Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Under Japanese GAAP)

August 14, 2024

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 Strategy Headquarters
Telephone: +81-3-6432-0427
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	9,869	22.6	3,106	21.1	3,109	21.1	2,106	17.5
June 30, 2023	8,047	–	2,565	–	2,568	–	1,792	–

Note: Comprehensive income For the nine months ended June 30, 2024: ¥2,106 million [17.5%]
For the nine months ended June 30, 2023: ¥1,792 million [– %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2024	49.85	49.06
June 30, 2023	43.89	42.39

Note: The Company began to prepare quarterly consolidated financial statements from the three months ended December 31, 2022. Therefore, year-on-year changes for the nine months ended June 30, 2023, cannot be shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	13,633	11,057	80.9
September 30, 2023	12,016	9,445	78.6

Reference: Equity
As of June 30, 2024: ¥11,035 million
As of September 30, 2023: ¥9,443 million

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, 2023	–	0.00	–	13.00	13.00
Fiscal year ending September 30, 2024	–	0.00	–		
Fiscal year ending September 30, 2024 (Forecast)				16.00	16.00

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

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(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, 2024	13,800	23.5	4,800	29.3	4,800	30.5	3,250	24.0	76.98

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

(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: None

(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 June 30, 2024	42,315,400 shares
As of September 30, 2023	42,218,600 shares

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

As of June 30, 2024	106 shares
As of September 30, 2023	93 shares

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

Nine months ended June 30, 2024	42,256,832 shares
Nine months ended June 30, 2023	40,828,071 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* 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. Overview of Business Results, etc. (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the Japanese version of the supplementary material.

Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	8,278,003	9,739,032
Notes and accounts receivable - trade	1,231,654	–
Notes and accounts receivable - trade, and contract assets	–	1,324,272
Work in process	156	4,120
Other	194,131	279,375
Allowance for doubtful accounts	(1,862)	(764)
Total current assets	9,702,083	11,346,036
Non-current assets		
Property, plant and equipment	161,463	226,919
Intangible assets		
Goodwill	1,167,485	1,219,096
Other	324,700	277,508
Total intangible assets	1,492,186	1,496,604
Investments and other assets	660,307	563,962
Total non-current assets	2,313,956	2,287,487
Total assets	12,016,040	13,633,524
Liabilities		
Current liabilities		
Accounts payable - trade	170,306	207,463
Income taxes payable	671,838	482,774
Provision for bonuses	204,823	124,279
Other	1,417,200	1,671,742
Total current liabilities	2,464,168	2,486,259
Non-current liabilities		
Deferred tax liabilities	106,137	90,217
Total non-current liabilities	106,137	90,217
Total liabilities	2,570,306	2,576,476
Net assets		
Shareholders' equity		
Share capital	447,718	464,658
Capital surplus	437,718	454,658
Retained earnings	8,558,704	10,116,366
Treasury shares	(226)	(255)
Total shareholders' equity	9,443,915	11,035,428
Share acquisition rights	1,818	1,818
Non-controlling interests	–	19,800
Total net assets	9,445,733	11,057,047
Total liabilities and net assets	12,016,040	13,633,524

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

Quarterly Consolidated Statements of Income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	8,047,632	9,869,698
Cost of sales	2,156,333	2,700,737
Gross profit	5,891,299	7,168,960
Selling, general and administrative expenses	3,326,035	4,062,744
Operating profit	2,565,263	3,106,215
Non-operating income		
Interest income	24	69
Interest on securities	3,140	3,088
Other	277	237
Total non-operating income	3,442	3,395
Non-operating expenses		
Interest expenses	38	–
Commission expenses	376	–
Foreign exchange losses	192	–
Loss on retirement of non-current assets	84	55
Miscellaneous losses	–	43
Total non-operating expenses	691	98
Ordinary profit	2,568,014	3,109,512
Extraordinary income		
Gain on sale of non-current assets	–	43
Total extraordinary income	–	43
Extraordinary losses		
Loss on step acquisitions	36,663	–
Loss on sale of non-current assets	–	131
Total extraordinary losses	36,663	131
Profit before income taxes	2,531,351	3,109,425
Income taxes - current	755,211	981,950
Income taxes - deferred	(15,892)	20,972
Total income taxes	739,319	1,002,922
Profit	1,792,031	2,106,502
Profit attributable to owners of parent	1,792,031	2,106,502

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit	1,792,031	2,106,502
Comprehensive income	1,792,031	2,106,502
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,792,031	2,106,502
Comprehensive income attributable to non-controlling interests	–	–

(Notes on segment information, etc.)

[Segment information]

I Nine months ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

1. Information on net sales and profit (loss) by reportable segment and information on disaggregation of revenue

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Marketing Solutions	HR Solutions	Total		
Net sales					
Goods or services transferred at a point in time	91,106	778,274	869,380	–	869,380
Goods or services transferred over time	2,495,525	4,682,725	7,178,251	–	7,178,251
Revenue from contracts with customers	2,586,631	5,461,000	8,047,632	–	8,047,632
Other revenue	–	–	–	–	–
Net sales to outside customers	2,586,631	5,461,000	8,047,632	–	8,047,632
Inter-segment net sales or transfers	–	–	–	–	–
Total	2,586,631	5,461,000	8,047,632	–	8,047,632
Segment profit	1,100,731	2,166,836	3,267,567	(702,303)	2,565,263

(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 HR Solutions 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 nine months ended June 30, 2023.

II Nine months ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment and information on disaggregation of revenue

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Marketing Solutions	HR Solutions	Total		
Net sales					
Goods or services transferred at a point in time	98,531	816,852	915,383	–	915,383
Goods or services transferred over time	2,709,096	6,245,218	8,954,314	–	8,954,314
Revenue from contracts with customers	2,807,627	7,062,071	9,869,698	–	9,869,698
Other revenue	–	–	–	–	–
Net sales to outside customers	2,807,627	7,062,071	9,869,698	–	9,869,698
Inter-segment net sales or transfers	–	–	–	–	–
Total	2,807,627	7,062,071	9,869,698	–	9,869,698
Segment profit	1,180,767	2,769,694	3,950,461	(844,246)	3,106,215

(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 HR Solutions due to Attack Inc. becoming a consolidated subsidiary following the acquisition of its shares. The increase in the amount of goodwill caused by this event was ¥88,527 thousand for the nine months ended June 30, 2024.
In addition, goodwill was incurred due to D4DR inc. becoming a consolidated subsidiary following the acquisition of 80% of its shares. The increase in the amount of goodwill caused by this event was ¥64,799 thousand for the nine months ended June 30, 2024.

3. Information regarding changes, etc. to reportable segments
Starting from the first quarter of the fiscal year ending September 30, 2024, the Company has merged the Visualization Engine Business Division and the Customer Rings Business Division as the Marketing Solutions Headquarters, the objective being to link the services of its two businesses providing solutions in the marketing-related domain and to accelerate the development of new services, thereby creating new added value. In addition, the Company sees a promising future for capturing a certain level of demand with the trial Yorisoar business, and has therefore established the new Yorisoar Business Division, which together with the Talent Palette Business Division forms the HR Solutions Headquarters.
In conjunction with the above changes to the management structure, the Company has changed the reportable segments from the three categories of “Visualizing Engine Business,” “Customer Rings Business” and “Talent Palette Business” existing in the fiscal year ended September 30, 2023, to the two categories of “Marketing Solutions” and “HR Solutions.”
The segment information stated for the first nine months of the fiscal year ended September 30, 2023 has been prepared based on the segment classifications after this change.