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

Plus Alpha Consulting Co., Ltd.

(Tokyo Stock Exchange Prime: 4071)

May 15, 2024

Contents

01 Company outline

02 Financial results for the six months ended March 31, 2024

03 Latest topics

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

05 Reference materials

- Business strengths
- HR solution business overview
- Marketing solution business overview

01 Company outline

Company outline

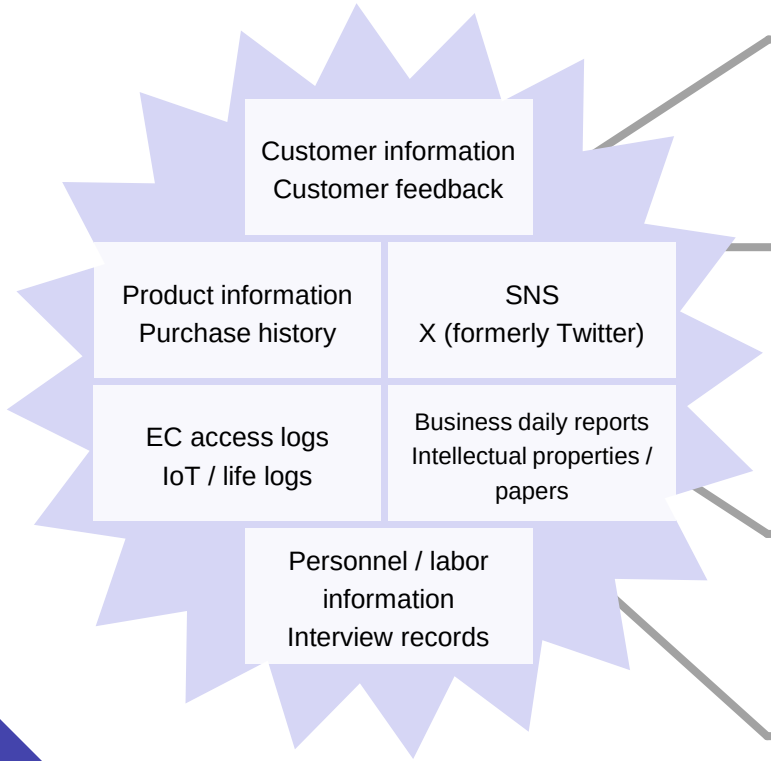
Company name	Plus Alpha Consulting Co., Ltd. (Tokyo Stock Exchange Prime: 4071)
Representative	Katsuya Mimuro, Representative Director and President
Headquarters location	25F Shiodome Sumitomo Building, 1-9-2 Higashi Shimbashi, Minato-ku, Tokyo
Osaka Branch	7F Nakanoshima Festival Tower West , 3-2-4 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.
Established	December 25, 2006
Capital	456,958 thousand yen (as of March 31, 2024)
Business content	Providing cloud services for data analysis platforms
Number of employees	338 consolidated (as of March 31, 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



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

見える化エンジン

CRM area

Visualizing client information and actions

CustomerRings
カスタマーリングス

HR Solutions

HR/personnel area

Visualizing personnel information / employees

Talent Palette
タレントパレット

キミスカ

Education area

ヨリソル

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

見える化エンジン

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

CustomerRings カスタマーリングス

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

Talent Palette タレントパレット

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

Monthly subscription according to the number of employees

Education area

ヨリソル

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

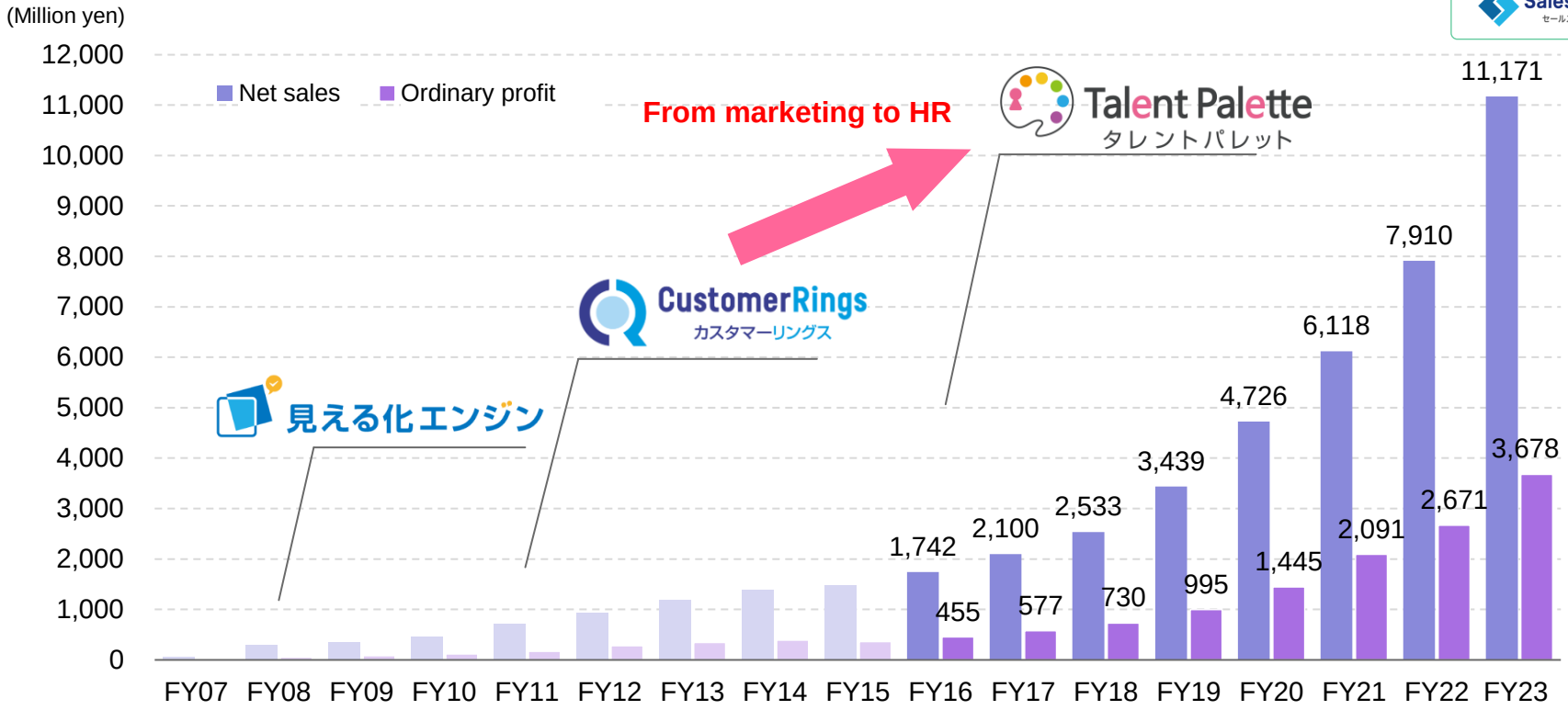
Technology and expertise behind the services

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

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



Characteristics of Talent Palette

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

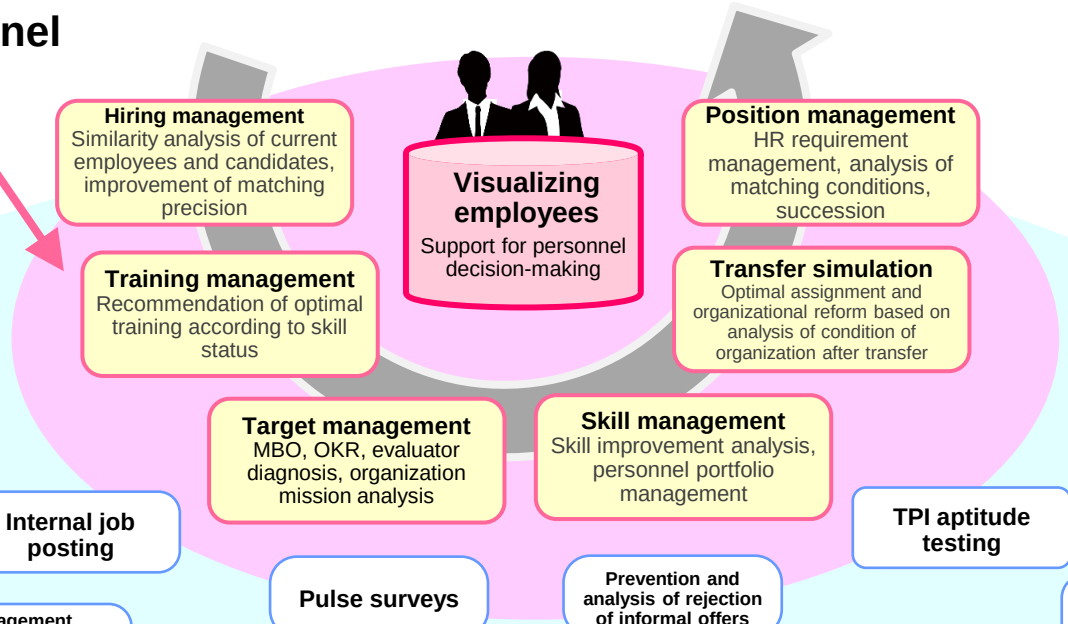
For enterprises, we differentiate with scientific personnel functions through the utilization of data, and for small and medium businesses, we integrate tools required for personnel management and realize the improvement of efficiency of personnel DX through IT

Scientific personnel management

Enhancement of decision-making utilizing IT and data

Personnel DX

Improvement of personnel operations using IT



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

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

Training management
Recommendation of optimal training according to skill status

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

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

Skill management
Skill improvement analysis, personnel portfolio management

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

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

Internal job posting

Pulse surveys

Prevention and analysis of rejection of informal offers

TPI aptitude testing

Direct recruiting
Enabling direct scouting of students matching the company

Thanks points
Increasing engagement through employees expressing gratitude to each other

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

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

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

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

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

Strengths of Talent Palette

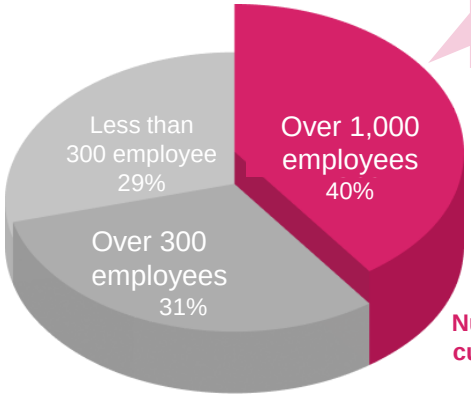
Enterprise penetration and high evaluation

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

Detailed functions and advanced consulting for enterprises are highly regarded

Percentage of contracts by plan

As of September 30, 2023



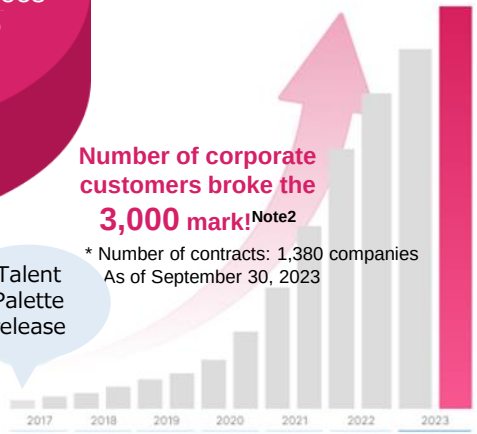
The service is highly regarded among enterprise user with 1,000 or more employees and implementations are progressing



Talent Palette release

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

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



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

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

Features highly appreciated by large enterprises

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

Companies Implementing of Talent Palette

Talent Management System Chosen by Leading Companies

202404-3

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



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



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



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



IT, system development, call centers, entertainment



Staffing, advertising, mass media, specialized services



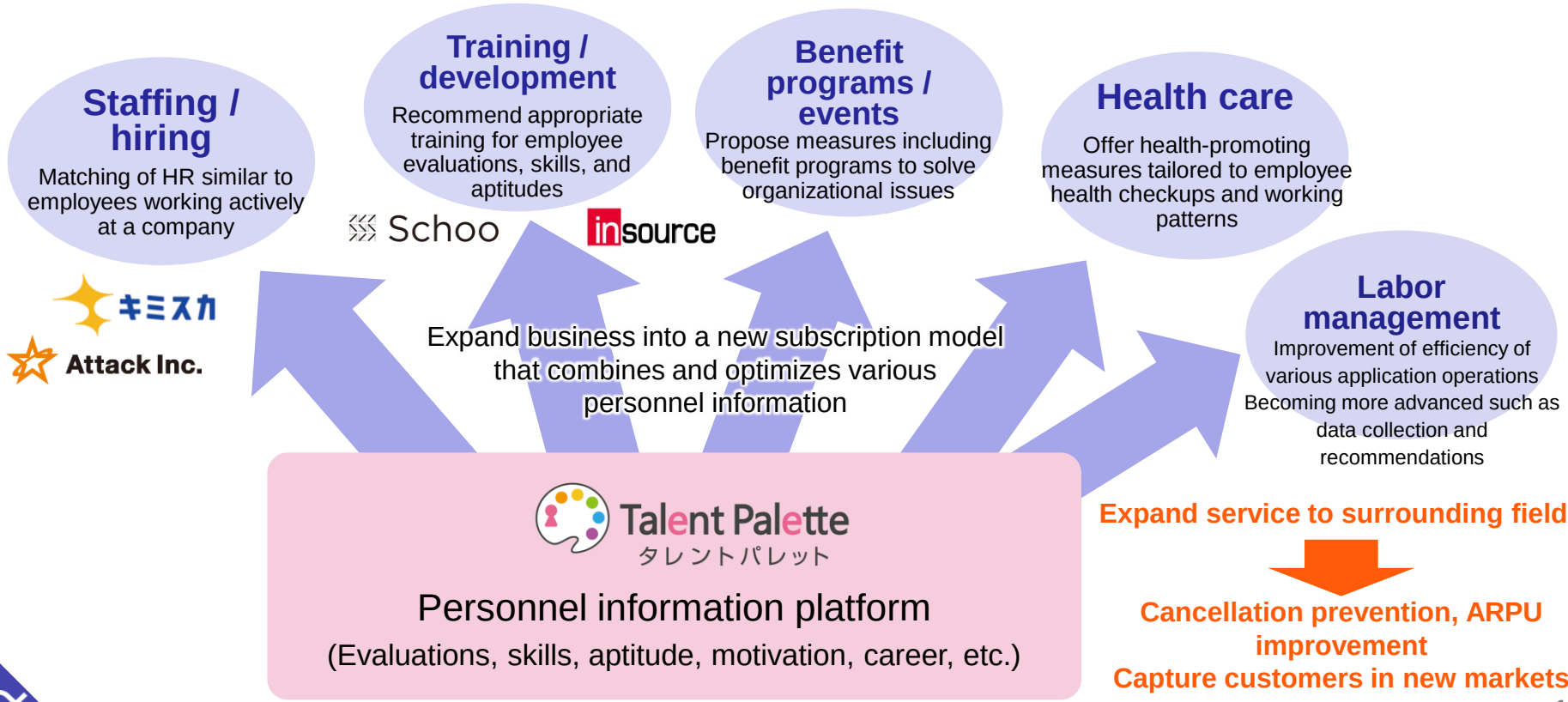
*Some of the companies' logos are shown here with permission. (In no particular order)

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

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

Applicants | Primary, junior high and high school students | Undergraduate, graduate, and vocational school students | Job-seeking students | Working adults | Retired persons

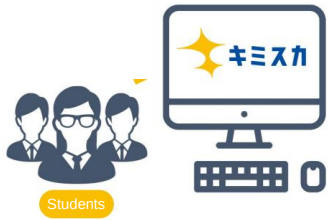
Accumulation and utilization of student data

ヨリソル



Job matching for students

キミスカ



Accumulation and utilization of employee data

Talent Palette
タレントパレット



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

02 Financial results for the six months ended March 31, 2024

Financial results highlights

Consolidated basis

- Net sales increased by 24.4% and operating profit increased by 26.7% in the six months ended March 31, 2024 (2Q)
- Operating profit margin remained high at 33.5%, up 0.6 points year on year

<2Q>

Net sales	**6,465**	million yen	YoY change	**24.4**	% up
Operating profit	**2,166**	million yen	YoY change	**26.7**	% up
Operating profit margin	**33.5**	%	YoY change	**0.6**	points up
Ordinary profit	**2,168**	million yen	YoY change	**26.7**	% up
Profit	**1,471**	million yen	YoY change	**26.4**	% up

Financial Highlights (Talent Palette: including Yorisoar)

Non-consolidated basis

- The Talent Palette Business continued to perform well, showing a 35.0% increase in net sales and a 39.5% increase in operating profit
- Operating profit margin remained high at 49.4%, up 1.6 points year on year

	FY2023 2Q		FY2024 2Q		YoY change	
Net sales[1]	3,077	million yen	4,153	million yen	35.0	% up
Operating profit[2]	1,472	million yen	2,053	million yen	39.5	% up
Operating profit margin	47.8	%	49.4	%	1.6	points up
MRR[3]	460	million yen	628	million yen	36.6	% up
Number of customers[4]	1,200	cases	1,594	cases	32.8	% up
Revenue churn rate[5]	0.30	%	0.28	%	0.02	points down
ARPU[6]	385	thousand yen	402	thousand yen	4.4	% up

Note 1: Results for 2Q of FY2023 and 2Q of FY 2024

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

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

Note 4: Number of monthly billed contracts as of March 31, 2023 and March 31, 2024

Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2023 and March 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 2Q of FY 2023 and 2Q of FY 2024 by the average number of paid billing enterprise users of each month for the same period.

Highlights

Consolidated basis

Overview

- Company-wide performance was in line with plans for both Marketing Solutions and HR Solutions.
- In Marketing Solutions, both net sales and operating profit progressed as planned due to an increase in ARPU.
- Net sales and operating profit were in line with plans due to increases in the number of customers and ARPU for Talent Palette.
- Kimisuka struggled to acquire new contracts. Performance-based compensation sales from student decisions after April are expected.

Financial results for three months ended March 31, 2024

- Consolidated financial results for the three months ended March 31, 2024 showed a **24.4**% increase in net sales and an **26.7**% increase in operating profit from the same period of the previous fiscal year, with an operating profit margin of **33.5**%
- Due to an increase in the number of installations, maintenance of a low revenue churn rate, and stable ARPU growth, the Talent Palette business (including Yorisoar) performed well with MRR of **628** million yen (up **36.6**% year on year), net sales up **35.0**% and operating profit up **39.5**% (profit margin of **49.4**%).
- The rate of progress in 2Q was steady at **46.8**% of the full-year plan for net sales and **45.1**% for operating profit.

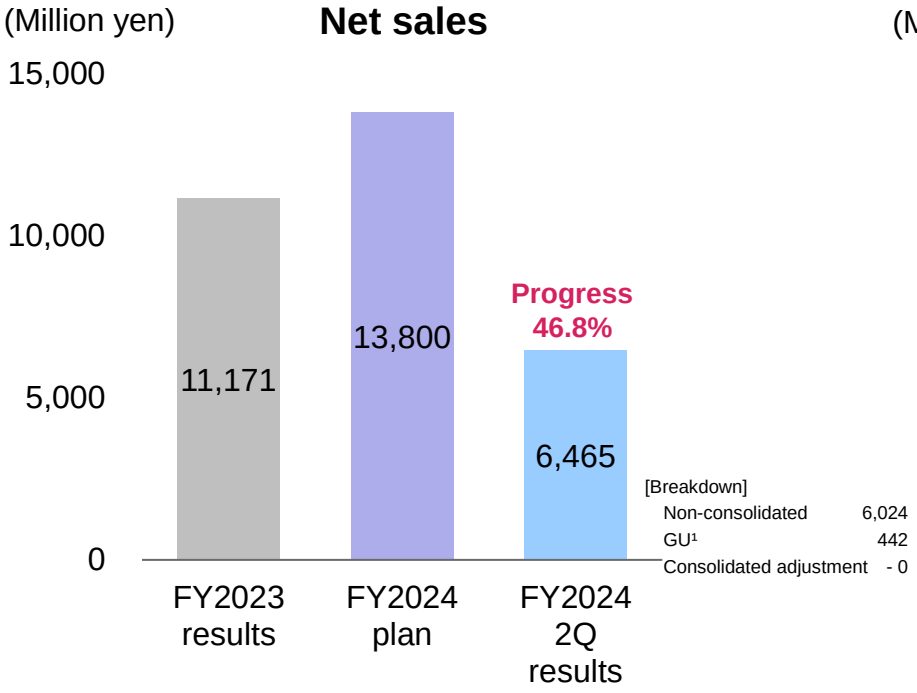
Earnings forecasts for the fiscal year ending September 30, 2024

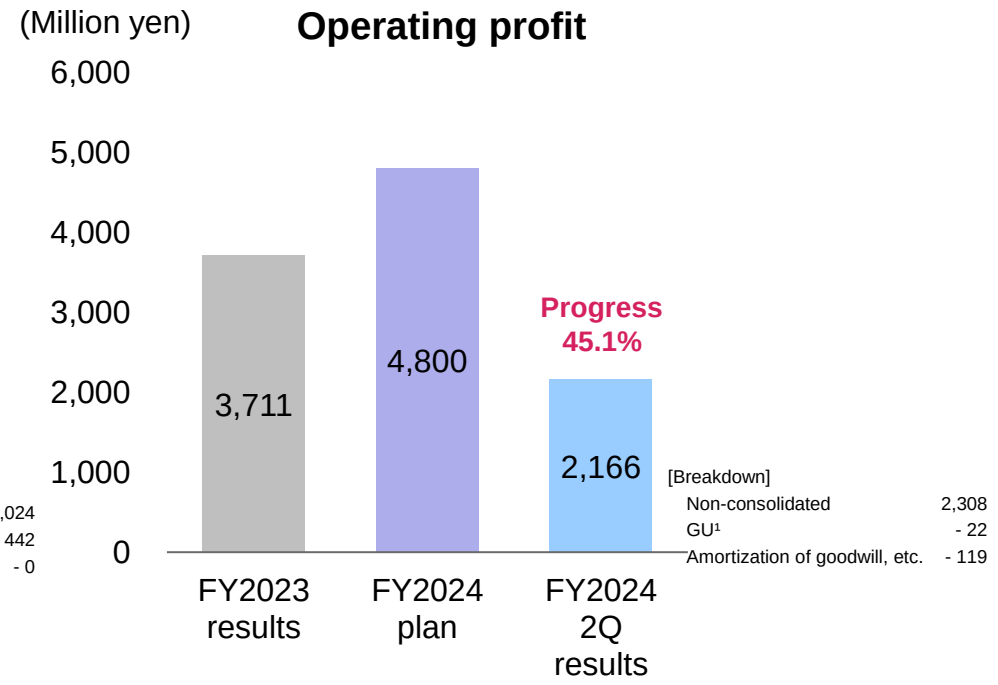
- We forecast net sales of **13,800** million yen (up **23.5**% year on year) and operating profit of **4,800** million yen (operating profit margin of **34.8**%)
- In addition to the expansion of Talent Palette's revenue, increases in the number of customers for Visualization Engine and Customer Rings are also expected to contribute to increase revenue

Financial results progress for the six months ended March 31, 2024 (2Q)

Consolidated basis

- The rate of progress in 2Q was 46.8% of the full-year plan for net sales and 45.1% for operating profit, with both sales and operating profit steady





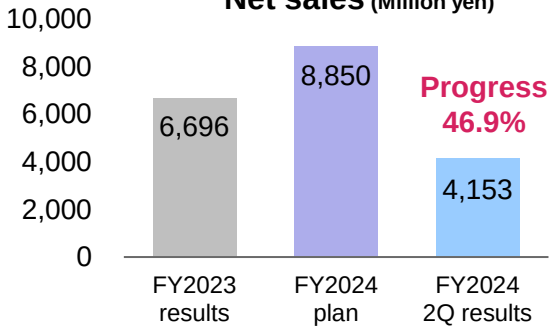
Note 1: Grow Up

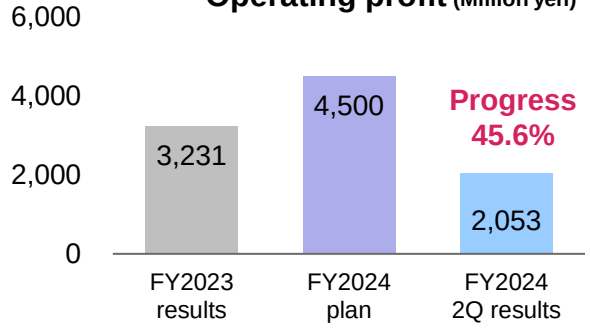
Performance (Talent Palette: including Yorisoar)

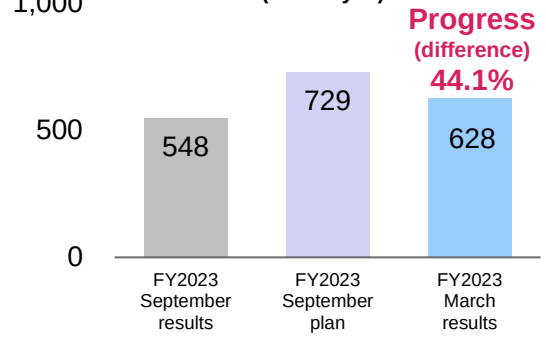
Non-consolidated basis

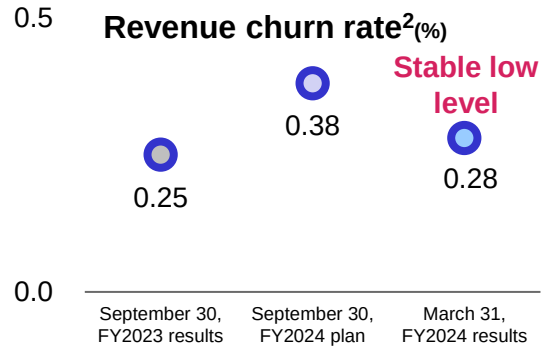
- Major KPIs are generally progressing well in terms of both number of customers and ARPU

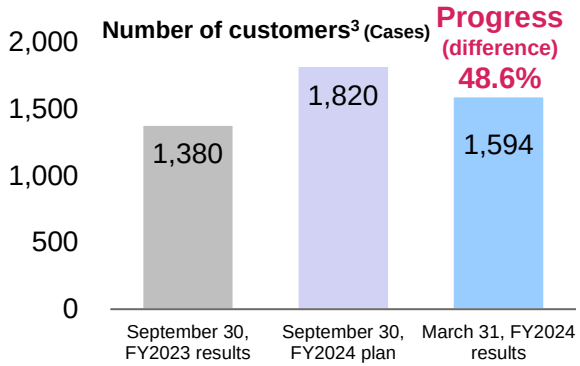
Combined figures for Talent Palette and Yorisoar

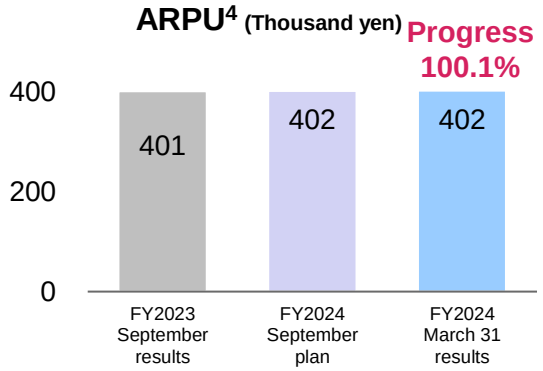












Note 1: Monthly Recurring Revenue. Total of the monthly fees of contracted subscription users.
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average for the past 12 months)
Note 3: Number of monthly billed contracts
Note 4: Average Revenue Per User. Calculated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

Financial results summary

Consolidated basis

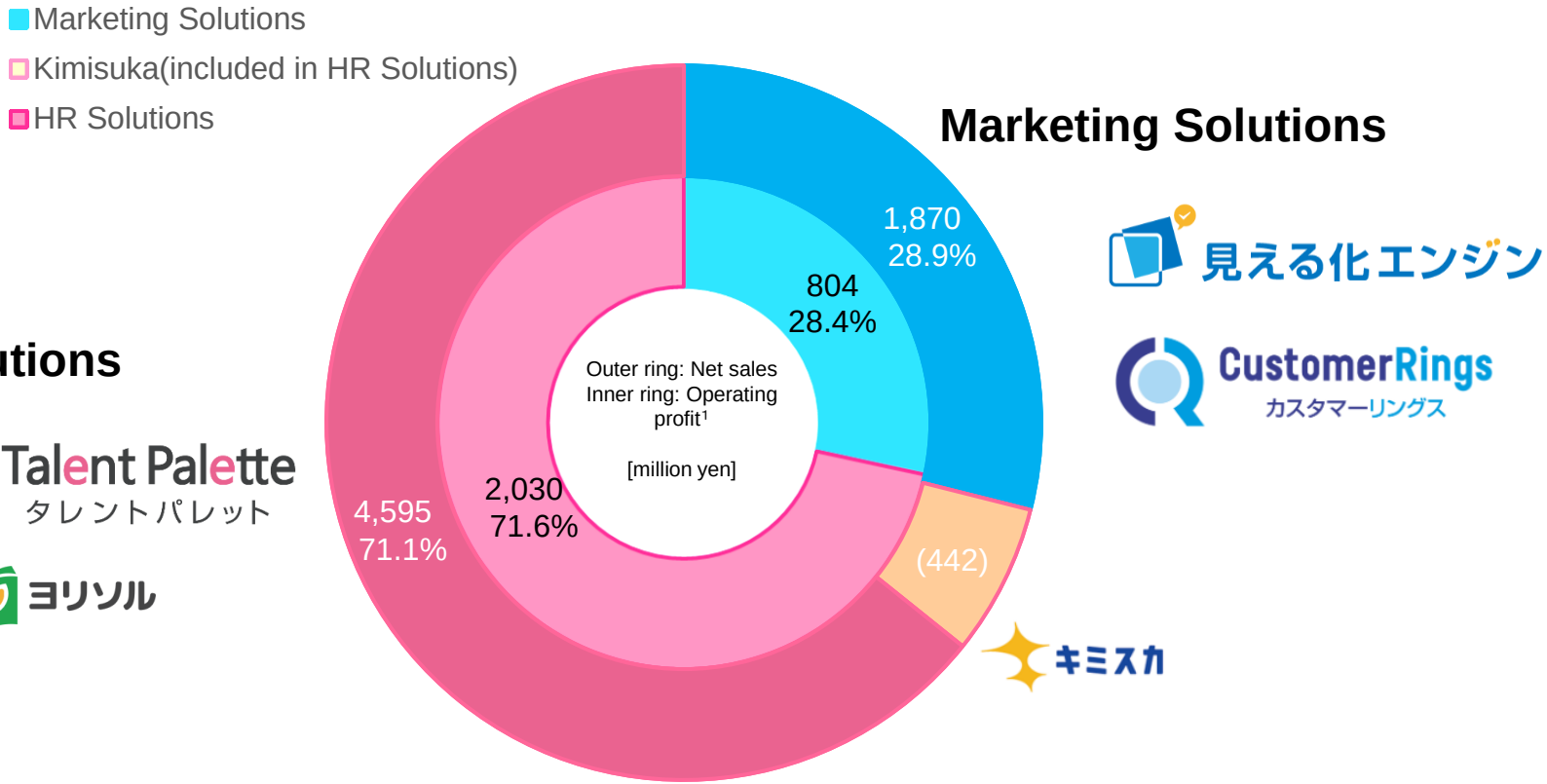
- Performance was steady for the six months ended March 31, 2024, with a 24.4% increase in net sales, a 26.7% increase in operating profit and an operating profit margin of 33.5%
- Progress against the annual plan was also steady, with net sales at 46.8% and operating profit at 45.1%.

Million yen	FY2024 (Jan.-Mar.)			FY2024 (Oct.-Mar.)			FY2024 (Oct.-Sep.)	
	2Q (Jan.-Mar.)			Cumulative 2Q (Oct.-Mar.)			Full year (Oct.-Sep.)	
	FY2023 2Q results	Results	YoY	FY2023 2Q results	Results	YoY	plan	Progress
Net sales	2,734	**3,403**	24.5%	5,197	**6,465**	24.4%	13,800	46.8%
Cost of sales	709	**878**	23.9%	1,362	**1,708**	25.4%		
Gross profit	2,025	**2,524**	24.7%	3,835	**4,757**	24.0%		
Selling, general and administrative expenses	1,076	**1,386**	28.7%	2,125	**2,590**	21.9%		
Operating profit	948	**1138**	20.0%	1,710	**2,166**	26.7%	4,800	45.1%
Operating profit margin	*34.7%*	***33.4%***	-	*32.9%*	***33.5%***	-	*34.8%*	-
Ordinary profit	948	**1,138**	20.0%	1,711	**2,168**	26.7%	4,800	45.2%
Profit	657	**768**	16.9%	1163	**1,471**	26.4%	3,250	45.3%

Financial results (by segment) for the three months ended March 31, 2024 (2Q)

Consolidated basis

- The HR Solutions Business accounted for 71.1% of net sales and 71.6% of profit, driving growth

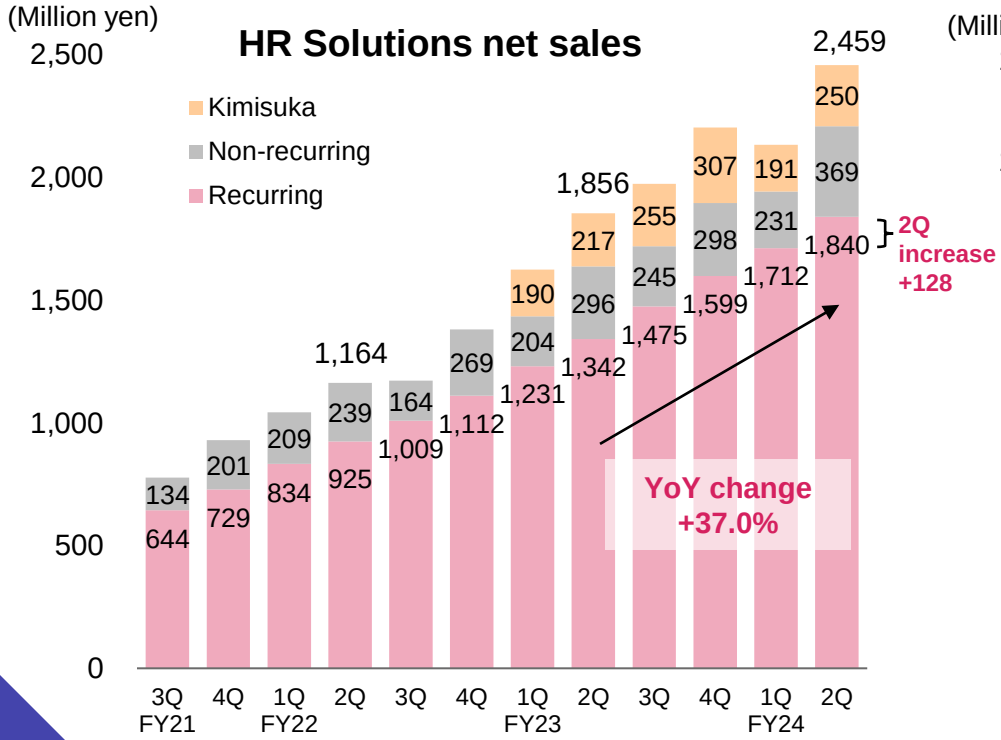


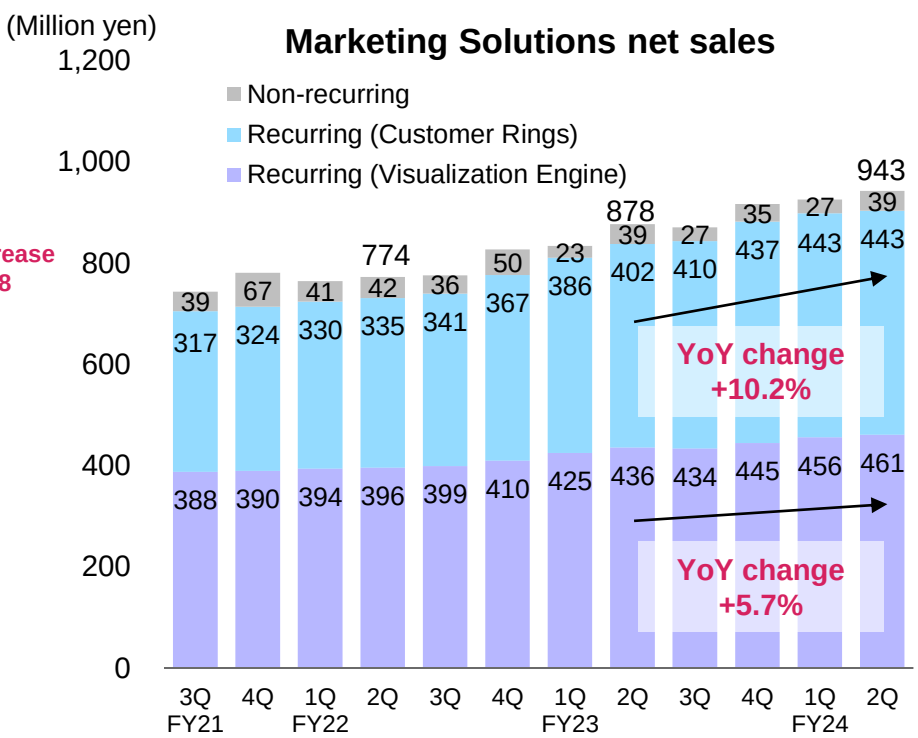
Note 1: Amount of operating profit of the segment in 4Q of FY2023 (before elimination of shared expenses, before amortization of goodwill, etc., excluding one-time expenses associated with M&A)

Net sales trends (By segment)

Consolidated basis

- HR Solutions recurring revenue steadily increased and expanded to 1,840 million yen (+37.0% year on year)
- Due to seasonality, initial expenses and non-recurring revenue such as consulting increased in 2Q
- Marketing Solutions recurring revenue are expanding for both of the two services

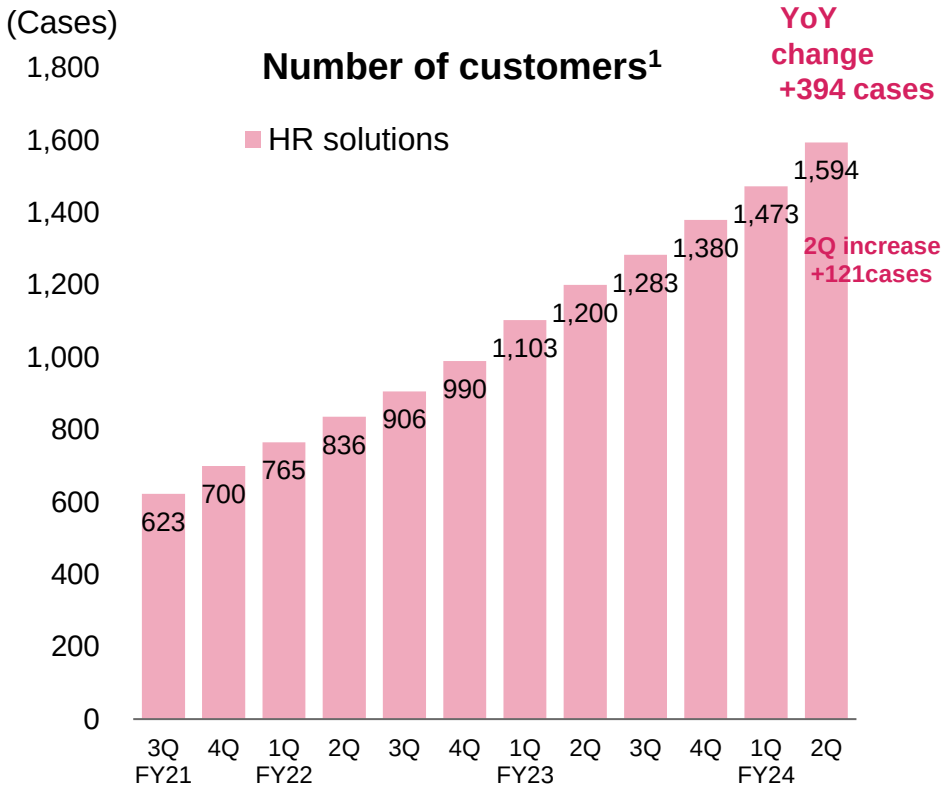


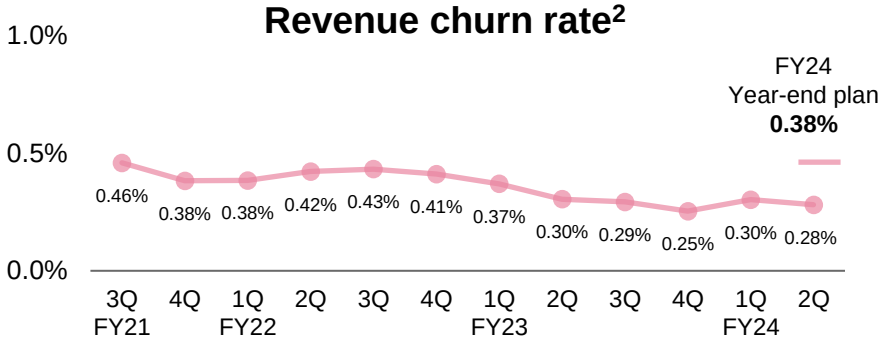


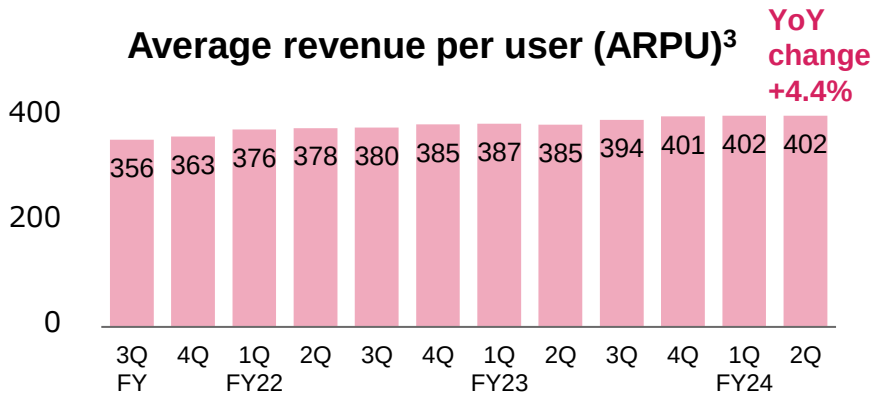
Number of customers, revenue churn rate, ARPU (HR Solutions)

Non-consolidated basis

- The number of customers grew steadily due to an increase in new orders for Talent Palette
- ARPU[3] is gradually rising due to factors such as up selling to existing customers







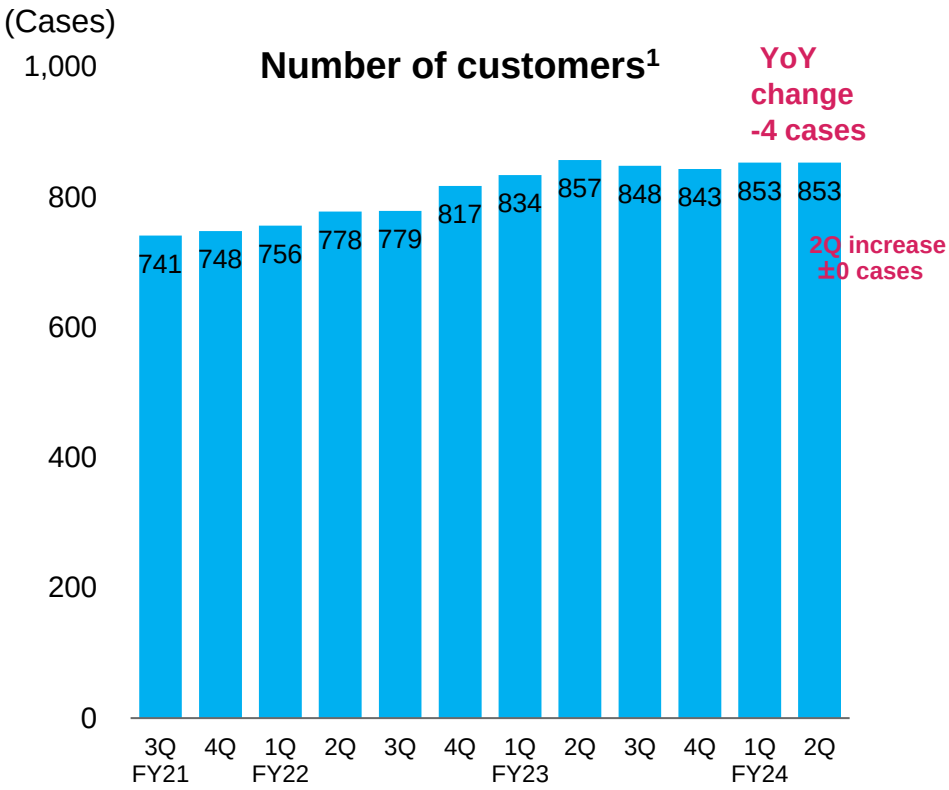
Note 1: Number of monthly billed contracts
Note 2: Ratio of reductions as a result of cancellations to total monthly billed amounts (average of the past 12 months at the end of each quarter)

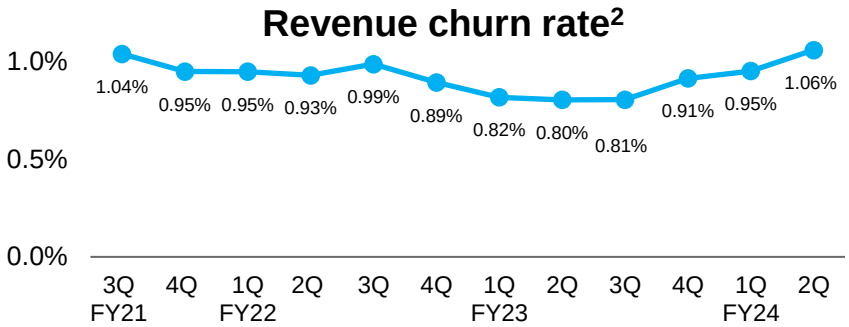
Note 3: Average Revenue Per User. Average monthly revenue per paid billing enterprise user. Calculated as dividing the average MRR for each quarter by the average number of paid billing enterprise users of each month for the same period.

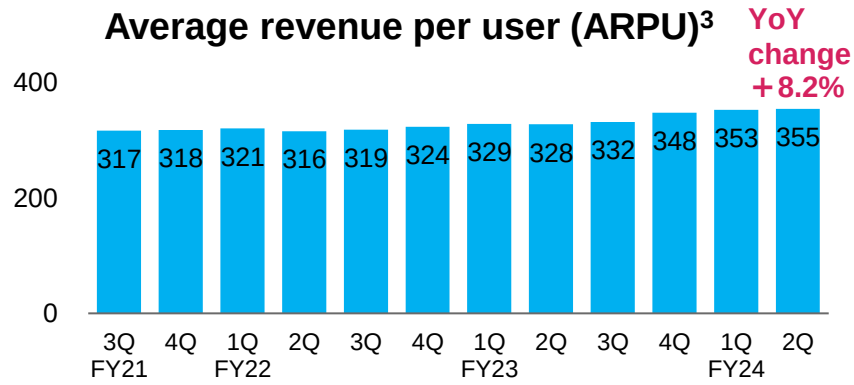
Number of customers, revenue churn rate, ARPU (Marketing Solutions)

Non-consolidated basis

- The number of Marketing Solutions customers remained flat
- ARPU[3] 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 2Q of FY2024

Non-consolidated basis

MRR[1]

Companywide

931 million yen

- Marketing Solutions 303 million yen
- HR Solutions 628 million yen

MRR growth rate[2]

Companywide

25.2%

- Marketing Solutions 6.7%
- HR solutions 36.6%

Average monthly revenue churn rate[3]

Companywide

0.55%

- Marketing Solutions 1.06%
- HR Solutions 0.28%

Number of users[4]

Companywide

2,447 companies

- Marketing Solutions 853 companies
- HR Solutions 1,594 companies

Recurring ratio[5]

Companywide

87.0%

- Marketing Solutions 95.8%
- HR Solutions 83.3%

ARPU[6]

Companywide

385 thousand yen

- Marketing Solutions 355 thousand yen
- HR Solutions 402 thousand yen

Note 1: Monthly Recurring Revenue. Total of the monthly fee of contracted subscription users in March 2024 (excluding temporary sales)
Note 2: MRR growth rate from March 2023 to March 2024
Note 3: Ratio of reductions as a result of cancellations to total amounts of the existing monthly billed contracts as of March 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 March 31, 2024
Note 5: Calculated as dividing total monthly billed amounts for the second 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 second 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

<1Q non-consolidated>	FY2023 2Q		FY2024 2Q		YoY change	
Net sales[1]	5,197	million yen	6,465	million yen	24.4	% up
Ordinary profit[2]	1,710	million yen	2,166	million yen	26.7	% up
Ordinary profit	32.9	%	33.5	%	0.6	points up
MRR[3]	744	million yen	931	million yen	25.2	% up
Number of customers[4]	2,057	cases	2,447	cases	390	cases up
Revenue churn rate[5]	0.51	%	0.55	%	0.05	points down
ARPU[6]	361	thousand yen	385	thousand yen	6.7	% up

Note 1: Results for 2Q of FY2023 and 2Q of FY2024

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

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

Note 4: Number of monthly billed contracts as of March 31, 2023 and March 31, 2024. Excluding Kimisuka.

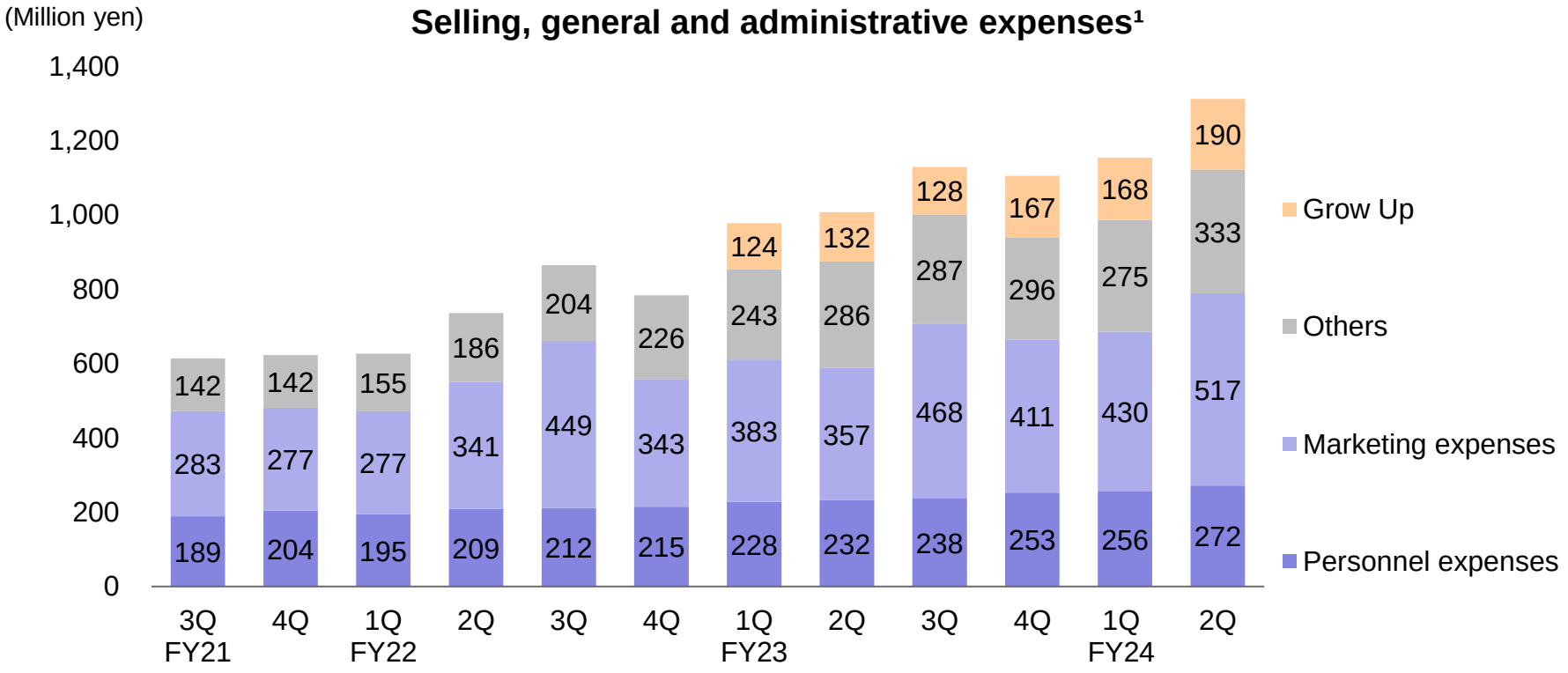
Note 5: Ratio of reductions as a result of cancellations to total monthly billed amounts as of March 2023 and March 2024 (average for the past 12 months).
This ratio is calculated as the reduced subscription fee due to cancellations divided by the sum of the monthly fee revenue of the former month. Excluding Kimisuka.

Note 6: Average Revenue Per User. Calculated by dividing the average MRR for 2Q of FY2023 and 2Q 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

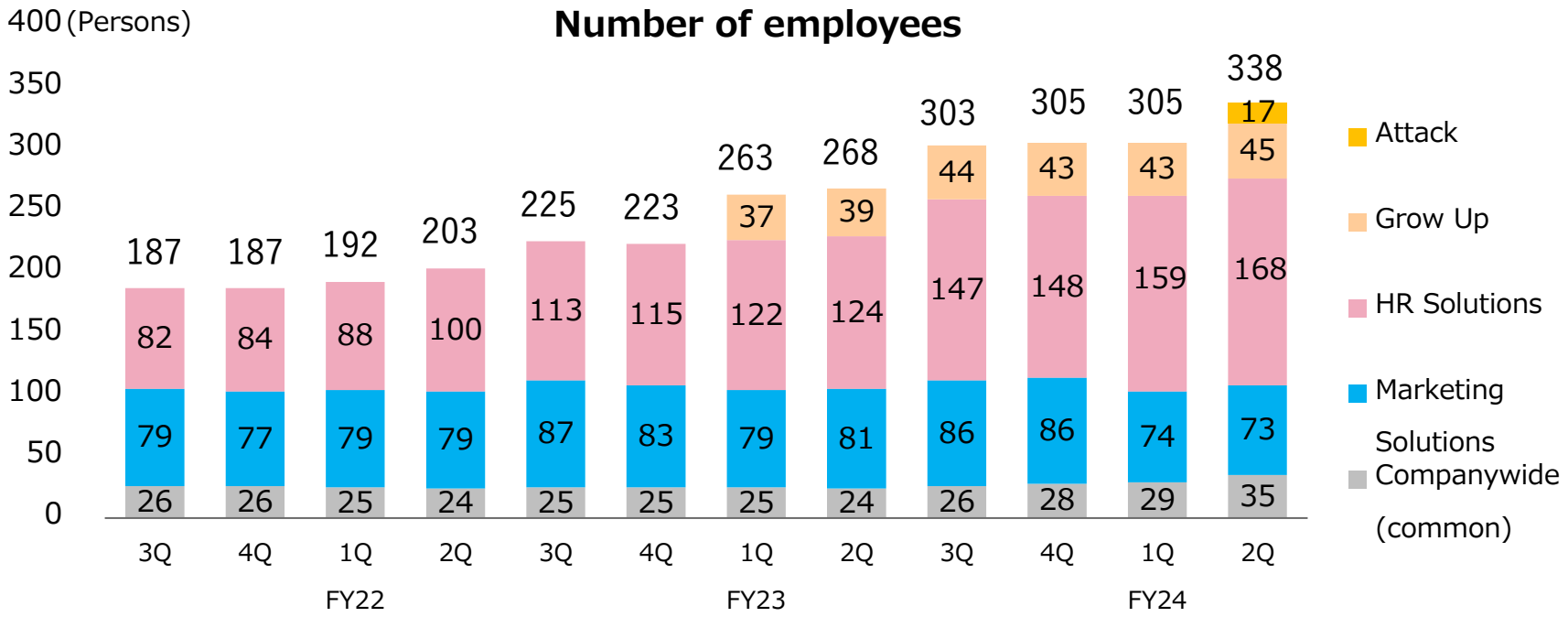


Note 1: Amortization of goodwill, etc. and one-time expenses associated with M&A are not included in the above figures.

Trends in the number of employees

Consolidated basis

- The number of personnel in HR Solutions increased due to strengthening personnel in the Talent Palette Business
- Companywide (common) personnel have also increased due to strengthening corporate divisions
- Personnel increased by 17 due to Attack being newly consolidated



Note 1: The number of permanent employees as of the end of each quarter
Note 2: Non-consolidated figures are shown for HR Solutions

Status of Balance Sheets

プラスアルファ コンサルティング

Consolidated basis

- Net assets increased by 941 million yen from the end of the previous fiscal year due to continuously recording profits
- The slim financial structure was maintained, and the equity ratio was maintained at the high level of 78.5%

(Million yen)	Sep. 30, 2023	Mar. 31, 2024	Changes from Sep. 30, 2023
Current assets	9,702	**10,758**	up 1,056
(Cash and deposits)	8,278	**9,044**	up 766
(Accounts receivable-trade)	1,219	**1,411**	up 191
Non-current assets	2,313	**2,463**	up 149
Total assets	12,016	**13,221**	up 1,205
Current liabilities	2,464	**2,739**	up 275
Non-current liabilities	106	**95**	down 10
Net assets	9,445	**10,386**	up 941
Equity ratio	78.6%	**78.5%**	

03 Latest topics

Latest topics

(1) Promotion of functional enhancement using generative AI

- Talent Palette: Target setting / personnel evaluation advice function, AI search function
- Visualization Engine: Interactive analysis AI insight

(2) “Talent Palette HR and Labor DX lite” for SMBs

(3) Optimization of prices through increased added value of solutions

(4) HR Future Forecasting Project performing the role of a think tank

(5) Sustainability activities

Topic (1): Promotion of functional enhancement using generative AI (Talent Palette)

Talent Palette equipped with target setting / personnel evaluation advice function and AI search function using generative AI

Target setting / personnel evaluation advice function

■ **Support for ordinary employees**

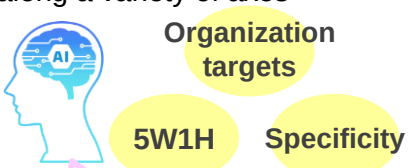
Diagnostic and advisory functions for content described when setting targets

Title *required	Creation of new themes in the BC area
Target	Example) The company will focus on voice recognition data, actions and agility to create a marketing platform such as in the intellectual property field social media (word of mouth/Instagram, etc.), global, and data on the elderly. The goal is sales of 10 million yen for the next fiscal year.
Weight	50

■ **Support for evaluators**

Check points and summary functions during evaluation interviews

Generative AI checks targets along a variety of axes



Although it is specific as a sales target, check again to see if the data utilization platform is in line with the organizational goals.



- Instant understanding of the current fiscal year's focus themes and through thorough target summaries
- Identification of points to be evaluated and departure from individualized evaluation
- Identifying differences with previous level of achievement of target, checking degree of growth

AI search function



Highly innovative mid-level employee with at least 3 years of sales experience and good English skills.



Generated AI extracts matching employees from employee information

Display of the reason for the match with the corresponding employee



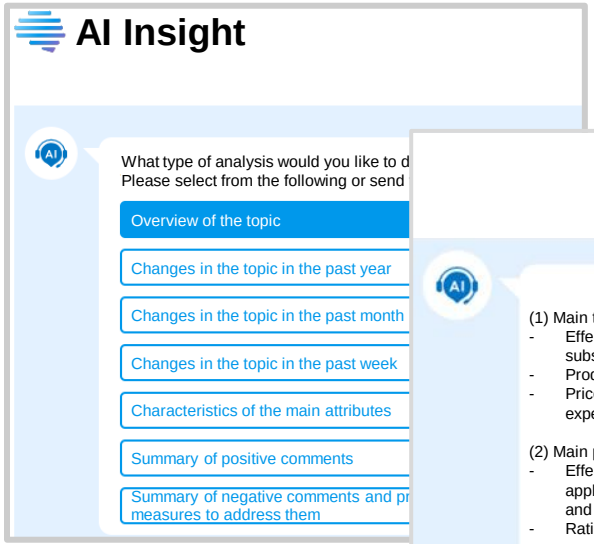


Topic (1): Promotion of functional enhancement using generative AI (Visualization Engine)

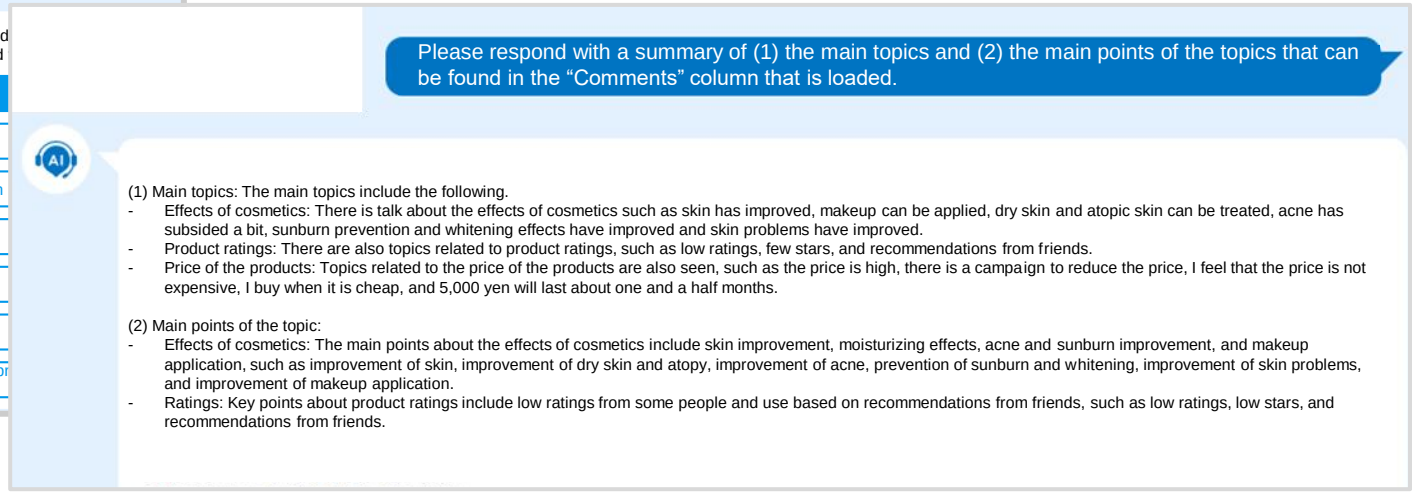
Incorporation of the “AI Insight” interactive analysis function utilizing generative AI into Visualization Engine

Generative AI interprets data and interacts with it to dig deeper into analysis

- Search for notable customer needs
- Deep dive into insights and demographic trends for key needs
- Propose ideas for measures by adding knowledge of generative AI to the needs of the company’s customers



Interactive analysis on thousands of pieces of word-of-mouth data on cosmetics (example)



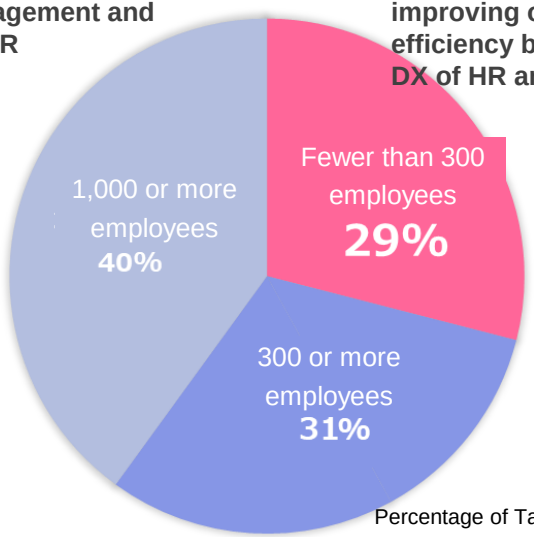
Topic (2): “Talent Palette HR and Labor DX Lite” for SMBs

From Talent Palette, which is highly regarded by enterprise companies for its rich functionality, we plan to offer a low-cost, limited-function version for companies with fewer than 200 employees that prioritize implementation of DX of HR and labor

タレントパレット
人事労務DX Lite
Talent Palette
HR and Labor DX Lite

Introduced for the purpose of talent management and scientific HR

Introduced for the purpose of improving operational efficiency by implementing DX of HR and labor



For companies with 200 or fewer employees

Percentage of Talent Palette contracts by plan
(As of September 30, 2023)

Focused on implementing functions required for HR and labor DX



Topic (3): Optimizing prices by increasing the added value of solutions

We will implement price optimization based on increasing the added value of solutions with Talent Palette and Visualization Engine, taking into account factors such as the market environment and various cost increases (sequentially from April)

Talent Palette
タレントパレット

Pricing structure of Talent Palette

Monthly fee

Base fee

(Monthly subscription according to the number of employees)

⇒ Price increase of approx. 10%

Options

Non-recurring fees

Initial
⇒ Price increase of approx. 10%

Consulting

- Optimization of base fee and initial costs
- New prices for new customers and for existing customers from the time of contract revision

見える化エンジン

Pricing structure of Visualization Engine

Monthly fee

Base fee

(Monthly subscription according to the amount of analyzed data)

⇒ Price increase of approx. 20%

Options

Non-recurring fees

Initial
⇒ Price increase of approx. 20%

Consulting

- Optimization of base fee and initial costs
- New prices for new customers and for existing customers from the time of contract revision

Topic (4): HR Future Forecasting Project performing the role of a think tank

We launched the “HR Future Forecasting Project,” a think tank to consider the future of human resources over the next 30 years

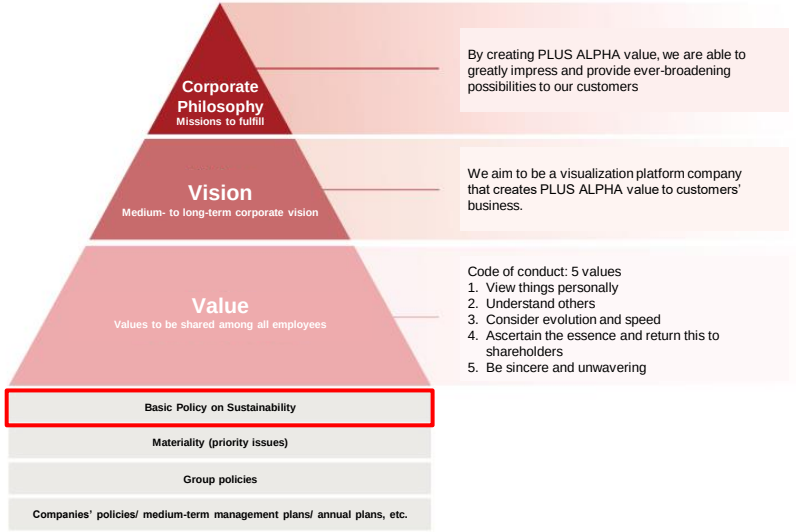
- It was established to identify future issues in each business process in the HR sector and to forecast the direction of response, with the aim of co-creating a bright future together with our customers
- The results of our activities will be provided in the “HR Future Forecasting Seminar” and returned to society and the HR industry at large



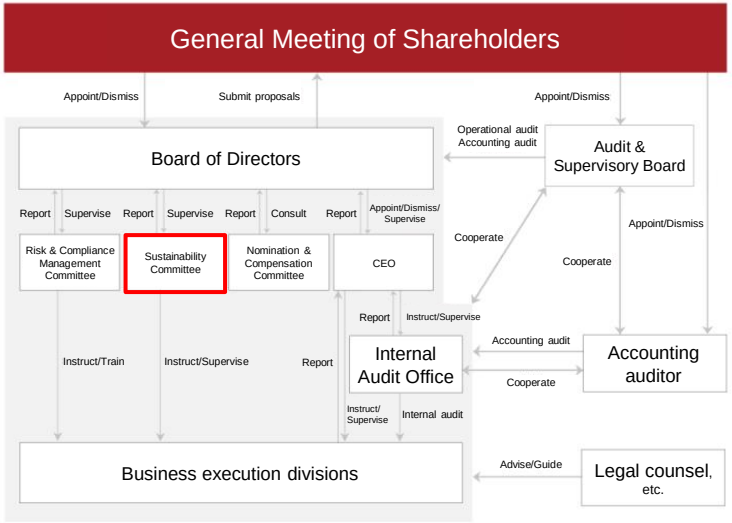
Topic (5): Sustainability activities

We have established a Sustainability Committee to specify matters related to the Company's sustainability and promote activities realizing sustainable growth and enhancement of medium- to long-term corporate value while contributing to the creation of a sustainable society by the Company engaging in corporate activities aimed at resolution of environmental and social issues

Formulation of Basic Policy on Sustainability



Establishment of Sustainability Committee

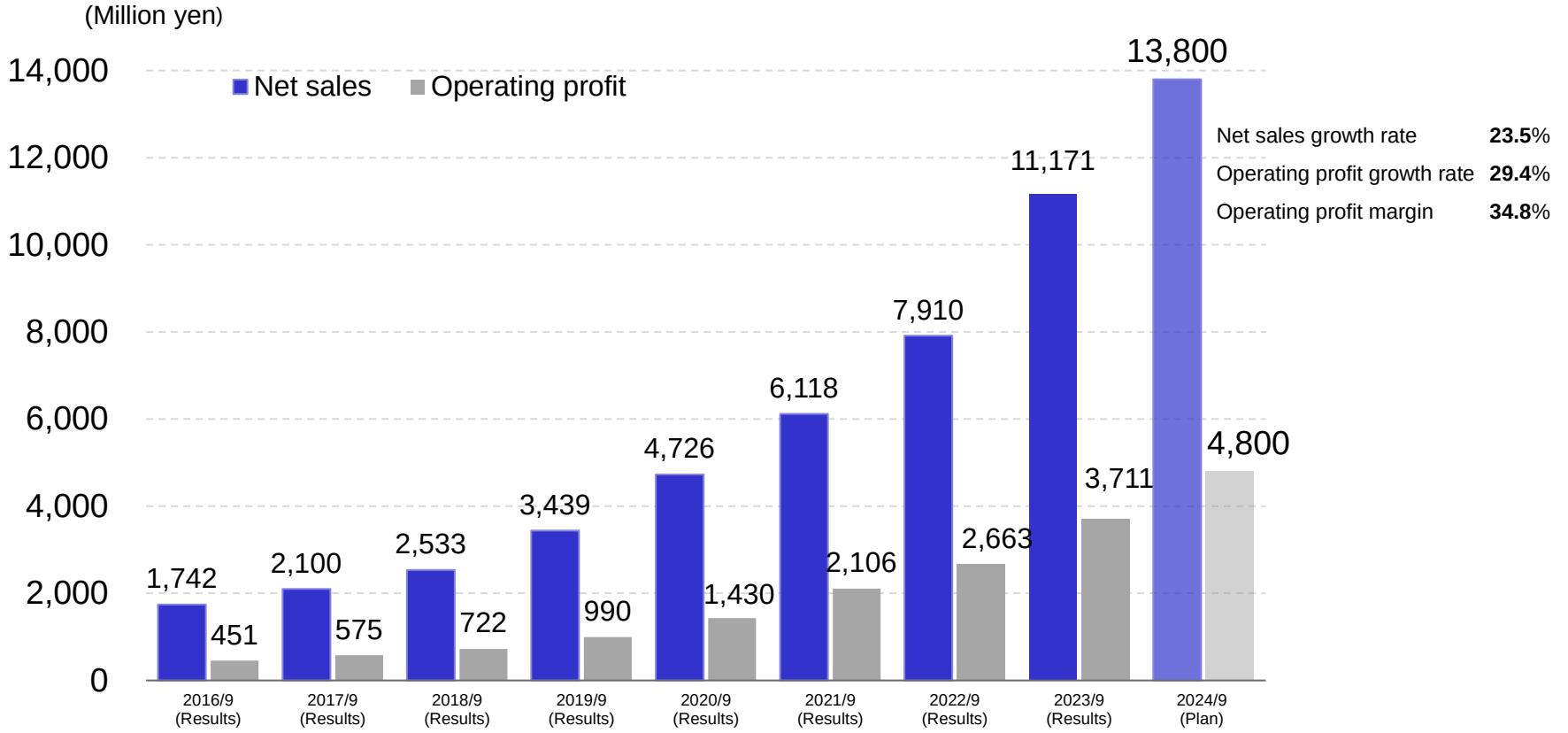


04 Earnings forecasts for the fiscal year ending September 30, 2024

Earnings forecasts for the fiscal year ending September 30, 2024

Consolidated basis

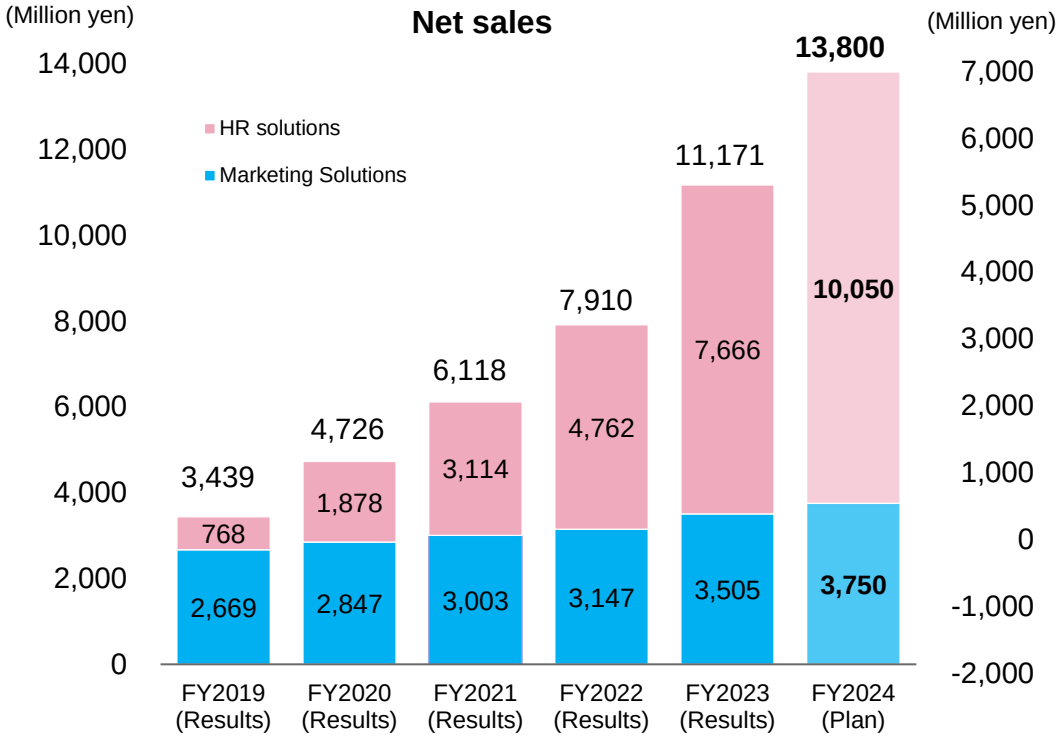
- As initially planned, we are aiming for a 23.5% growth in net sales, 29.4% growth in operating profit and an operating profit margin of 34.8%

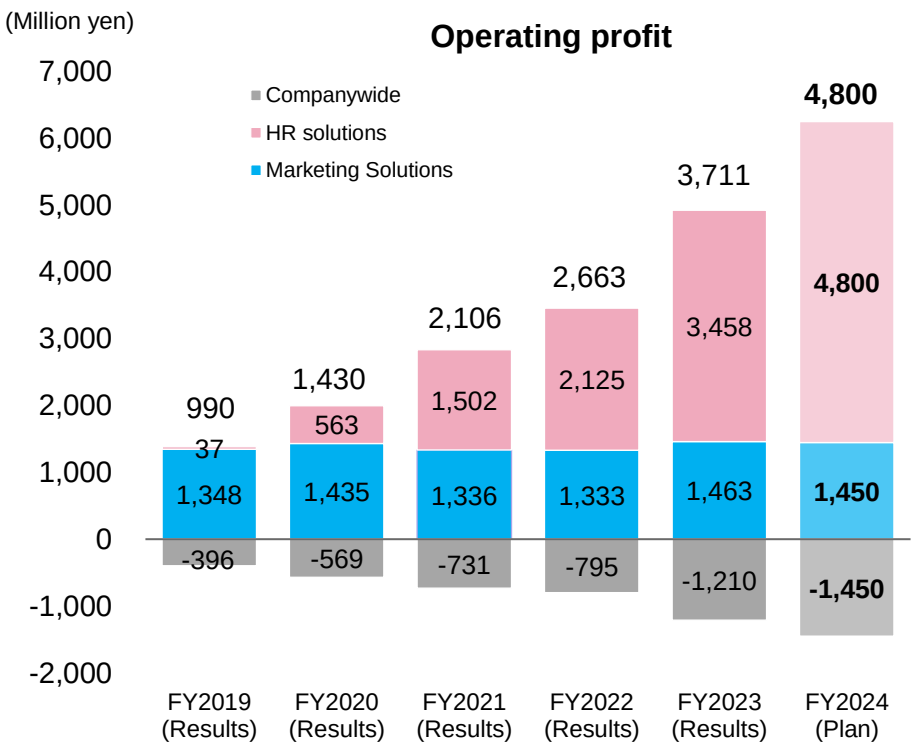


Earnings forecasts for the fiscal year ending September 30, 2024 (By segment)

Consolidated basis

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





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

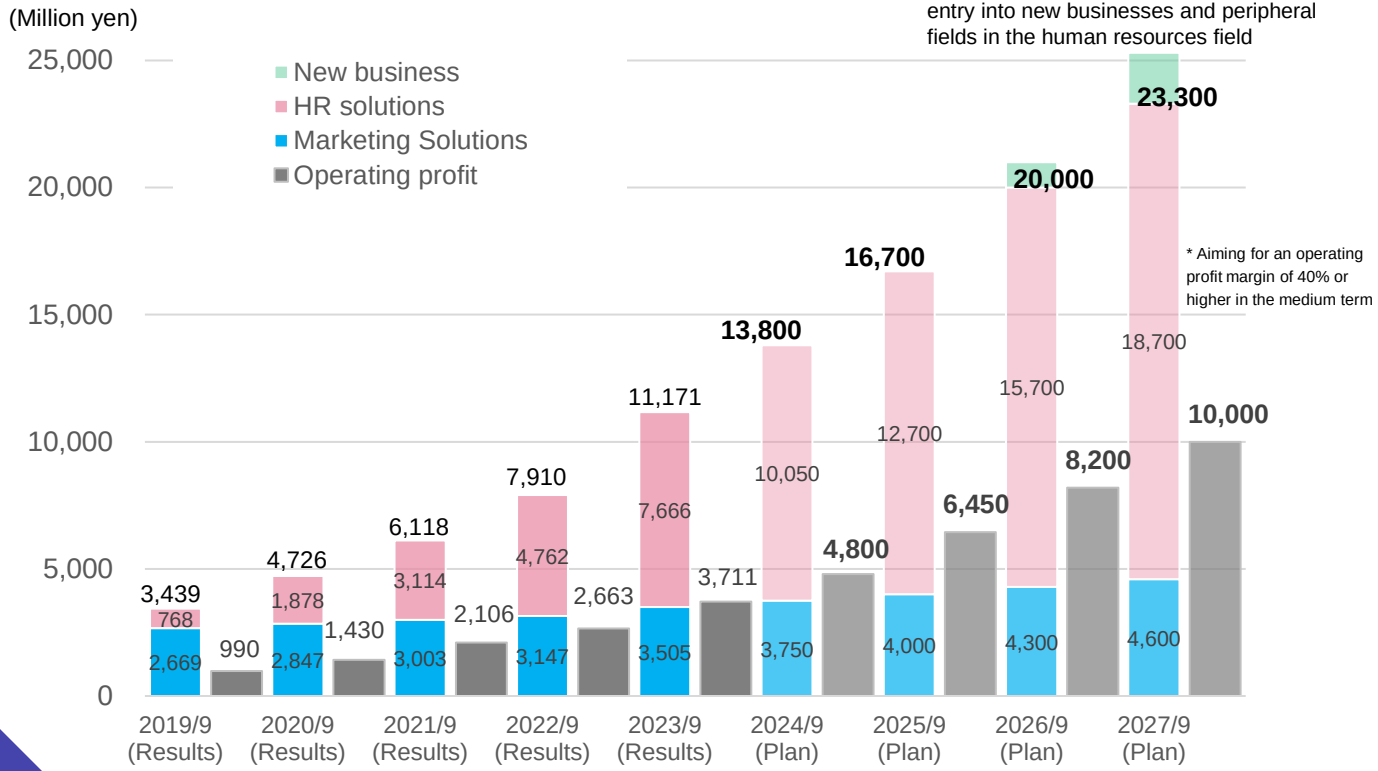
* Companywide includes amortization of goodwill, etc.

Medium-term growth image

Consolidated basis

- Sales of 23.3 billion yen or more, operating profit of 10.0 billion yen or more and operating profit margin of 40% or more expected in existing business in 2027/9
- Aim to further increase sales by promoting a full-scale entry into new businesses and peripheral fields in the human resources field

Aim to further increase results by making an entry into new businesses and peripheral fields in the human resources field



Key performance indicators

Number of customers	2023/9 (Results)	2027/9 (Forecast)
Marketing Solutions	843	1,120
Visualization Engine	493	650
Customer Rings	350	470
HR Solutions	1,380	3,170
Talent Palette	1,380	2,970
Yorisoar	-	200

Average unit price (thousands of yen)	2023/9 (Results)	2027/9 (Forecast)
Marketing Solutions	348	342
Visualization Engine	300	300
Customer Rings	416	400
HR Solutions	401	416
Talent Palette	401	420
Yorisoar	-	360

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

05 Reference materials

Business strengths

Service characteristics

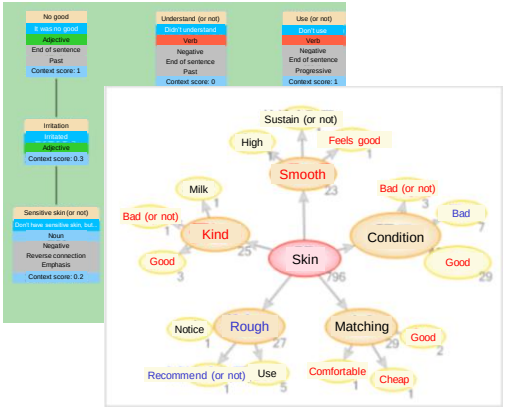
	Visualization platform	Marketing automation tool	HR utilization platform
	見える化エンジン	CustomerRings カスタマーリングス	Talent Palette タレントパレット
Service overview	Text mining analysis of massive amounts of diverse customer feedback and conversation data from surveys, call logs, voice recognition data, social media and X (formerly Twitter), etc.	Support for optimal communication with customers based on analysis results gained from integrated data for customer attributes and action histories	Utilized for talent management by visualizing personnel information such as employee skills, aptitude, evaluations, and survey results and hiring related data
Users and usage	Introduced mainly into companies' contact centers and marketing and DX/digital marketing divisions Used for strengthening CS, improving services and planning and developing new products	Introduced mainly into companies in EC (apparel, health foods, cosmetics, general goods, etc.) and retail industries Used for planning and implementing measures for online marketing	Introduced mainly into personnel divisions Used for personnel planning and strategies to improve employee performance by utilizing human resources
Major characteristics	No. 1 market share in Japan for the 12th consecutive year in the text mining tool area with functions of supporting a wide range of data sources centered on qualitative data, highly accurate natural language processing, an intuitive user interface, etc.	Intuitive interface, various functions to analyze and visualize customer actions, and support for multiple channels such as e-mail, social media and apps	Personnel database on employee information, evaluations, and skills. Support for optimal placement, HR selection, resignation analysis/prediction, and improvement in matching efficiency
Fee system	Monthly fee: Monthly subscription plan according to data amount, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of members and distribution, etc. Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.	Monthly fee: Monthly subscription plan according to the number of employees Initial cost: For establishing system at service introduction, etc. Fee for on demand services: Paid consulting, etc.

Business strengths

Advanced technologies to visualize big data for practical use

見える化エンジン

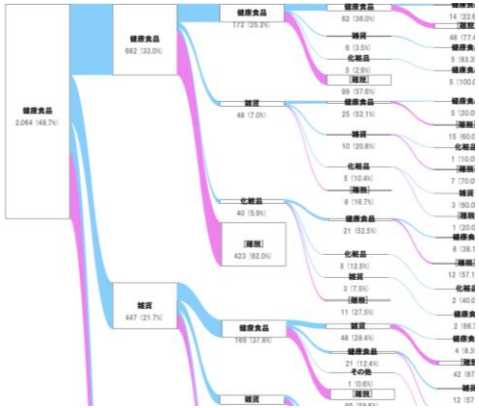
Syntax analysis, word maps



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

CustomerRings カスタマーリングス

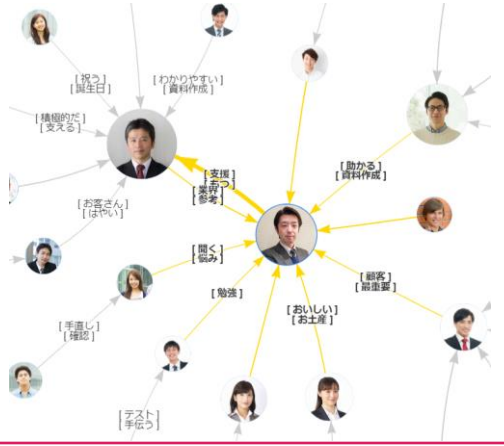
Purchasing pattern analysis



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

Talent Palette タレントパレット

Employee network diagram

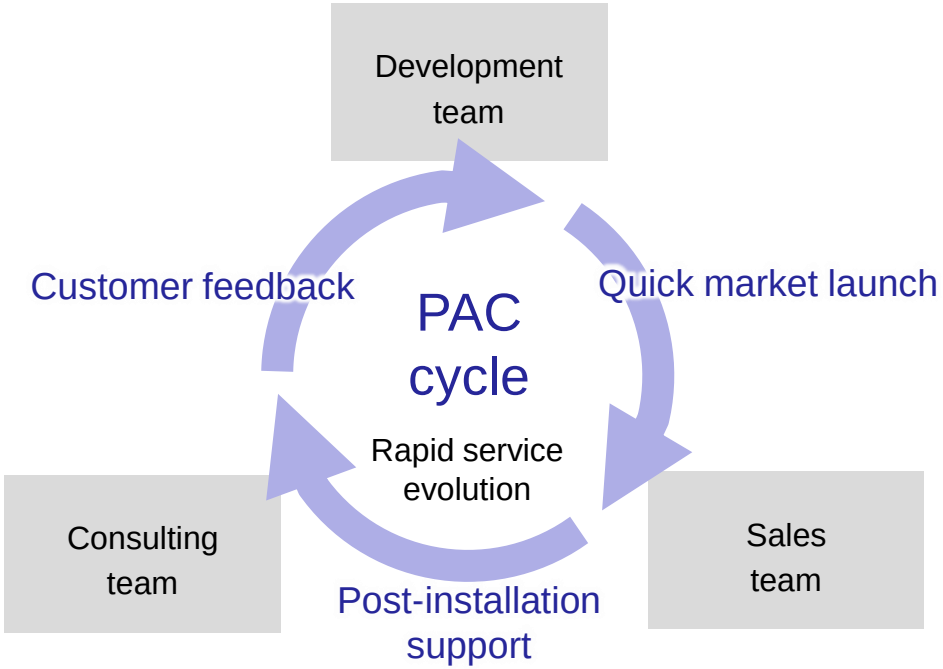


Through collaborative data between employees such as Thanks Points, ascertain volume and quality of communication between employees and departments

Business strengths

Organizational capabilities to realize rapid service evolution

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



Culture and framework to support the PAC cycle

PAC cycle realizes:

Differentiation
by rapid functional evolution

ARPU improvement
by creating high added value

Cancellation prevention / LTV improvement
through a concerted effort by the entire team

Partner relationships
on equal footing with clients

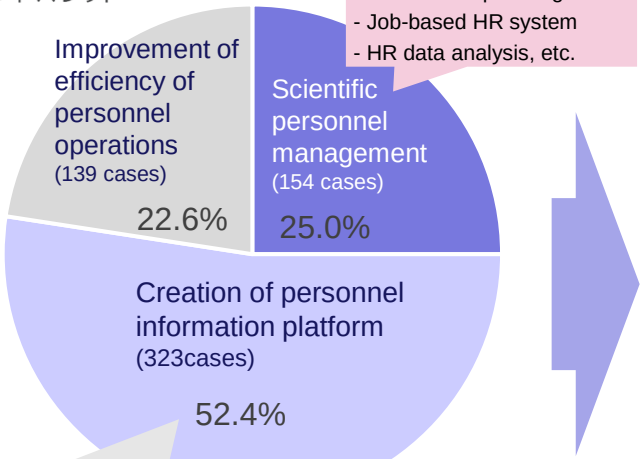
Early market launch
of new functions and businesses

Business strengths

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

Realizing increased added value of services by leveraging enterprise consulting capabilities
Over 5,200 functions installed as standard over approximately seven and a half years through consulting for a variety of leading companies

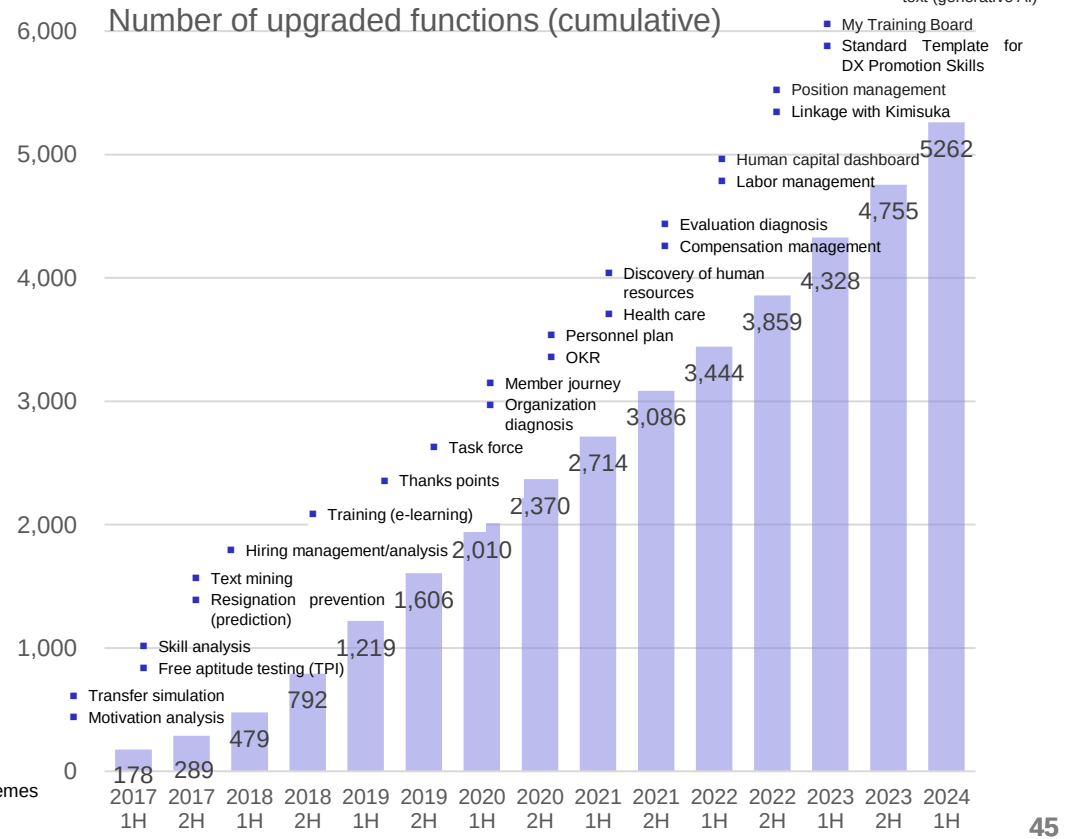
Talent Palette
タレントパレット



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

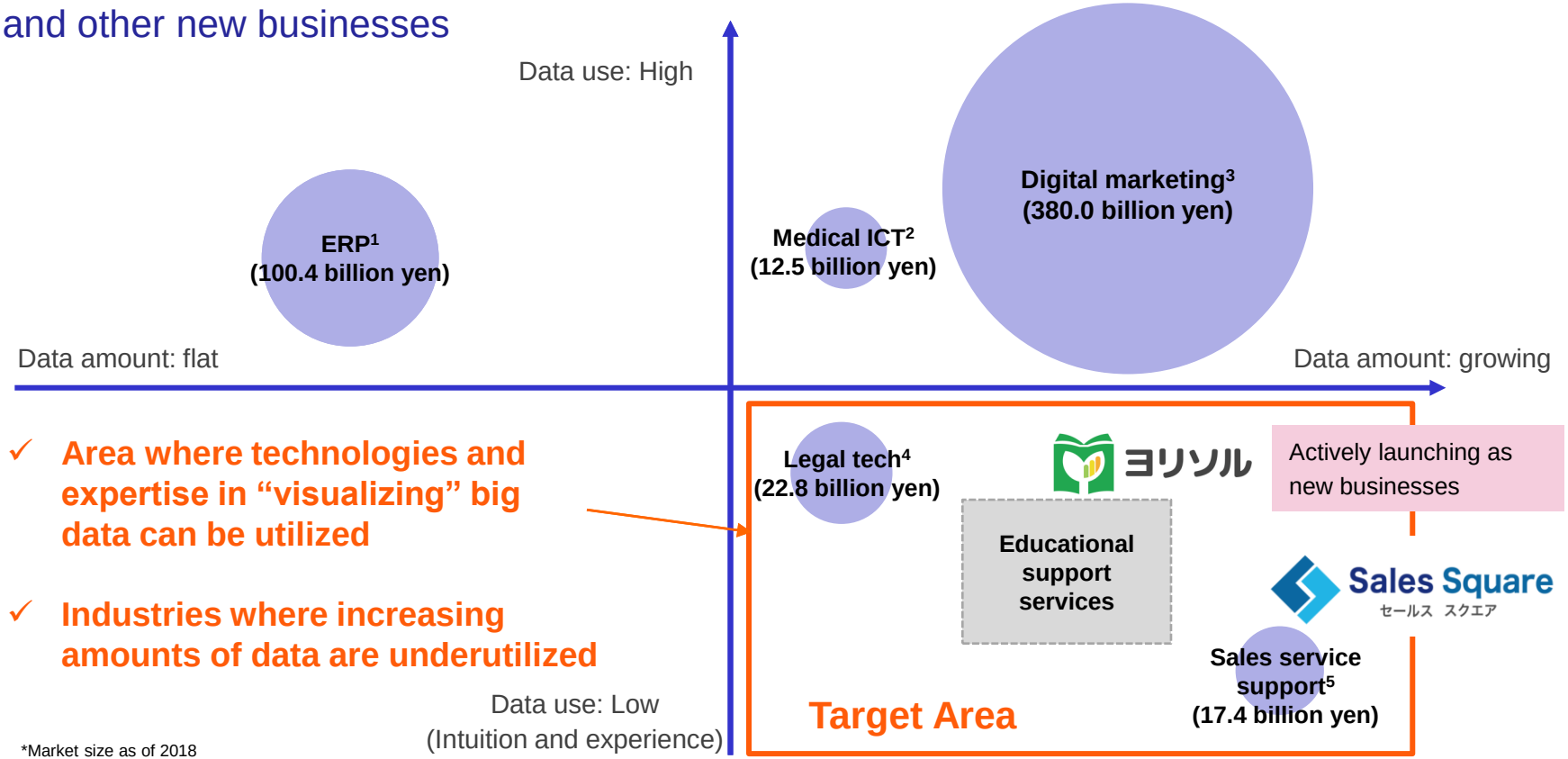


By developing multiple highly profitable and high-growth businesses simultaneously, we have achieved both a higher growth rate and a higher profit margin.

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

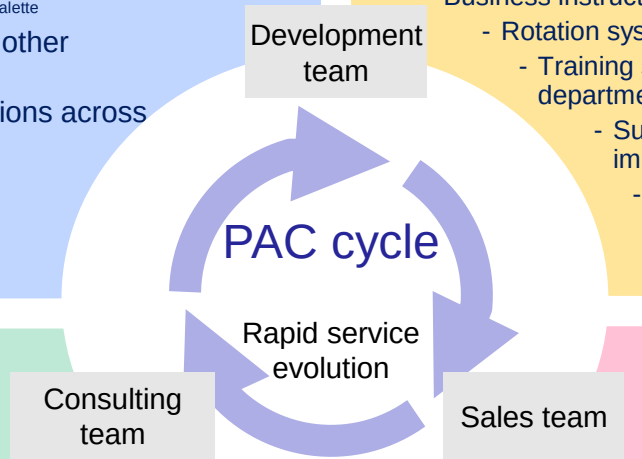
Initiatives to improve the human capital of PAC

Communication measures

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

Human resource development

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



Penetration of strategy

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

Workplace environment

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

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

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 lowing of understanding of employees due to **remote work**, and it is no longer possible to ensure adequate precision with existing personnel systems.

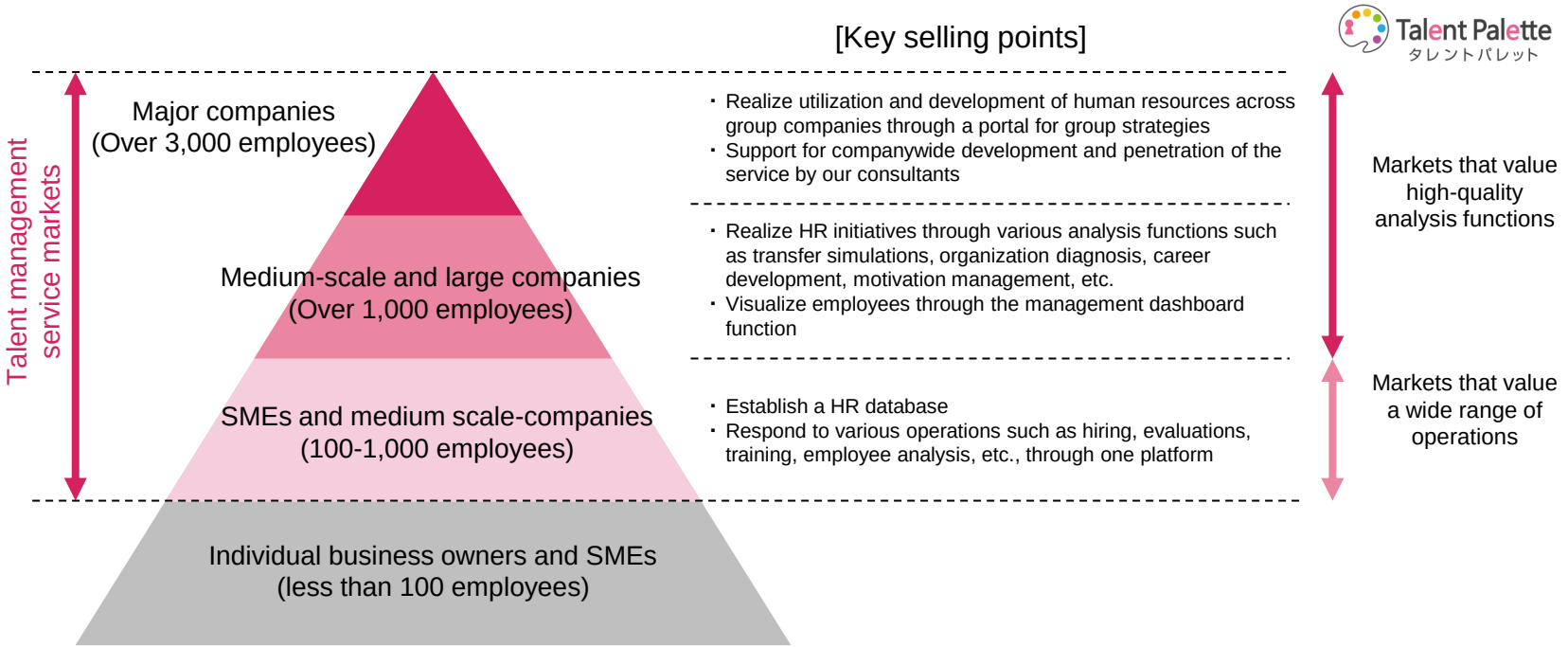
- The Ministry of Economy, Trade and Industry has also begun nationwide efforts such as advocating that companies perceive human resources as “capital” that is the source of corporate growth, leading to to enhancement of medium- to long-term corporate value through “**human capital management**” that fully draws out their value.

⇒ **Based on this trend, the HRTech cloud market is expected to grow by +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

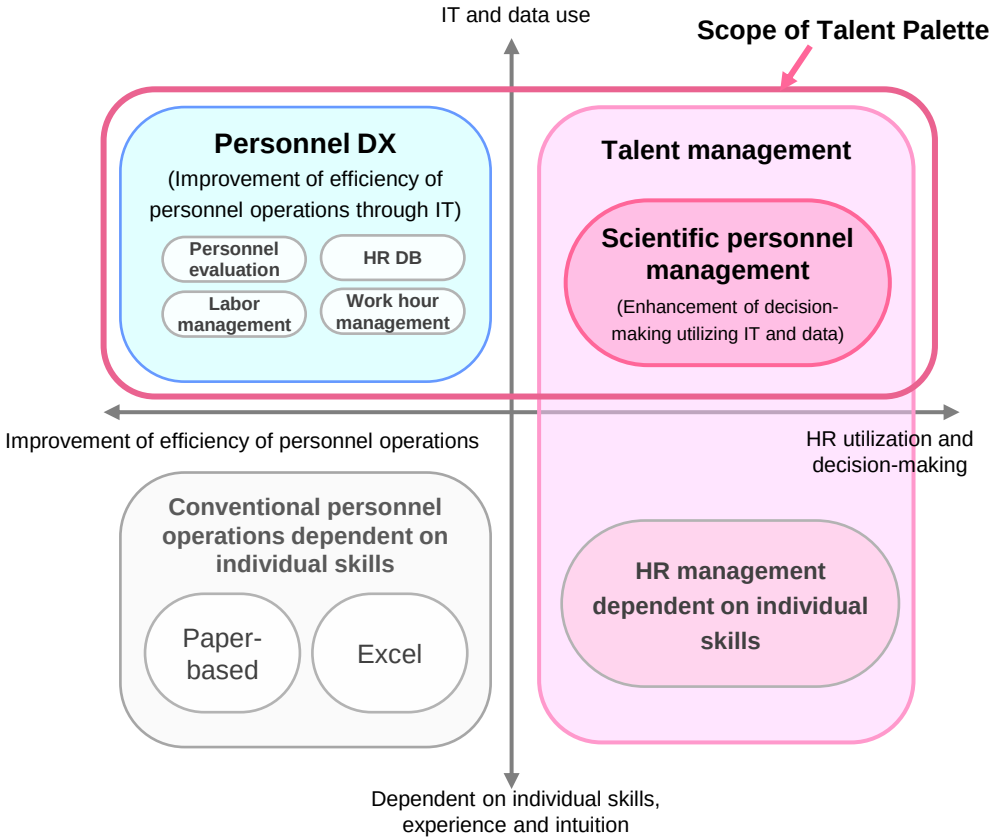


Characteristics of Talent Palette

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.

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



Strengths of Talent Palette

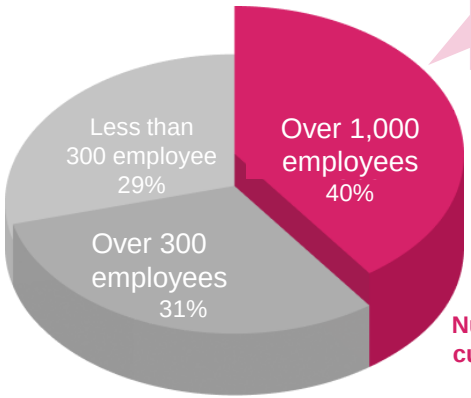
Enterprise penetration and high evaluation

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

Detailed functions and advanced consulting for enterprises are highly regarded

Percentage of contracts by plan

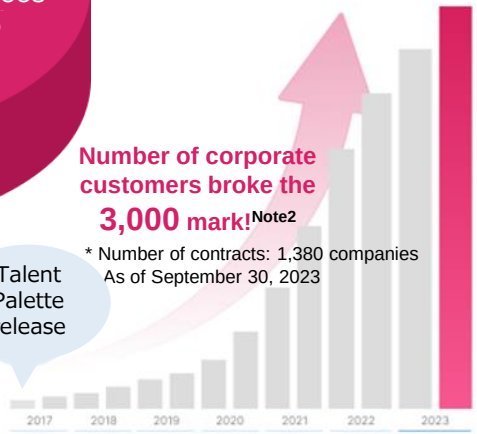
As of September 30, 2023



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



Note1



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

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

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

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

Features highly appreciated by large enterprises

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

Extensive analytical function and detailed function

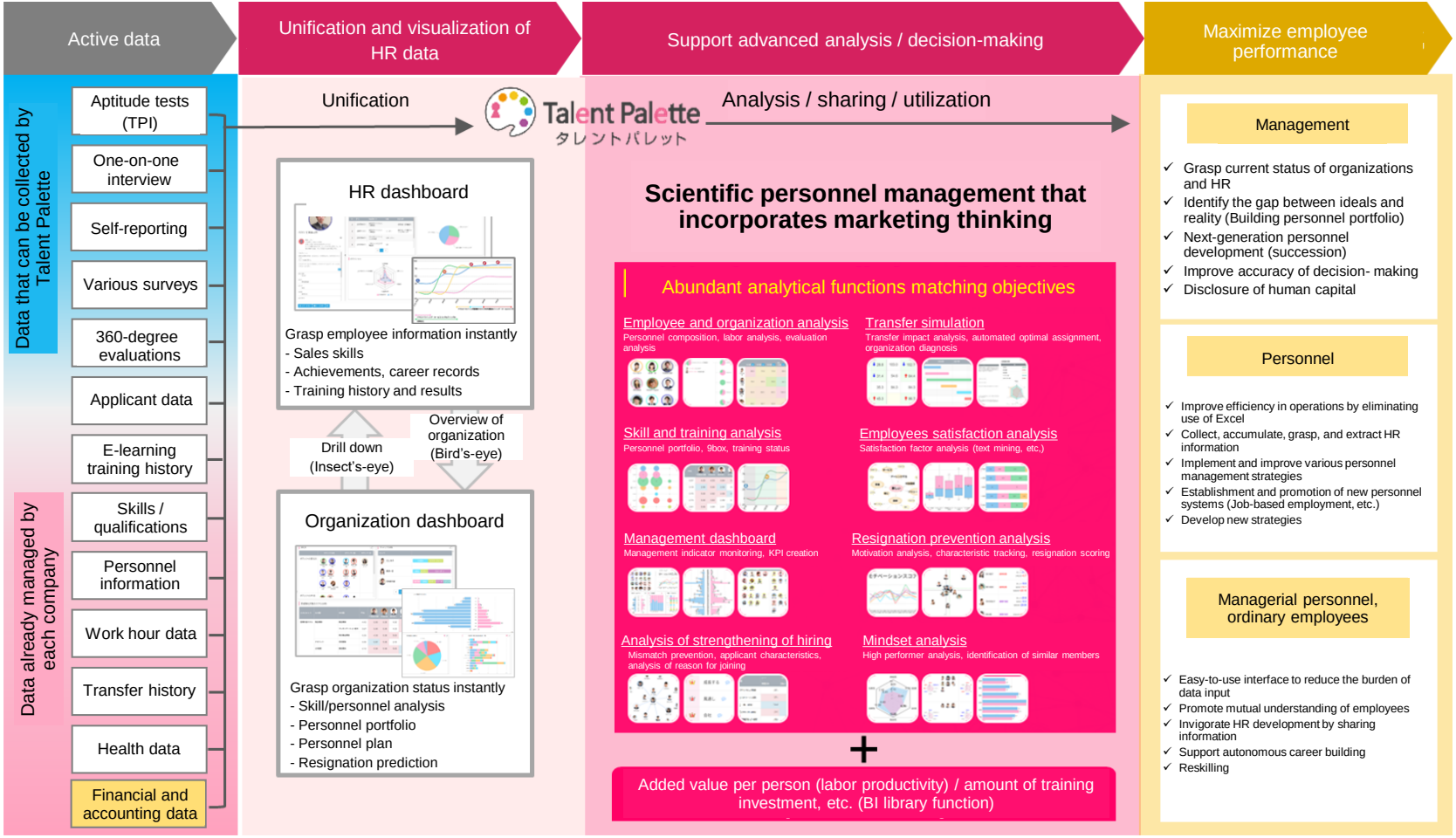
Rapid development system and interoperability

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

■ Status of competition seen from our services[1]

Field of expertise

Analysis

Management

Narrow

Wide

Available areas

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

Analysis-oriented tools for HR information management

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

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

Integrated HR utilization platform

Talent Palette
タレントパレット

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

Tools specialized in optimization of certain operations

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

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

Core integrated personnel systems

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

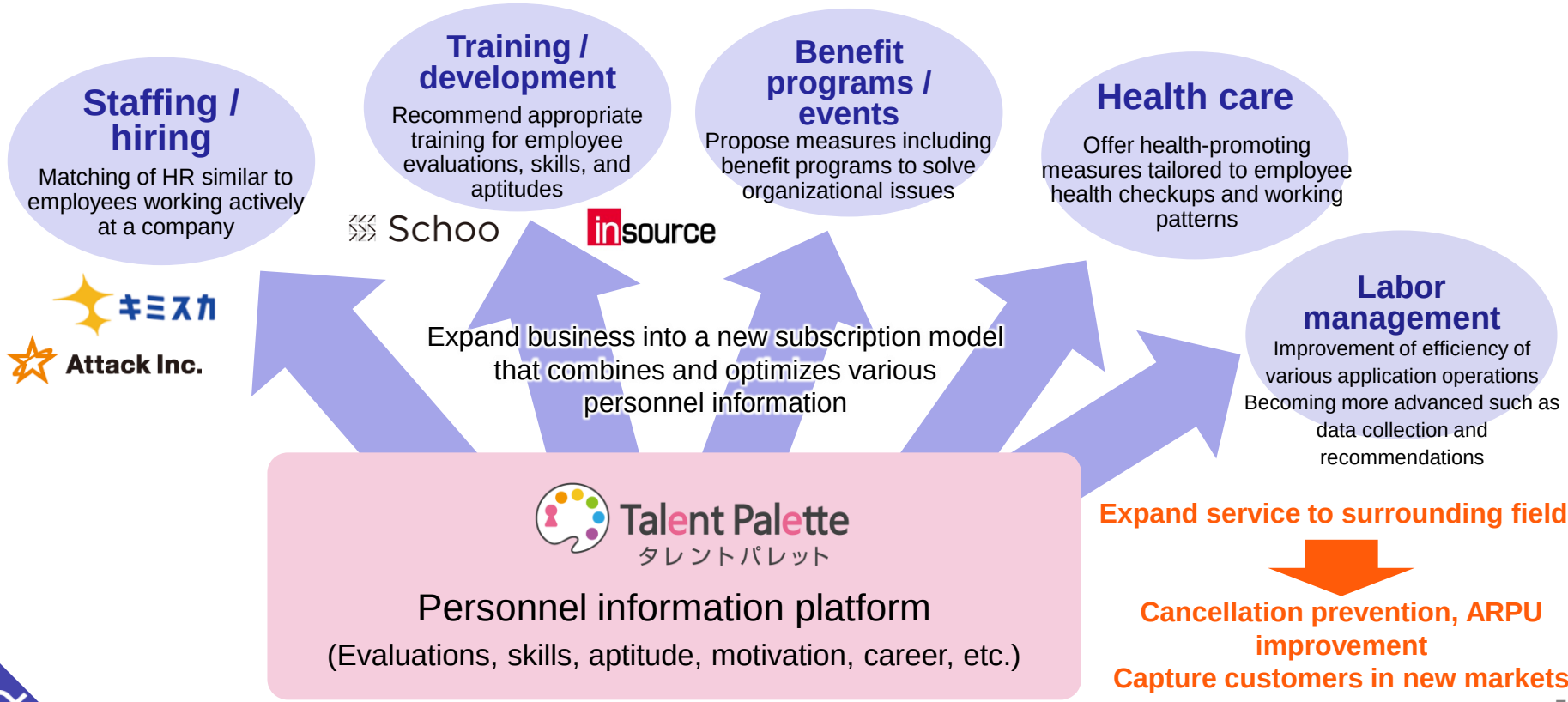
[Status of competition]
✓Since many have already been introduced as core systems company or group-wide, replacement is difficult.
✓However, there are many cases of coexistence through data linkage, etc., because of advantages in price and functionality.

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

Further development of Talent Palette Business

Expand services to sectors surrounding HR

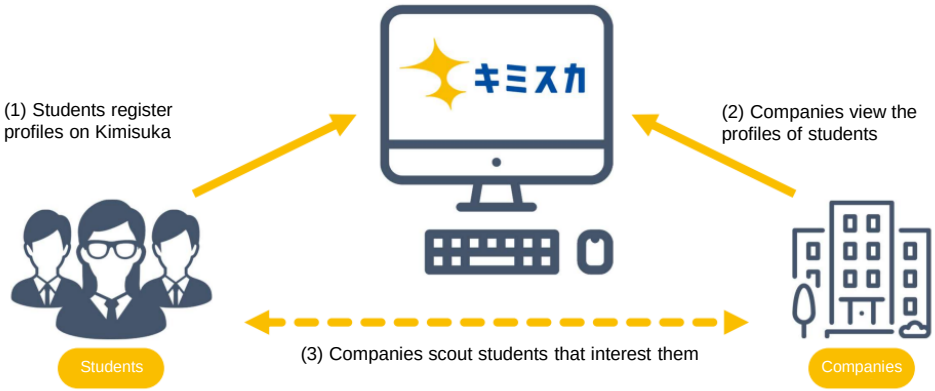
By utilizing HR data accumulated in Talent Palette, we have improved the accuracy of services surrounding personnel.
We aim to expand business not only in the company but also by utilizing partnerships and capital alliances with partner companies



Further development of Talent Palette Business

Staffing / Hiring

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



Cross-selling of each other's services

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



Hiring management and management of recipients of informal offers

Recommendation of candidates

(1) Increase of added value through the enhancement of hiring operations

Linking of hiring management and analysis functions of Talent Palette with Kimisuka. Recommendation of candidates that match job specs

(2) Promotion of cross selling of each other's services

Expansion of sales through cross selling of each other's services utilizing each other's customer base

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

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

Launch of new business

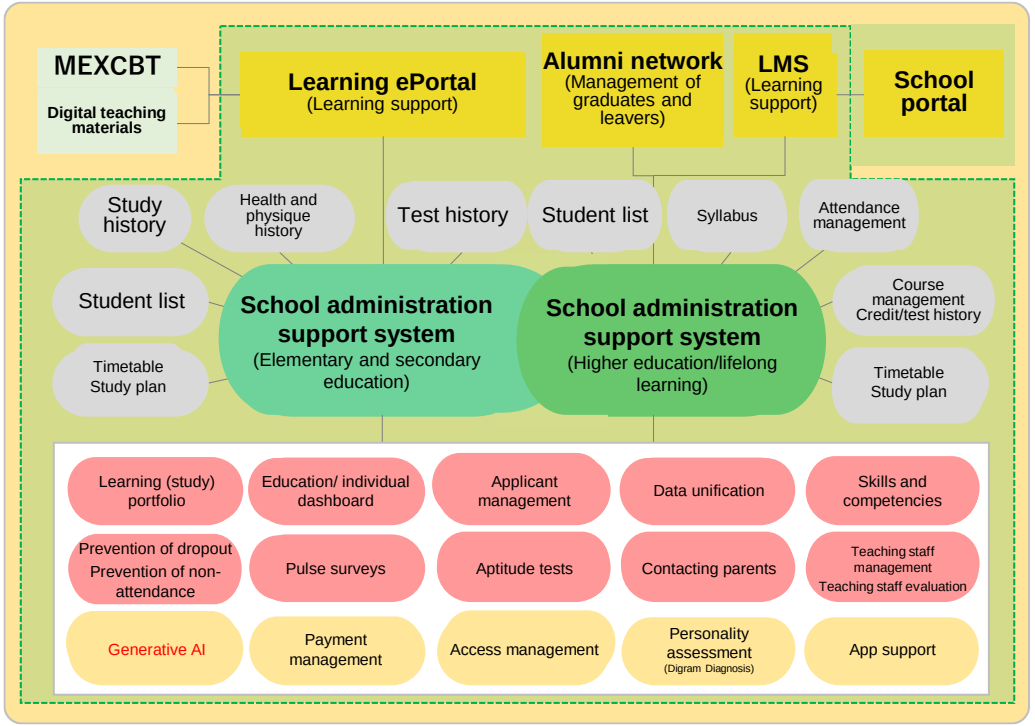
Full-scale implementation of Yorisoar, a new service aimed at education

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

ヨリソル

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 / 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)
- ◎ University IR (analysis of entire school)

Vocational school

学校法人 河原学園 / 映像テクノアカデミア / ATEC

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

Junior high schools and high schools

花と歴史ある学び舎 学校法人 緑ヶ丘学院 / 学校法人 岩田学園 岩田中学校・高等学校

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

Cram schools and prep schools

株式会社 類設計室 / sulliVan

Objectives
- ◎ Unification of student data across all schools
- ◎ Dashboard (analysis of entire school)

Elementary schools and kindergartens

サムエル幼稚園 / 高取幼稚園 / 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)

datamix / JFAEL

Objectives
- ◎ Data unification from applicants to graduates
- ◎ Monitoring of learning status

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

“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

Applicants | Primary, junior high and high school students | Undergraduate, graduate, and vocational school students | Job-seeking students | Working adults | Retired persons

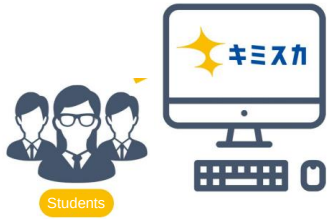
Accumulation and utilization of student data

ヨリソル



Job matching for students

キミスカ



Accumulation and utilization of employee data

Talent Palette
タレントパレット



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

Marketing solution business overview

Characteristics of Visualization Engine

見える化エンジン

Service characteristics

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

ここがポイント！

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

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

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

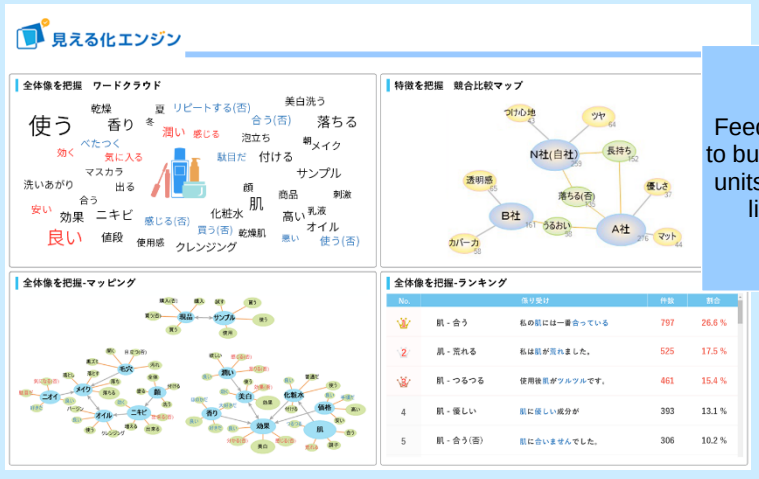
Integration and visualization of data

Cross-organizational understanding of customer experience

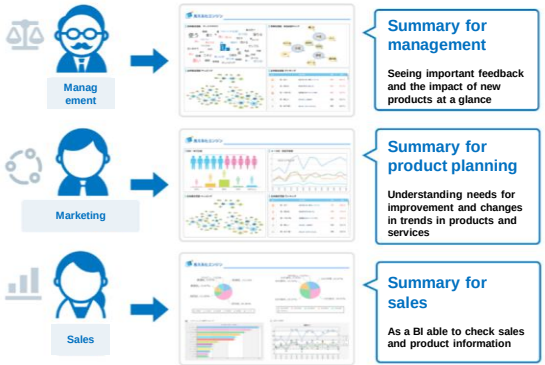
Feedback on CX (customer experience) felt by customers

Call logs	SNS
Surveys	Audio recognition
Business daily reports	Review

Customer feedback dashboard



Feedback to business units/front line



Summary for management

Seeing important feedback and the impact of new products at a glance

Summary for product planning

Understanding needs for improvement and changes in trends in products and services

Summary for sales

As a BI able to check sales and product information

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

プラスアルファコンサルティング
見える化エンジン

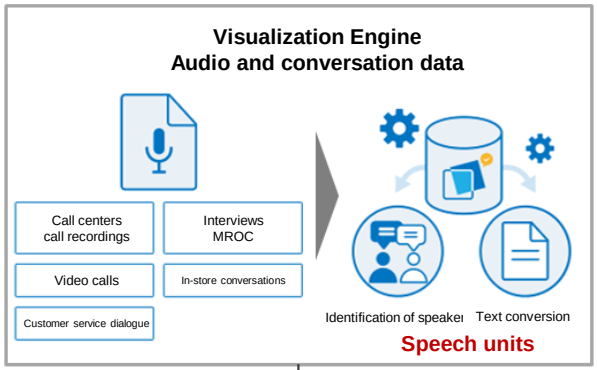
Full support from text conversion of audio to conversation trend analysis

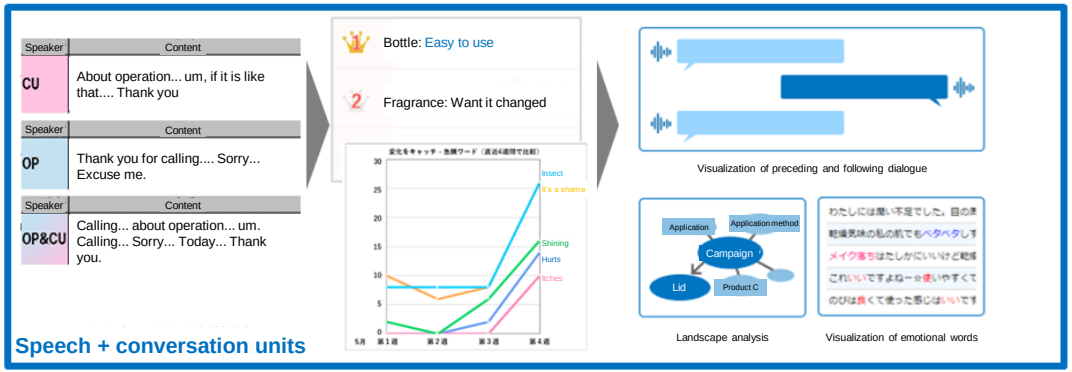
Text conversion of audio data (Voice recognition processing)

Audio data cleansing

Text mining (Natural language processing)

Visualizing “conversations”

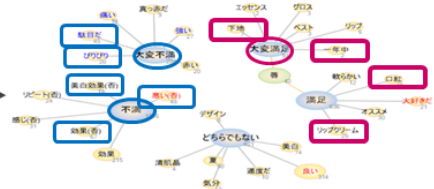




Customer Rings
CRM data
- Customer attributes
- Purchase history (LTV)
- Psychographics (preferences)

Integration of audio + CRM





Voice recognition and conversation data utilization

- ✓ Analysis along axes of call, speaking and speaker
- ✓ Understanding of call reason equivalent to VOC
- ✓ Deeper insight provided only by conversation
- ✓ Analysis of own customers using audio + CRM data
- ✓ Improvement of customer trends from a LTV perspective and CRM measures

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

プラスアルファコンサルティング

見える化エンジン

Manufacturing

SUNTORY, meiji, 雪印メグミルク, SUBARU, YAMAHA

ネスレ Nestlé Good Food, Good Life, おいしさと健康 Glico, カラダにピース CALPIS, 湖 KOIKEYA, LION

Panasonic, KOKUYO, nippn, KAI

Food/Service

JTB 感動のそばに、いつも。, ハンバーグレストラン びっくりドンキー

CBON To create and produce the beauty, SHOP CHANNEL

一蘭

Retail distribution business

洋服の青山, AOKI, ADASTRIA Play fashion!, Belle Maison, TSUTAYA

ORBIS, OIOI, BOOK・OFF, CO・OP 日本生活協同組合連合会

Pharmaceutical

NEVER SAY NEVER ロート製薬, SARAYA

Daiichi-Sankyo, P!

Infrastructure/communications/finance

ANA, SKY, AIR DO, MIZUHO みずほ銀行, NTT東日本

NEXCO 中日本, 阪神高速道路株式会社, 大東建託パートナーズ, LIFENET INSURANCE COMPANY

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

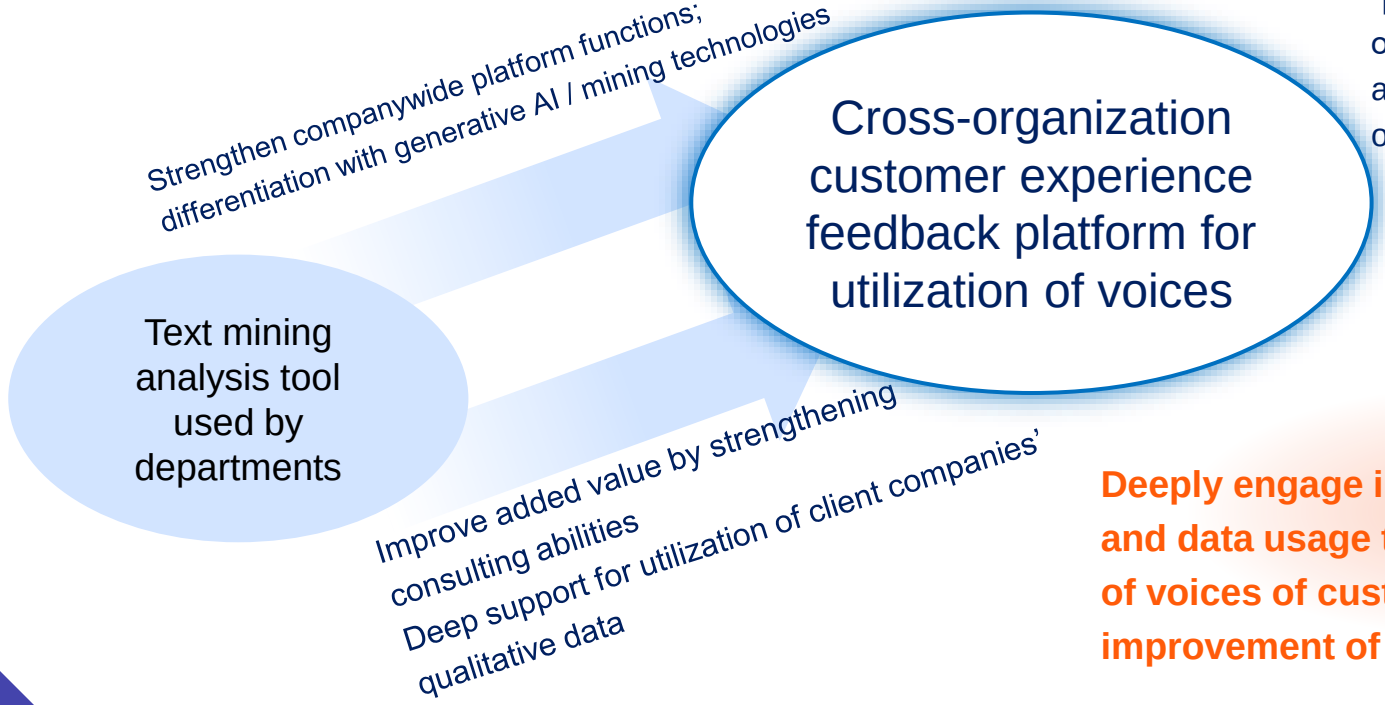
Note 1: Fuji Chimera Research Institute, Inc. "New Markets in the Software Business"

Growth strategy for Visualization Engine Business

見える化エンジン

プラスアルファコンサルティング

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



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

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

Characteristics of Customer Rings

CustomerRings カスタマーリングス

プラスアルファ コンサルティング

Service characteristics

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

ここがポイント！

- Supports the planning and execution of 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

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



Automation (allows users to focus on more creative work)

Companies that have introduced Customer Rings

プラスアルファコンサルティング

CustomerRings カスタマーリングス

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

Health foods

everlife / KAGOME / Eat Well, Live Well. Aji AJINOMOTO / フジッコ / 株式会社あじかん / Real Style / 株式会社 京福堂 / ZENCARE / TeaLife / ワダカルシウム製薬 / Otsuka / 株式会社九州自然館 / OM-X / Sixth sense Lab.

Cosmetics/ salon

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

Apparel

ORAL / FAST RETAILING / REGAL / JIONE / TAKAGI / NEUVEA / HRC / PUNYUS / It's a beautiful day. The SAZABY LEAGUE / RAVIJOUR / ATSUGI / RENEXY

Food

morinaga / 築地の鮮魚市場 / 湖 KOIKEYA / 餃子の王将 / JOYL Joy for Life / HORIGUCHI COFFEE

Travel and tourism

VALUE MANAGEMENT / 不死王閣 / びゅう

Insurance and finance

りそな銀行 RESONA / au 損保 / メディケア生命 住友生命グループ

Media and publishing

中國新聞社 / 徳島新聞社 / 高知新聞社 / DeAGOSTINI / 西日本新聞

General mail order sales, other mail order sales

B to B S / SARAYA / キャスティング / GREEN DOG / 藤巻百貨店 / LESTAS

BtoB mail order sales

配管部品.com / Orie Printing Supplies / TAT

Member services

Hiroo Thoroughbred Club / CCC / JAL

HR/ career

資格のキャリカレ / bstyle / KRASYS

Contact

SMbrand / TeAmo / Lcode

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

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

- 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

Regarding handling of this document

This document was prepared by Plus Alpha Consulting Co., Ltd. (the “Company”) solely for the purpose of offering information to investors. The information contained in this document is not intended to solicit investors to buy or sell shares in the Company. Forward-looking statements herein reflect the Company’s plans and expectations, and the Company does not promise nor guarantee the realization of planned figures or measures. Please use this document on the assumption that the Company’s actual results may be materially different from any future results expressed or implied by such forward-looking statements.

Although information on companies other than the Company or information regarding preparation by third parties in this document is based on data believed to be credible, the Company does not guarantee the accuracy nor the completeness of such information. The Company presents this document on the premise that investors use it at their own discretion and responsibility. Please be aware that the Company assumes no responsibility for any damages under any circumstances.