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Consolidated Financial Results for the Fiscal Year Ended September 30, 2024 (Under Japanese GAAP)

November 8, 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 of annual general meeting of shareholders: December 26, 2024
Scheduled date to commence dividend payments: December 27, 2024
Scheduled date to file annual securities report: December 26, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	13,914	24.6	4,540	22.4	4,540	23.4	3,093	18.0
September 30, 2023	11,171	–	3,711	–	3,678	–	2,620	–

Note: Comprehensive income For the fiscal year ended September 30, 2024: ¥3,095 million [18.1%]
For the fiscal year ended September 30, 2023: ¥2,620 million [– %]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2024	73.16	72.27	28.7	33.3	32.6
September 30, 2023	63.83	62.64	27.8	30.6	33.2

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended September 30, 2024: ¥– million
For the fiscal year ended September 30, 2023: ¥– million

Note: The Company began to prepare quarterly consolidated financial statements from the first quarter of the fiscal year ended September 30, 2023. Therefore, figures for the year-on-year changes for the fiscal year ended September 30, 2023 cannot be shown. In addition, as the fiscal year ended September 30, 2023 is the first year for disclosing consolidated financial statements, return on equity and ratio of ordinary profit to total assets for the fiscal year ended September 30, 2023 have been calculated based on equity and total assets as of September 30, 2023, respectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	15,267	12,101	79.1	284.27
September 30, 2023	12,016	9,445	78.6	223.69

Reference: Equity
As of September 30, 2024: ¥12,078 million
As of September 30, 2023: ¥9,443 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2024	3,318	(950)	(456)	10,189
September 30, 2023	3,307	(644)	136	8,278

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended September 30, 2023	–	0.00	–	13.00	13.00	548	20.4	6.8
Fiscal year ended September 30, 2024	–	0.00	–	16.00	16.00	679	21.9	6.3
Fiscal year ending September 30, 2025 (Forecast)	–	0.00	–	18.00	18.00		–	

3. Consolidated earnings forecasts for the fiscal year ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

(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, 2025	17,730	27.4	5,600	23.3	5,600	23.3	3,900	26.0	91.79

*** Notes**

(1) Changes in significant subsidiaries during the period: Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of September 30, 2024	42,489,800 shares
As of September 30, 2023	42,218,600 shares

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

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

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2024	42,285,161 shares
Fiscal year ended September 30, 2023	41,056,701 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	12,591	23.4	4,634	23.4	4,638	24.6	3,244	22.6
September 30, 2023	10,201	29.0	3,756	41.0	3,724	39.4	2,646	47.3

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2024	76.72	75.78
September 30, 2023	64.45	62.64

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2024	14,577	12,248	84.0	288.24
September 30, 2023	11,411	9,458	82.9	223.99

Reference: Equity

As of September 30, 2024: ¥12,247 million

As of September 30, 2023: ¥9,456 million

* Financial results reports are exempt from audit 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 Group 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. (4) Future Outlook” on page 5 of the Japanese version of the supplementary material.

Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	8,278,003	10,189,718
Notes and accounts receivable - trade	1,231,654	1,601,806
Merchandise	–	378
Work in process	156	24,086
Supplies	–	223
Prepaid expenses	193,821	258,509
Other	310	2,663
Allowance for doubtful accounts	(1,862)	(384)
Total current assets	9,702,083	12,077,001
Non-current assets		
Property, plant and equipment		
Buildings, net	102,065	183,258
Vehicles, net	–	0
Tools, furniture and fixtures, net	59,398	87,912
Total property, plant and equipment	161,463	271,170
Intangible assets		
Software	17,855	19,838
Goodwill	1,167,485	1,925,760
Other	306,845	245,476
Total intangible assets	1,492,186	2,191,074
Investments and other assets		
Investment securities	200,000	0
Deferred tax assets	177,571	314,344
Other	282,735	414,638
Allowance for doubtful accounts	–	(679)
Total investments and other assets	660,307	728,303
Total non-current assets	2,313,956	3,190,548
Total assets	12,016,040	15,267,549
Liabilities		
Current liabilities		
Accounts payable - trade	170,306	208,792
Accounts payable - other	269,236	298,307
Accrued expenses	257,671	297,237
Income taxes payable	671,838	1,027,408
Accrued consumption taxes	254,287	250,472
Contract liabilities	586,966	586,080
Provision for bonuses	204,823	253,020
Other	49,038	47,165
Total current liabilities	2,464,168	2,968,483
Non-current liabilities		
Deferred tax liabilities	106,137	84,910
Provision for retirement benefits for directors (and other officers)	–	106,000
Retirement benefit liability	–	6,770
Total non-current liabilities	106,137	197,680
Total liabilities	2,570,306	3,166,164

(Thousands of yen)

	As of September 30, 2023	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	447,718	495,352
Capital surplus	437,718	485,352
Retained earnings	8,558,704	11,098,222
Treasury shares	(226)	(255)
Total shareholders' equity	9,443,915	12,078,673
Share acquisition rights	1,818	1,470
Non-controlling interests	–	21,241
Total net assets	9,445,733	12,101,385
Total liabilities and net assets	12,016,040	15,267,549

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

Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Net sales	11,171,752	13,914,489
Cost of sales	2,958,755	3,765,499
Gross profit	8,212,996	10,148,989
Selling, general and administrative expenses	4,501,988	5,608,454
Operating profit	3,711,007	4,540,535
Non-operating income		
Interest income	56	920
Interest on securities	3,140	3,088
Miscellaneous income	754	317
Total non-operating income	3,950	4,326
Non-operating expenses		
Interest expenses	38	–
Share issuance costs	6,926	–
Listing expenses	28,480	–
Non-deductible consumption tax	82	448
Loss on cancellation of insurance policies	–	3,357
Other	652	98
Total non-operating expenses	36,180	3,904
Ordinary profit	3,678,778	4,540,957
Extraordinary income		
Gain on sale of non-current assets	107	43
Total extraordinary income	107	43
Extraordinary losses		
Loss on sale of non-current assets	–	131
Loss on step acquisitions	36,663	–
Loss on valuation of investment securities	–	99,999
Total extraordinary losses	36,663	100,130
Profit before income taxes	3,642,221	4,440,870
Income taxes - current	1,054,268	1,486,655
Income taxes - deferred	(32,824)	(141,005)
Total income taxes	1,021,444	1,345,649
Profit	2,620,777	3,095,220
Profit attributable to non-controlling interests	–	1,441
Profit attributable to owners of parent	2,620,777	3,093,779

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Profit	2,620,777	3,095,220
Comprehensive income	2,620,777	3,095,220
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,620,777	3,093,779
Comprehensive income attributable to non-controlling interests	–	1,441

(3) Consolidated Statements of Changes in Equity
For the fiscal year ended September 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	88,221	78,221	6,299,635	(226)	6,465,851
Changes during period					
Issuance of new shares	359,497	359,497	–	–	718,994
Dividends of surplus	–	–	(361,709)	–	(361,709)
Purchase of treasury shares	–	–	–	–	–
Profit attributable to owners of parent	–	–	2,620,777	–	2,620,777
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	359,497	359,497	2,259,068	–	2,978,063
Balance at end of period	447,718	437,718	8,558,704	(226)	9,443,915

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	10,803	–	6,476,655
Changes during period			
Issuance of new shares	–	–	718,994
Dividends of surplus	–	–	(361,709)
Purchase of treasury shares	–	–	–
Profit attributable to owners of parent	–	–	2,620,777
Net changes in items other than shareholders' equity	(8,984)	–	(8,984)
Total changes during period	(8,984)	–	2,969,078
Balance at end of period	1,818	–	9,445,733

For the fiscal year ended September 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	447,718	437,718	8,558,704	(226)	9,443,915
Changes during period					
Issuance of new shares	47,634	47,634	–	–	95,268
Dividends of surplus	–	–	(554,260)	–	(554,260)
Purchase of treasury shares	–	–	–	(28)	(28)
Profit attributable to owners of parent	–	–	3,093,779	–	3,093,779
Net changes in items other than shareholders' equity	–	–	–	–	–
Total changes during period	47,634	47,634	2,539,518	(28)	2,634,758
Balance at end of period	495,352	485,352	11,098,222	(255)	12,078,673

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	1,818	–	9,445,733
Changes during period			
Issuance of new shares	–	–	95,268
Dividends of surplus	–	–	(554,260)
Purchase of treasury shares	–	–	(28)
Profit attributable to owners of parent	–	–	3,093,779
Net changes in items other than shareholders' equity	(348)	21,241	20,892
Total changes during period	(348)	21,241	2,655,651
Balance at end of period	1,470	21,241	12,101,385

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,642,221	4,440,870
Depreciation	182,984	122,481
Depreciation and amortization on other	7,180	10,588
Amortization of goodwill	129,720	173,315
Loss (gain) on step acquisitions	36,663	–
Increase (decrease) in allowance for doubtful accounts	1,365	(799)
Increase (decrease) in provision for bonuses	55,132	44,371
Interest and dividend income	(3,196)	(3,985)
Interest expenses	38	–
Share issuance costs	6,926	–
Listing expenses	28,480	–
Loss (gain) on cancellation of insurance policies	–	3,357
Loss on retirement of non-current assets	84	55
Loss (gain) on sale of non-current assets	(107)	87
Loss (gain) on valuation of investment securities	–	99,999
Decrease (increase) in trade receivables	(177,781)	(275,885)
Decrease (increase) in inventories	3,184	(17,240)
Increase (decrease) in trade payables	65,766	38,485
Decrease (increase) in prepaid expenses	(13,928)	(52,293)
Increase (decrease) in accounts payable - other	42,317	(55,177)
Increase (decrease) in accrued expenses	45,571	31,494
Increase (decrease) in accrued consumption taxes	112,014	(29,983)
Increase (decrease) in contract liabilities	53,876	(2,064)
Increase (decrease) in retirement benefit liability	–	(294)
Other, net	92,964	(35,852)
Subtotal	4,311,479	4,491,529
Interest and dividends received	3,196	3,985
Interest paid	(38)	–
Income taxes paid	(1,006,729)	(1,176,694)
Net cash provided by (used in) operating activities	3,307,907	3,318,821
Cash flows from investing activities		
Purchase of property, plant and equipment	(28,561)	(146,427)
Proceeds from sale of property, plant and equipment	239	69
Purchase of intangible assets	(1,600)	(3,068)
Proceeds from sale and redemption of investment securities - InvCF	–	203,000
Purchase of investment securities	–	(99,999)
Long-term loan advances	–	(50,000)
Proceeds from collection of long-term loans receivable	–	24,938
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(612,109)	(1,056,941)
Proceeds from cancellation of insurance funds	–	265,462
Purchase of insurance funds	–	(1,349)
Proceeds from refund of leasehold and guarantee deposits	20	20,070
Payments of leasehold and guarantee deposits	(2,697)	(106,423)
Net cash provided by (used in) investing activities	(644,708)	(950,668)

(Thousands of yen)

	Fiscal year ended September 30, 2023	Fiscal year ended September 30, 2024
Cash flows from financing activities		
Repayments of long-term borrowings	(178,085)	–
Payments for issuance of shares	(6,926)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	710,010	94,920
Payments of listing expenses	(28,480)	–
Purchase of treasury shares	–	(28)
Dividends paid	(360,333)	(551,329)
Net cash provided by (used in) financing activities	136,184	(456,438)
Net increase (decrease) in cash and cash equivalents	2,799,384	1,911,714
Cash and cash equivalents at beginning of period	5,478,619	8,278,003
Cash and cash equivalents at end of period	8,278,003	10,189,718

(Notes on segment information, etc.)

[Segment information]

1. Summary of reportable segments

   The Group's reportable segments are components of the Group for which separate financial information is available and that are subject to periodic review by the Board of Directors to make decisions on the distribution of management resources and evaluate business performance.

   Starting from the fiscal year ended 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 fiscal year ended September 30, 2023 has been prepared based on the segment classifications after this change.

2. Calculation method of net sales, profit (loss), assets, liabilities, and other items by reportable segment

   The accounting method for reportable segments complies with the accounting policy adopted for the preparation of the consolidated financial statements. Segment profit is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Thousands of yen)

	Reportable segment			Adjustment (Notes 1, 2)	Amount recorded in consolidated financial statements (Note 3)
	Marketing Solutions	HR Solutions	Total		
Net sales					
Goods or services transferred at a point in time	126,781	1,091,838	1,218,619	–	1,218,619
Goods or services transferred over time	3,378,497	6,574,636	9,953,133	–	9,953,133
Revenue from contracts with customers	3,505,278	7,666,474	11,171,752	–	11,171,752
Other revenue	–	–	–	–	–
Net sales to outside customers	3,505,278	7,666,474	11,171,752	–	11,171,752
Inter-segment net sales or transfers	–	–	–	–	–
Total	3,505,278	7,666,474	11,171,752	–	11,171,752
Segment profit	1,463,550	3,186,308	4,649,859	(938,851)	3,711,007
Segment assets	395,579	3,027,614	3,423,194	8,592,845	12,016,040
Other items					
Depreciation	11,853	161,923	173,777	9,206	182,984
Amortization of goodwill	–	129,720	129,720	–	129,720
Increase in property, plant and equipment and intangible assets	4,816	1,756,440	1,761,257	14,578	1,775,836

(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. The adjustment to segment assets is cash and deposits, etc. that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statements of income.

For the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Thousands of yen)

	Reportable segment			Adjustment (Notes 1, 2)	Amount recorded in consolidated statements of income (Note 3)
	Marketing Solutions	HR Solutions	Total		
Net sales					
Goods or services transferred at a point in time	152,227	1,247,013	1,399,240	–	1,399,240
Goods or services transferred over time	3,631,538	8,883,710	12,515,248	–	12,515,248
Revenue from contracts with customers	3,783,765	10,130,723	13,914,489	–	13,914,489
Other revenue	–	–	–	–	–
Net sales to outside customers	3,783,765	10,130,723	13,914,489	–	13,914,489
Inter-segment net sales or transfers	315	–	315	(315)	–
Total	3,784,080	10,130,723	13,914,804	(315)	13,914,489
Segment profit	1,622,432	4,083,623	5,706,055	(1,165,520)	4,540,535
Segment assets	438,212	5,452,738	5,890,951	9,376,597	15,267,549
Other items					
Depreciation	12,835	93,678	106,513	15,968	122,481
Amortization of goodwill	–	173,315	173,315	–	173,315
Increase in property, plant and equipment and intangible assets	5,186	948,984	954,171	124,003	1,078,174

(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. The adjustment to segment assets is cash and deposits, etc. that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the consolidated statements of income.

[Information associated with reportable segments]
For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

1. Information by product or service
Information is omitted since the same information is disclosed in the segment information.

2. Information by region
(1) Net sales
Information is omitted since net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment
Not applicable since there is no property, plant and equipment outside Japan.

3. Information by main customers
Information is omitted since no sales to a specific outside customer exceeded 10% of net sales in the consolidated statements of income.

For the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

1. Information by product or service
   Information is omitted since the same information is disclosed in the segment information.

2. Information by region
   (1) Net sales
   Information is omitted since net sales to outside customers in Japan exceeded 90% of net sales in the consolidated statements of income.

   (2) Property, plant and equipment
   Not applicable since there is no property, plant and equipment outside Japan.

3. Information by main customers
   Information is omitted since no sales to a specific outside customer exceeded 10% of net sales in the consolidated statements of income.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)
Not applicable.

For the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)
Not applicable.

[Information on amortization and unamortized balance of goodwill by reportable segment]

For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Thousands of yen)

	Marketing Solutions	HR Solutions	Unallocated amounts and elimination	Total
Amortization of goodwill	–	129,720	–	129,720
Balance at end of period	–	1,167,485	–	1,167,485

For the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Thousands of yen)

	Marketing Solutions	HR Solutions	Unallocated amounts and elimination	Total
Amortization of goodwill	–	173,315	–	173,315
Balance at end of period	–	1,925,760	–	1,925,760

[Information on gain on bargain purchase by reportable segment]

For the fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)
Not applicable.

For the fiscal year ended September 30, 2024 (from October 1, 2023 to September 30, 2024)
Not applicable.