trade	120,206
Income taxes payable	205,075
Provision for bonuses	88,345
Other	1,219,157
Total current liabilities	1,632,784
Non-current liabilities	
Deferred tax liabilities	142,973
Total non-current liabilities	142,973
Total liabilities	1,775,758
Net assets	
Shareholders' equity	
Share capital	131,742
Capital surplus	121,742
Retained earnings	6,444,346
Treasury shares	(226)
Total shareholders' equity	6,697,606
Share acquisition rights	9,832
Total net assets	6,707,438
Total liabilities and net assets	8,483,196

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

Quarterly Consolidated Statements of Income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2022
Net sales	2,462,944
Cost of sales	652,907
Gross profit	1,810,037
Selling, general and administrative expenses	1,048,112
Operating profit	761,925
Non-operating income	
Interest on securities	1,570
Other	196
Total non-operating income	1,766
Non-operating expenses	
Interest expenses	38
Commission expenses	376
Total non-operating expenses	414
Ordinary profit	763,276
Extraordinary losses	
Loss on step acquisitions	36,663
Total extraordinary losses	36,663
Profit before income taxes	726,613
Income taxes - current	191,372
Income taxes - deferred	28,820
Total income taxes	220,193
Profit	506,420
Profit attributable to owners of parent	506,420

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2022
Profit	506,420
Comprehensive income	506,420
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	506,420
Comprehensive income attributable to non-controlling interests	–

(Segment information, etc.)

[Segment information]

Three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Visualizing Engine Business	Customer Rings Business	Talent Palette Business	Total		
Net sales						
Goods or services transferred at a point in time	12,622	10,940	210,004	233,566	–	233,566
Goods or services transferred over time	425,382	386,575	1,417,421	2,229,378	–	2,229,378
Revenue from contracts with customers	438,004	397,515	1,627,425	2,462,944	–	2,462,944
Other revenue	–	–	–	–	–	–
Net sales to outside customers	438,004	397,515	1,627,425	2,462,944	–	2,462,944
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	438,004	397,515	1,627,425	2,462,944	–	2,462,944
Segment profit	256,037	142,615	588,150	986,803	(224,877)	761,925

(Notes) 1. The adjustments to segment profit are corporate expenses that have not been allocated to reportable segments, and are mainly general and administrative expenses that do not belong to any reportable segment.
2. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment
(Material change in goodwill amount)
Goodwill was incurred in the Talent Palette Business due to Grow Up Co., Ltd. becoming a consolidated subsidiary following the acquisition of its shares. The increase in the amount of goodwill caused by this event was ¥1,297,206 thousand for the three months ended December 31, 2022.